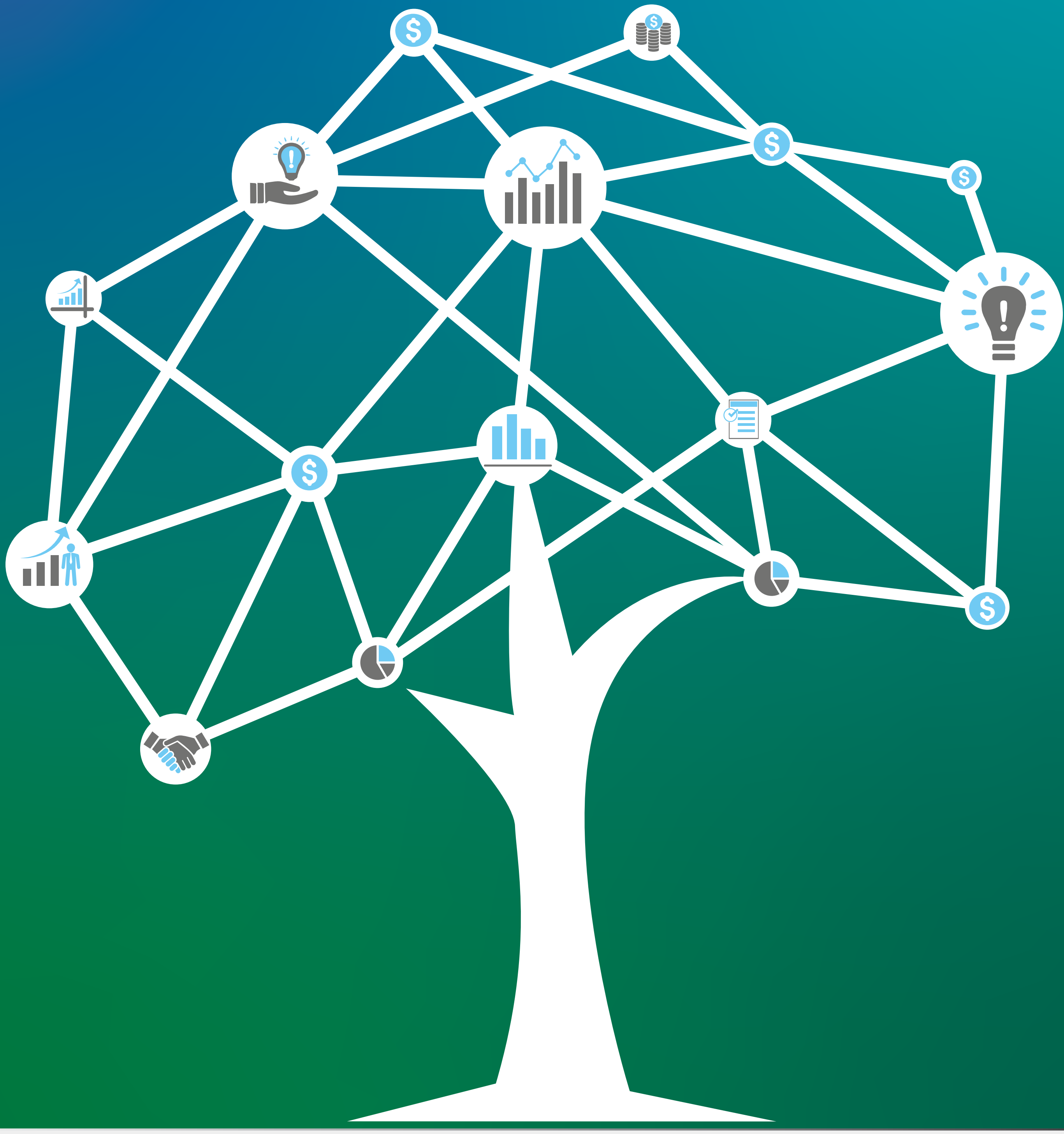


ANNUAL REPORT
2023

Corporate Information

Legal Status

Printcare PLC was incorporated as a Private Limited Liability Company on 3rd September 1979 under the Companies Ordinance No. 51 of 1938.

It was converted to a Public Limited Liability Company on 21st October 1994.

Company Registration No : PQ 75
Tax Payer Identification No : 104059317

Board of Directors

Late Merrill J Fernando - Chairman (Deceased on 20.07.2023)
Abbas Esufally - Chairman (Appointed w.e.f. 31.07.2023)
K R Ravindran
Ejaz Chatoor
Dayasiri Warnakulasooriya
Anushya Coomaraswamy
Vajira Kulatilaka
Krishna R Ravindran
Steven Mark Enderby
Malik J Fernando (Appointed w.e.f. 31.07.2023)

Registered Office

77, Nungamugoda Road, Kelaniya.

Stock Exchange Listing

Colombo Stock Exchange

Auditors

Messrs. Ernst & Young Chartered Accountants

Lawyers

D.L. & F. De Saram
Attorneys-at-Law and Notaries Public

Nithi Murugesu and Associates

Secretaries

Managers & Secretaries (Pvt) Limited

Bankers

National Development Bank PLC
Commercial Bank of Ceylon PLC
Standard Chartered Bank
Hatton National Bank PLC
People's Bank
Nations Trust Bank PLC
Bank of Ceylon
Sampath Bank PLC
Seylan Bank PLC
DFCC Bank PLC
Union Bank of Colombo PLC

Contents

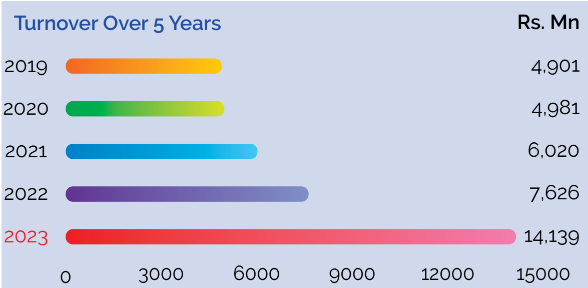
Financial Highlights	03
Chairman's Statement	04
Management Discussion And Analysis	06
Directors' Profiles	07
Corporate Governance	11
Audit Committee Report	16
Remuneration Committee Report	18
Related Party Transaction Committee Report	19
Risk Management	20
Sustainability Report	25
Annual Report of the Board of Directors on the affairs of the Company	75
Statement of Directors' Responsibilities for Financial Statements	79
Independent Auditor's Report to the Shareholders of Printcare PLC	80
Statement of Profit or Loss and Other Comprehensive Income	84
Statement of Financial Position	85
Statement of Changes in Equity	86
Statement of Cash Flows	87
Notes to the Financial Statements	88
Decade at a Glance	137
Information to Shareholders and Investors	139
Notice of Meeting	141

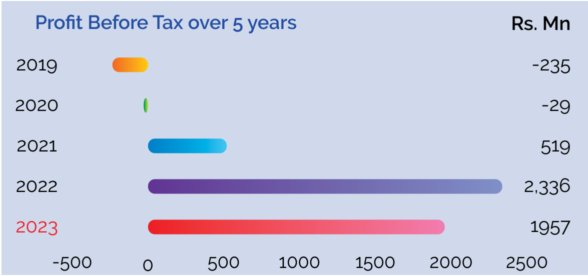
Financial Highlights

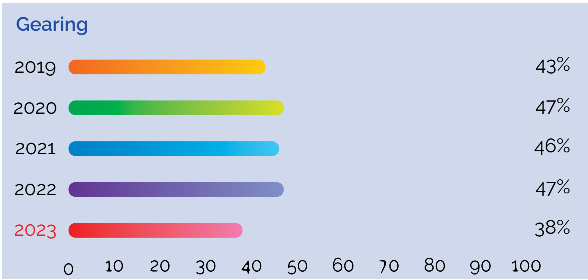
Year Ended 31 March

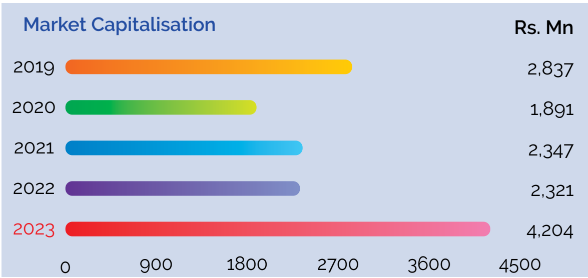
	2023	2022	Change	2021
Trading Results				
Turnover (Rs. '000s)	14,138,738	7,626,233	85%	6,019,906
Profit Before Tax (Rs. '000s)*	1,957,380	2,336,166	-16%	519,307
Profits attributable to equity shareholders (Rs. '000s)	1,489,392	2,236,812	-33%	574,956
Cash from Operations (Rs. '000s)	1,375,830	568,268	142%	656,217
Balance Sheet Highlights				
Total Assets (Rs. '000s)	14,370,936	11,589,734	24%	7,548,502
Total Equity (Rs. '000s)	6,835,204	5,054,593	35%	3,212,293
Key Ratios				
Gearing	38.2%*	47.1%	-19%	46.0%
Return on Average Shareholders Funds	26.1%	56.9%	-54%	20.7%
Return on Average Total Capital	27.0%*	33.5%	-19%	12.1%
Share Information				
Net Asset Value Per Share (Rs.)	76.71	56.31	36%	35.16
Dividends Per Share (Rs.)	6.00	5.00	20%	1.00
Earnings Per Share (Rs.)	17.33	26.02	-33%	6.69
Market Price Per Share at the year end (Rs.)	48.90	27.00	81%	27.30
No of Shares ('000)	85,967	85,967	-	85,967
Market Capitalisation (Rs. '000s)	4,203,770	2,321,100	81%	2,346,890

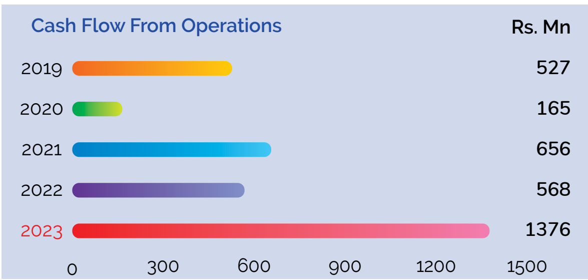
* Group has revalued Lands during the year. Refer note 7.7 to the financial statements for derails.











Chairman's Statement

Dear Shareholders,

It is with some sadness that I write this Chairman's statement.

I was elected to this office consequent to the passing of a person who had occupied the position of Chairman of this company since it was founded over four decades ago. He had been the guiding light and a beacon of inspiration for all of us. Under his stewardship as Chairman, this company reached new heights, achieved unprecedented milestones, and demonstrated an unwavering commitment to excellence. As we navigate the path ahead without his physical presence, we will continue to draw strength from the values that the late Merrill J Fernando instilled in us.

Financial Performance

Fiscal year 2022/23 was another strong year for Printcare PLC. In the year under review, your Company recorded a Turnover of Rs 14,138 million, an 85% growth over last year, and a Profit Before Tax of Rs. 1,957 million which was a 45% growth after removing one off gains from disposals. All our companies had performed well except for the security business, which has struggled to a large extent because of our inability to secure fully the local government business in spite of our competitiveness, state-of-the-art equipment, success in export markets and the high quality of our product.

We must view our financial performance against the backdrop of the economic turmoil that surrounded us. In April 2022, for the first time in our history, Sri Lanka formally defaulted on our debt obligations. This also led to shortages of fuel and other necessities, an unprecedented fall of the Rupee against the US dollar, a surge in inflation which peaked at 73.7%, and changes in the offices of the President, Prime minister, and the Governor of the Central Bank.

Our performance last year was driven by continued strong export and indirect export sales in all our segments. Our proven track record of export performance, discerning capabilities, defensive end market exposure, and innovative new product pipeline have proved particularly compelling in driving our performance in the context of continued macroeconomic challenges that prevailed during the last financial year.

We laid the foundation for this export performance by focusing our investments in products that have targeted niche segments and also invested in equipment that could provide value added packaging options for customers.

Operating in an environment of restricted imports and shortage of hard currency created its own problems. Our priority last year then was to ensure that none of our customers were left without supplies, which in turn would have affected their own production. We succeeded in achieving this to a very large extent and in a way that explains the tremendous customer loyalty we enjoy today.

Amongst the operating challenges we faced was a fire breaking out in our plate making department in the early hours of the morning on May 27th, 2022, when the night shift was on. The plate making machine, which runs on hydrocarbons – a petroleum-based fluid – was burnt beyond repair.

There was no risk to personnel and the speedy reactions of our trained firefighting teams contained the fire even before the fire department arrived.

But being a period when imports were near impossible, we had to outsource our pre-press work for some length of time at considerable cost whilst we worked out the modus operandi of securing replacement machines – our first priority being no customer be inconvenienced and no shipment be missed.

We can confirm that nearly all the replacement machines had arrived by March. And, as a post balance sheet event, I am happy to confirm the last two machines are also in and production is now fully regularized.

Discussions are ongoing with the Insurance Company on the claims.

On the positive side your company was the most awarded company at the print industry's most prestigious event – the Global Packaging Excellence Awards 2023 held in Mumbai, India which attracted global participation. We carried away 17 awards. The pièce de résistance was the award to Printcare for the Global Digital Printer of the year.

We could not have achieved all of this without the dedication and determination of the management and staff to honour the commitments and meet the delivery deadlines we gave to our customers. Despite the difficulties posed in transport, fuel and other challenges, our team rallied together to stay on top of the game.

Looking Ahead

We had planned to commence construction and complete our new green factory that will focus solely on sustainable packaging by the end of 2022. However, given the runaway cost escalations, we decided to postpone the construction of the new factory until there is more visibility into the construction costs. Nevertheless, we will proceed with the implementation of our new sustainable packaging line within premises leased for this purpose, and the machinery has already been sourced.

This will enable us to take advantage of one of the biggest trends in our industry, the need for sustainable packaging solutions. Consumers are now increasingly demanding products that have a minimal negative impact on the ecology. Governments are also imposing more stringent regulations, both in the country where goods and services are produced, and where they are consumed.

However, we do see some dark clouds ahead. The expected strengthening of the Rupee, whilst good for the country, is bound to have repercussions on all export driven companies in the short run. We will not be an exception. This is further compounded by the noticeable drop in packaging demand from the Apparel, FMCG and alcohol sectors who make up a large segment of our customer base.

Conclusion

I am also pleased to announce that we have declared Rs. 5.50 per share in dividends making up a value of Rs 473 million for the financial year under review. It is the second largest payout in your Company's history.

To our customer and supplier partners, we thank you for helping us through this extraordinary time. Without you, we would simply not exist, and to our shareholders, well, we are still here: wiser, fitter and ready for the next phase of our advancement.

I extend my gratitude to my colleagues on the board for their commitment and advice during this challenging period. Our bedrock has been our loyal work force. My colleagues on the Board join me in expressing our sincere thanks again to our customers, our business partners, our loyal and diligent workforce and our shareholders.

Abbas N Esufally
Chairman

15 August 2023

Management Discussion and Analysis

Revenue

The group's consolidated revenue for the period amounted to Rs. 14.1 billion, reflecting an 85.4% increase compared to the same period last year. We witnessed strong value growth, as a result of price adjustments due to raw material cost increases, and the depreciation of the Rupee. We also experienced volume growth as we continued to grow the export market share that we had gained during the pandemic. Local volumes in the FMCG sector also grew as our Sri Lankan customers sped up their ongoing localization efforts.

Gross Profit

The Group profit margins improved to 28.8% in 2023 from 24.4% in 2022. Despite large increases in raw material prices during the financial year, proactive inventory management helped mitigate unfavourable price movements and leverage favourable exchange rate dynamics. This along with an increased focus on cost reduction strategies helped improve margins despite a challenging inflationary environment where prices of most of our inputs increased. The Group continued its focus on moving towards more value added segments whilst improving operational efficiency, which should help support overall margins in the long run.

Operating Profit

Earnings from Operations improved to Rs. 2,739 Mn from Rs. 1,518 Mn. Administration, Distribution and Other Operating expenses increased due to higher export related expenses such as freight, and increased remuneration and welfare contributions to support cost of living increases for our employees. We also faced increases in almost all input costs. Other Operating Income declined in comparison to the previous year due to volatility in the exchange rates. As reported in the Chairman's statement, the company was subject to a fire accident during the financial year. Consequent to the accident the company had to temporarily outsource its plate making functions. During the year this amounted to an extra ordinary expenditure of Rs 70 Mn.

Interest And Taxes

The Group's finance expenses also increased from Rs. 260.8 million incurred in the previous year to Rs 823.4 million during the period under review due to the sharp rise in interest rates and increase in working capital funding requirements. Working capital expanded last year to offset supply chain challenges which prevailed during the year. We expect these levels to normalise over the course of the coming financial year.

The Group was able to mitigate the risk of increasing Rupee interest rates, by converting a sizeable portion of its short-term facilities into long-term borrowings on a fixed rate basis prior to the sharp upward movement in interest rates.

The Profit before Tax for the Group recorded a decline by 16.2% to Rs.1.96 billion during the year. However, once an extra ordinary gain made on the divestment of an associate company in the previous year is adjusted, Profit before taxes increased by 45.4% year on year.

The Group's Tax Expense increased to Rs 453m compared to Rs 71m reported last year due to the increase in tax rates from 1st October 2022 to 30% from 14% and 18%. The group used carried forward tax losses to reduce the taxable income in the previous year.

Directors' Profiles

Mr. M. J. Fernando

Chairman (Late)

Merrill J Fernando was the founder of the MJF Group of Companies and the global brand, DILMAH which re-launched Ceylon Tea globally. He developed the first ever tea brand from a tea producing country, which is competing successfully with multinational brands to become the respected global brand name for freshness and quality.

He pioneered value addition to tea at origin, combined with branding and marketing, thus retaining in Sri Lanka the profits which are lost by the producer to traders who engage in the most profitable segments of the industry; blending and branding, overseas. He showed producers of raw material the way out of the commodity trap.

In his commitment to care and share, Mr. Fernando established the MJF Charitable Foundation, a charity that works to create better conditions for plantation workers, underprivileged children, elders and society's victims.

Mr. K. R. Ravindran

Managing Director

Mr. K.R. Ravindran, Co-Founder and CEO of Printcare PLC, has over 40 years of experience in the printing and packaging industry. He is a graduate in Commerce from Loyola College, formerly University of Madras, India. He also serves as a Director in all of the group companies as well as other companies and charitable trusts and Foundations both in Sri Lanka and overseas.

In 2015/16, Mr. Ravindran served as the global head of the Chicago headquartered 117 year old Rotary International, one of the world's largest service organizations. He is the only Sri Lankan and the tenth Asian to have ever been elected to this prestigious office in 2015-16. He also served as the Chairman of the Board of Trustees of the multi billion dollar Rotary Foundation in 2020-21.

He has been recognized by the Sri Lanka Association of Printers with the signature Lifetime Achievement Award and was conferred with the title of Sri Lanka Sikhamani (Jewel of Sri Lanka) by the Government of Sri Lanka. A postage stamp was released by the government in his honor and with his visage.

Mr. A. N. Esufally

Chairman (Appointed w.e.f. 31 July 2023)

Mr. A.N. Esufally is a Fellow of both the Institute of Chartered Accountants of England & Wales and the Institute of Chartered Accountants of Sri Lanka. He is an all Island Justice of the Peace and is the Hon. Consul-General of the Kingdom of Bhutan in Sri Lanka.

He has experience in business of over 40 years in Sri Lanka and overseas and has been in the forefront of the leisure industry in Sri Lanka. He is a Director of Hemas Holdings PLC and Mahaweli Reach Hotels Plc and several other unlisted companies.

Mr. E. Chatoor

Non-Executive Director

Mr. Ejaz Chatoor has been a member of Printcare PLC Board as a Non-Executive Director since 1994. He is the Managing Director of Saboor Chatoor (Private) Limited, a leading exporter of spices and other agricultural products from Sri Lanka. He has over 40 years of management experience in the export trade and holds a BSc degree in Business Administration from the University of Southern California and a MBA from the University of California, Los Angeles.

Mr. D. Warnakulasooriya

Non-Executive Director

Mr. Dayasiri. Warnakulasooriya is the Chairman and Managing Director of the Midaya Group of Companies. The Midaya Group has accumulated several honours since its inception in 1968, including the Presidential Export Award, the National Exporters Association Exporters' Award, the National Productivity Award Certificate of Merit and several categories of the Entrepreneur of the year award, certification in ISO 9001-2015.

He is also a recipient of the "The Order of the Sacred Treasure, Gold Rays with Rosette" an honour bestowed upon him by the Emperor of Japan (awarded in the year 1996).

Mr Warnakulasooriya also serves in the following roles:

- Past President of the Sri Lanka Ceramics Council.
- Senior Vice Patron of JASTECA (Japan Sri Lanka Technical and Cultural Association).
- Past Chairman of the Board of Trustees of the Sasakawa Memorial Sri Lanka Japan Cultural Centre Trust.
- President – Japanese Language Education Association of Sri Lanka.
- President – National Council for Child Youth Welfare.
- Committee Member of the Friends of the Accident Service (National Hospital).
- Committee Member of the Lanka Japan Business Cooperation Committee.
- Past President (85th) of the Rotary Club of Colombo.

Ms. A. Coomaraswamy

Independent Non - Executive Director

A Fellow of the Chartered Institute of Management Accountants UK and the Institute of Chartered Accountants of Sri Lanka, she was the Group Finance Director of John Keells Holdings from 1994 to 2002. She subsequently held the positions of Advisor to the Ministry of Finance, Chairperson of the Public Utilities Commission and as a member of the Public Enterprise Reform Commission. She currently serves on the Board of Directors of Law and Society Trust and of Women and Media Collective.

Mr. Vajira Kulatilaka

Independent Non - Executive Director

Mr. Vajira Kulatilaka holds a Bsc. in Civil Engineering with First Class Honors from the University of Moratuwa and a Msc. in Industrial Engineering and Management from the Asian Institute of Technology, Thailand. He is also a Chartered Financial Analyst (CFA) and has obtained Fellow Membership of the Chartered Institute of Management Accountants, UK.

He counts 39 years of experience in Banking and Finance and Capital Market operations in Sri Lanka.

Mr Kulatilaka served as the Director/CEO of the NDB Investment Banking Cluster, where he was adjudged the Best Investment Banking CEO Sri Lanka in 2014 and 2015 by Global Banking and Finance Review in recognition of his contribution to the investment banking field in Sri Lanka.

Mr Kulatilaka served as the Chairman of the Colombo Stock Exchange from 2014 to 2017, the Chairman of the South Asian Federation of Exchanges (SAFE) from 2015 and 2017, and as a Council Member of the University of Moratuwa from 2015 to 2019.

He currently serves on the board of Sampath Bank PLC and Panasian Power PLC as a Independent Non Executive Director.

Mr. Steven Enderby

Independent Non - Executive Director

Mr Enderby has had a successful career in private equity with Actis, a leading global emerging markets fund, and CDC, the UK government's development finance arm. The majority of his experience has been in India and Sri Lanka, where he has been based for most of the past 27 years. He has led a number of innovative private equity deals including the privatisation and expansion of a container terminal in the Port of Colombo, the buy out of one of India's largest tractor manufacturers and the acquisition of Sri Lanka's leading industrial gases business. He was a partner in Actis from its formation in the early 2000's.

After studying for his Masters at University of Melbourne, he returned to Sri Lanka in 2013 as Deputy CEO and Director, Hemas Holdings PLC, a leading Sri Lankan Consumer and Healthcare business. He was appointed Group CEO from 2014 until 2020.

Today, he is the Non-Executive Chairman of Ironwood Capital Partners, Sri Lanka's leading private equity fund and serves as a non executive director/advisor to a number of Indian and Sri Lankan businesses.

He is a Fellow Member of the Chartered Institute of Management Accountants, holds a Degree in Economics and Accounting from Queen's University Belfast and a Master's Degree in Development Studies from the University of Melbourne.

Mr. Krishna Ravindran

Executive Director

Mr. Krishna Ravindran joined Printcare in 2005 as a Senior Manager in the Finance division, and subsequently held several leadership positions within the Group covering General Management, Finance, Technology, and Quality over the years. Mr. Krishna Ravindran currently serves as Executive Director of Printcare PLC, and a Director in all of its subsidiaries. Prior to joining Printcare, Mr. Ravindran had worked as an Investment Banker in the Leveraged Finance Group at JP Morgan in New York, and in the Corporate Advisory Division at NDB Investment Bank in Sri Lanka. He received a Bachelor of Science Degree in Business Administration from Georgetown University in Washington DC and also attended the University of Oxford in the United Kingdom.

Mr. Malik J. Fernando

Non - Executive Director (Appointed w.e.f. 31 July 2023)
Director, Dilmah Tea
Managing Director, Resplendent Ceylon

Malik is a Director of Dilmah Tea. Established by Merrill J. Fernando; Dilmah, named after his two sons Dilhan and Malik, was the first producer-owned tea brand, offering tea 'picked, perfected and packed' at origin. Dilmah is founded on a passionate commitment to quality and authenticity in tea, it is also a part of a philosophy that goes beyond commerce in seeing business as a matter of human service. 15% of earnings are directed to social justice and the environment through the MJF Charitable Foundation and Dilmah Conservation.

Malik is also the Managing Director of Resplendent Ceylon, the first Sri Lankan luxury resort brand. This "best of Sri Lanka" circuit features three distinctively original resorts, connected by a thread of peerless service. Ceylon Tea Trails, Wild Coast Tented Lodge and Cape Weligama are the sole Sri Lankan members of Relais & Chateaux, the global fellowship of individually owned & operated luxury hotels and restaurants. Three more resorts are in development.

Mr Fernando spearheaded the Sri Lanka Tourism Alliance to mobilize the private tourism sector to act swiftly and strategically, with one voice under the Love Sri Lanka banner.

Malik has a BSc in business management from Babson College in the US.

Corporate Governance

Corporate Governance at Printcare means creating value for shareholders whilst promoting a culture of ethical behavior and practice. Printcare is committed to maintaining the highest standards of ethical values and professionalism in all its activities.

The Group provides all the market participants and regulatory authorities with timely, accurate, complete and reliable information of the Company while continuing to regulate and improve its corporate governance structure.

The Board of Directors

Board Composition and Independence

The Printcare Board consists of nine directors comprising seven non-executive directors and two executive directors with one director functioning as the Managing Director/Chief Executive Officer for the Group. The seven Non-Executive Directors include the Chairman and three Independent Directors.

The role of the Chairman and that of the Managing Director are distinct and separate. Members of the Board possess substantive knowledge and experience in a variety of industries and fields. The Managing Director has over 42 years of experience in the printing and packaging industry.

The balance between the Executive and Non-Executive Directors is maintained as per SEC regulations. Each Director provides independent judgment on major issues discussed at Board meetings. All directors have attended Board meetings and discharged their duties in a conscientious and responsible manner. The Company has adopted an Independent Directors system whereby three Independent Non-Executive Directors have been appointed to the Board in line with the SEC ruling. The primary duties of the Independent Non-Executive Directors are to protect the interests of the shareholders independently and objectively.

Each director has a responsibility towards independence and conflict of interest is avoided by taking judgments or decisions after assessing any interest in the transaction. Such potential direct and indirect material relationships with the Company are reviewed by the board from time to time.

Diversity of the Board

In the year under review the Company looked at how diversity in the Board impacts the success of the Company. It is strongly believed that diversity adds much depth, breadth, insight and perspective to the experience which the Board represents, and contributes toward corporate success. The Printcare Board is diverse in age, gender, leadership, skills, competencies, philosophies and life experiences, and hence bring in a wide range of perspectives resulting in strengthening the corporate governance structure at Printcare.

The Board's Key Responsibilities

The Printcare Board of Directors represents the shareholders' interest in the Group's successful operation. This active responsibility includes optimizing long-term financial returns and delivering value to customers, employees, communities and other key stakeholders. The Board is accountable for the Company executing its responsibilities in a legal and ethical manner.

The responsibilities include

- Providing direction and guidance to the Company in the formulation of its strategies and in the pursuance of its operational and financial goals.
- Monitoring systems of governance and compliance.
- Overseeing systems of internal control and risk management.
- Approving major acquisitions, disposals and capital expenditure.
- Approving annual budgets and strategic plans.
- Reviewing the statutory and SEC governance rules and ensuring compliance.
- Formulating proposals for dividend and bonus distributions, and for the increase or reduction of capital.
- Exercising other powers, functions and duties as conferred by the Company's articles of association.

Members Attendance

Member's Name	30 Aug 22	14 Nov 22	22 Feb 23
M. J. Fernando	X	X	X
A. N. Esufally	Y	Y	Y
K. R. Ravindran	Y	Y	Y
E. Chatoor	Y	X	Y
D. Warnakulasooriya	Y	Y	X
A. Coomaraswamy	Y	X	Y
C.V. Kulatilaka	Y	Y	Y
Krishnamoorthi Rajabather Ravindran	Y	Y	Y
Steven Mark Enderby	Y	Y	Y
Malik J Fernando (Alternate Director to Mr.M.J. Fernando)	X	Y	Y

A. "X" denotes - Excused.

Delegation of Authority

The executive authority of the Board is delegated to the Managing Director who is also a member of the Board. The Managing Director is fully accountable to the Board for the day to day running of the Company. The performance of the Company is monitored by way of monthly management meetings. These meetings provide an opportunity to look at performance deviations and take remedial action.

The Board is assisted in fulfilling its responsibilities by delegating some of its functions to three sub committees while retaining final decision rights pertaining to matters under the purview of these committees.

Audit Committee

The Audit Committee consists of two Independent Non- Executive Directors. The role of the Committee is to review the accounting principles, policies and the practices adopted in the preparation of financial information. The Committee is responsible for consideration and the appointment of the external auditors. Further the Committee supports the Board in discharging their responsibilities in areas such as the overseeing of internal controls, business risk and statutory compliance.

The Audit Committee report including the subjects reviewed during the financial year 2022/23 are reported in detail on pages 16 to 17.

Members Attendance

Member's Name	30 May 22	23 Aug 22	04 Nov 22	02 Feb 23
A. Coomaraswamy	Y	Y	Y	Y
Vajira Kulatilake	Y	Y	Y	Y

A. "X" denotes - Excused.

Remuneration Committee

The Remuneration Committee consists of two Independent Non- Executive Directors. The role of the Committee is to determine the remuneration policy for the Chief Executive Officer and the Senior Managers, and to ensure that the statutory and legal requirements pertaining to the remuneration are complied with.

The Remuneration Committee report and the subjects reviewed during the financial year are presented in page 18.

Related Party Transaction Review Committee

The Related Party Transaction Review Committee consists of two Independent Non-Executive Directors and a Non-Executive Director. The objective of the Committee is to exercise oversight on behalf of the Board, that all Related Party Transactions are taken note of and dealt with in a manner consistent with the code of listing rules.

The Related Party Transaction Review Committee report and the subjects reviewed during the financial year are presented in page 19.

Members Attendance

Member's Name	30 May 22	23 Aug 22	04 Nov 22	02 Feb 23
Vajira Kulatilake	Y	Y	Y	Y
A. Coomaraswamy	Y	Y	Y	Y
D. Warnakulasooriya	X	X	Y	Y

A. "X" denotes - Excused.

Shareholder Relationship

The shareholders' role as explained in the code of best practices is to appoint directors and auditors and to satisfy themselves that an appropriate governance structure is in place. The Company communicates the quarterly financial results to the shareholders within the period stipulated by the Colombo Stock Exchange.

Shareholders have the opportunity at the scheduled Annual General Meeting to ask questions from the Board of Directors on these statements. The content of the Annual Report also enables the existing and prospective stakeholders to make better informed decisions in their dealings with the Company securities.

Economic, Environmental and Social Engagement with Stakeholders

Printcare Sustainability Strategy endorses the triple bottom line principles.

The Company frequently engages in issues pertaining to economic and social related aspects. Our labour and workplace management practices are supported by the principles of the ILO Declaration (International Labour Organization). These have been described in detail under Economic Performance, Printcare Workplace and Community Involvement sections in the Sustainability Report.

A group wide environmental management system has been implemented and the Group has put a great deal of emphasis on environmental factors such as energy, water, waste management and materials. These have been described in detail in the Environmental Impact section on pages 48 to 53.

Memberships Maintained by Printcare Group During the Year 2022/23

- Employers' Federation of Ceylon (EFC)
- Ceylon Chamber of Commerce
- Sri Lanka Tea Board
- National Chamber of Commerce Sri Lanka
- Association of Printers
- Sri Lankan Business and Biodiversity Platform - (Patron Member)
- Export Association of Sri Lanka

Risk Management

The Company has adopted an Enterprise Risk Management methodology to assess the potential multitude of risk exposure in each of the group companies. After identifying the significant risks, relevant response strategies were formulated in the year under review. This is a continuous process and a quarterly report is presented to the Board Audit Committee.

More details are provided on pages 20 to 24 and note 29 of the Financial Statements.

Accountability, Audit and Reporting

The Board recognizes its responsibility to present a balanced and understandable assessment of the Group's financial position, performance and prospects in accordance with the requirements of the Companies Act No 07 of 2007. Directors are responsible to furnish information to shareholders in relation to Financial Statements with adequate information which are depicted in the Annual Report. The Financial Statements are prepared based on the applicable Accounting Standards with relevant disclosures. Further reasonable steps have been taken to ensure the accuracy and timeliness of the Financial Statements by the Board of Directors.

Group operations, planning, decision rights and monitoring are vested with the Executive Committee and monthly review meetings are conducted. In addition, a monthly management presentation is also made to review operational performances by all managers.

Compliance

The Company's compliance with its statutory obligations is monitored regularly by the management to ensure that they have all been met. In addition, the minutes of the Audit Committee meetings are tabled on a quarterly basis at the Board Meetings by the Audit Committee which also examines the statutory compliance reports periodically. A set procedure has also been implemented to validate the Board's own performance.

The Group's level of compliance with the CSE's new listing rules – Section 7.10 and Section 9 on Corporate Governance is provided on pages 14 to 15.

CSE Rule No	Subject	Description	Complaince
7.10.a/b/c	Compliance	Compliance with Corporate Governance rules should be disclosed in the Annual Report	√
7.10.1.(a)	Non Executive Directors (NED)	At least 2 or 1/3 of total number of Directors, whichever is higher should be NED's	√
7.10.2.(a)	Independent Directors	2 or 1/3 of NEDs, whichever is higher, should be "independent"	√
7.10.2.(b)	Independent Directors	Annual declaration of independence should be submitted by each NED	√
7.10.3.(a)	Disclosure relating to Directors	A. The board should determine annually as to the independence or otherwise of each NED	√
		B. Names of the Non Executive Directors' should be disclosed in the annual report	√
7.10.3.(b)	Disclosure relating to Directors	If the Director doesn't qualify as independent, the Director should specify the criteria not met and the basis for the determination in the annual report (Refer page 78)	√
7.10.3.(c)	Disclosure relating to Directors	A brief resume of each Director should be included in the annual report including the Director's areas of expertise	√
7.10.3.(d)	Disclosure relating to Directors	A brief resume of new Directors appointed to the board with details specified in 7.10.3(a), (b) and (c) should be provided to the CSE	√
7.10.4(a-h)	Determination of Independence	Requirements for meeting the criteria for Board composition and independance as setout in corporate governance section	√
7.10.5	Remuneration Committee (RC)	A listed company should have a Remuneration Committee	√
7.10.5 (a)	Composition of Remuneration Committee	The committee should comprise NEDs, a majority of whom will be independent	√
		One NED should be appointed as chairman of the committee by the Board of Directors	√
7.10.5 (b)	Functions of Remuneration Committee	The Remuneration Committee should recommend the remuneration of the Chief Executive Officer (CEO) and Executive Directors	√
7.10.5 (c)	Disclosure in the annual report relating to Remuneration Committee	A. Names of Directors comprising the Remuneration Committee	√
		B. Statement of Remuneration Policy	√
		C. Aggregate remuneration paid to EDs and NEDs	√

CSE Rule No	Subject	Description	Complaince
7.10.6	Audit Committee (AC)	A listed company should have an Audit Committee	√
7.10.6 (a)	Composition of Audit Committee	A. The committee should comprise NEDs majority of whom shall be Independent	√
		B. A NED should be the Chairman of the committee	√
		C. The Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) should attend Audit Committee meetings	√
		D. The Chairman of the Audit Committee or one member should be a member of a professional accounting body	√
7.10.6 (b)	Audit Committee Function	Overseeing the- A. Preparation, presentation and adequacy of disclosures in the financial statements in accordance with Sri Lanka Accounting Standards (SLFRS/ LKAS)	√
		B. Compliance with financial reporting requirements, information requirement of the Companies' Act and other relevant financial reporting related to regulation and requirements	√
		C. Processes to ensure that the internal control and risk management are adequate to meet the requirements of the Sri Lanka Auditing Standards	√
		D. Assessment of the independence and performance of the external auditors	√
		E. Make recommendation to the Board pertaining to appointment, re-appointment and removal of external auditors, and approve the remuneration and terms of engagement of the external auditor	√
7.10.6 (c)	Disclosure in Annual Report relating to Audit Committee	A. The names of Directors comprising the Audit Committee	√
		B. The Audit Committee should make a determination of the independence of the External Auditors and disclose the basis for such determination	√
		C. The annual report should contain a report of the Audit Committee setting out the manner of compliance with their functions	√
9.1 / 9.2 / 9.3	Related Party Transaction	To comply with the rules described in the approval procedure for related party transactions, composition and functions of the Related Party Committee and the disclosure requirement	√

Audit Committee Report

The Audit Committee of the Company during the last financial year consisted exclusively of two Independent Non-Executive Directors with several years of experience in Finance and Management.

The Committee was chaired by a Fellow of the Institute of Chartered Accountants of Sri Lanka.

Objectives of the Audit Committee

The primary purpose of the Audit committee is to assist the Board in performing its duties effectively and efficiently. Its objectives are as follows.

- To oversee the preparation, presentation, and adequacy of disclosures in the financial statements in accordance with the Sri Lanka Financial Reporting Standards (SLFRS/ LKAS).
- To ensure compliance with the financial reporting and information requirements of the Companies' Act, and with other regulations relevant to financial reporting.
- To ensure that adequate internal controls and risk management processes are in place and that they meet the requirements of the Sri Lanka Accounting Standards (SLFRS/ LKAS) and general best commercial practice.
- To assess the independence, performance, and the qualifications of the external auditors.
- To make recommendations to the Board as appropriate pertaining to the appointment, re-appointment and/or removal of external auditors.
- To approve the remuneration and terms of engagement of the external auditor.

Meetings of the Audit Committee

The Audit Committee held four meetings during the financial year. The Managing Director, Chief Financial Officer, and Internal Auditors (who are outsourced) were present at these meetings by invitation. Other officials of the Company were also invited to attend the meetings when required. The External Auditors were invited to meetings at which matters pertaining to their functions were to be discussed.

The key findings and views of the Audit Committee were communicated to the Board of Directors by tabling the minutes of the meetings of the committee at the subsequent Board Meetings, and with clarifications and elaboration at Board Meetings as and when required.

Responsibilities and Activities Carried Out During the Year

The Audit Committee carried out the following during the financial year ended 31st March 2023.

- Reviewed the activities and the financial affairs of the Company and its subsidiaries to ensure that a reliable financial reporting system was in place.
- Reviewed and discussed the Group's unaudited quarterly interim financial statements with the management prior to approval for submission to the CSE.
- Reviewed and discussed the Group's annual financial statements with the management and the external auditors, prior to approval for publication, including the appropriateness of the accounting policies, material judgmental matters, and the extent of compliance with the Sri Lanka Accounting Standards adopted by the Company and its subsidiaries. The Committee also met with the External Auditors, prior to the finalisation of the financial statements.
- Reviewed and discussed with the management and the external auditors the adequacy of disclosures in the financial statements as required by applicable laws, rules, and guidelines.
- Met with the External Auditors after the completion of the Audit to discuss initially the Audit Process and thereafter to determine, among other matters, whether there had been any shortcomings that were seen during the course of the Audit.
- Reviewed the Statutory Compliance Reports submitted quarterly by the management to ensure that a proper framework is in place to comply with relevant rules, laws, and regulations. Reports from the internal auditors on these matters are also considered and discussed.

- Approved the Internal Audit Plan for the year, at the beginning of the year and monitored the implementation of such plans; reviewed the Internal Audit reports submitted every quarter/biannually with the management; and monitored the follow up action taken by the management to ensure that the recommendations proposed by the Internal Auditors have been implemented.

The Committee has reviewed with the management, the Internal Controls systems, and Risk Management procedures in the Group to identify any weaknesses. Having considered the actions taken to address the gaps identified, the Committee is satisfied with the implementation of the Group's internal controls and Risk Management Framework and that the Group's assets are adequately safeguarded.

The Committee reviewed the Company's budget for the ensuing year including cash flows and borrowing facilities during the pandemic to ensure that the Company has adequate resources to continue in operational existence for the foreseeable future.

The Committee is satisfied that the application of appropriate accounting principles and policies provides reasonable assurance that the financial statements of the Group give a true and fair view of the Company's performance.

Internal and External Auditors

The Committee is of the view that the Group's Internal and External Auditors have been effective and independent throughout the year.

The Committee is satisfied that the independence of the External Auditors has not been impaired by any event or service that gives rise to a conflict of interest. Due consideration has been given to the nature of the services provided by the Auditors and the level of audit and non-audit fees received by the Auditors from the Printcare Group. The Committee also reviewed the arrangements made by the Auditors to maintain their independence and confirmation has been received from the Auditors of their compliance with the independent guidance given in the Code of Ethics of the Institute of Chartered Accountants of Sri Lanka.

Having reviewed the scope and effectiveness of the external auditors, the Audit Committee has recommended to the Board of Directors, the re-appointment of Messrs. Ernst & Young, Chartered Accountants, as the external auditor for the ensuing year, subject to the approval of the shareholders at the Annual General Meeting.

A. Coomaraswamy

Anushya Coomaraswamy
Chairperson, Audit Committee
15 August 2023

Member:
Vajira Kulatilaka
Independent Non - Executive Director

Remuneration Committee Report

The Remuneration Committee consists of two Independent Non-Executive Directors. The Committee considers and sets the current remuneration policy relating to senior management of the Company to support the strategic aim of the business by enabling the company to attract, motivate, develop, and retain high calibre senior executives. The Committee also ensures that the Company complies with regulatory and other statutory requirements.

The objective of the Printcare Remuneration Committee is to support the Board in fulfilling its corporate governance responsibilities with regard to matters relating to remuneration, and includes the following:

- To enable the Company to attract and retain senior executives with the appropriate professional, managerial and operational expertise, and the experience necessary to support the Company's mission and create value for Shareholders.
- To ensure that the remuneration packages of senior executives are linked to individual performance, responsibility, expertise, and contribution.
- To practice policies, which will reward the Chief Executive Officer and senior executives in a fair and responsible manner based on the financial performance of the Group.
- To ensure that the Company has in place appropriate remuneration policies and an effective system to monitor its implementation.
- To ensure that disclosures in the financial statements related to remuneration meet all relevant legal and statutory requirements.

The Committee has reviewed all significant Human Resource policies, initiatives and salary structures and the terms and conditions relating to the Chief Executive Officer and other senior management staff to ensure that it has been structured in a manner that is fair and equitable to both the employee and the Company.

Anushya Coomaraswamy
Chairperson, Remuneration Committee
15 August 2023

Member
Vajira Kulatilaka
Independent Non - Executive Director

Related Party Transaction Review Committee Report

The Related Party Transaction Review Committee (RPTR) is appointed by the Board in accordance with the Code of Best Practice on Related Party Transactions issued by the Securities & Exchange Commission of Sri Lanka and section 9 of the Listing Rules of the Colombo Stock Exchange.

The Committee comprised three members including Two Independent Non-Executive Directors.

Primary Function Of The Committee

The primary functions of the Committee are:

- To review in advance all proposed related party transactions of the Group as defined by the Code, either prior to the transaction being entered into or, if the transaction is expressed to be conditional on such review, prior to the completion of the transaction.
- To seek any information the Committee requires from management, employees or external parties with regard to any transaction entered into with a related party.
- To obtain knowledge or expertise to assess all aspects of proposed related party transactions, including where necessary obtaining appropriate professional and expert advice from suitably qualified persons.
- To monitor and recommend the acquisition or disposal of substantial assets between related parties, including obtaining 'competent independent advice' from independent professional experts with regard to the value of the substantial asset of the related party transaction.
- To review all transactions with related parties to determine whether any further action is required and/or recommend, where necessary, to the Board and obtain their approval prior to the execution of any related party transaction.
- To monitor and determine that all related party transactions of the entity are transacted on normal commercial terms and are not prejudicial to the interests of the entity and its minority shareholders.
- To review the transfer of resources, services or obligations between related parties regardless of whether a price is charged.
- To review the economic and commercial substance of both recurrent/non recurrent related party transactions.

Activities During The Year

The RPTR Committee held four virtual meetings during the year under review. All recurrent and non-recurrent RPTs were submitted by Management on a quarterly basis to the committee for consideration and review.

The Committee is satisfied that all RPTs have been reviewed by the Committee during the year 2022/23. The Committee has identified such transactions that come under its purview and has where relevant recommended to the Board such transactions that needed to be considered by the Board.

The proceedings of the RPT Committee meetings have been communicated to the Board of Directors through verbal briefings, and by the tabling of the minutes of the Committee's meetings of the Board.

Vajira Kulatilaka
Chairman
Related Party Transaction Review Committee

Members:

Ms Anushya Coomaraswamy
Independent Non-Executive Director

Mr Dayasiri Warnakulasooriya
Non-Executive Director

15 August 2023

Risk Management

Grand global challenges have intensified the nature of uncertainty as well as vulnerability of the external and internal context of the entire business eco system. Stakeholder requirements and related business objectives will have negative impact due to many such events. Perhaps it could be anticipated or totally unanticipated. No single organization in this world can predict specific risk with exact consequences. However, sustaining the business operations in an increasingly volatile and complex business environment require a combination of prospective, retrospective and integrated solutions for enterprise risk management encompassing people, data, infrastructure and processes.

Organizations should establish well-defined direction from the top level for risk management. It focuses on plan, identification, evaluation, and prioritization of risks, followed by coordinated and economical application of resources to minimize, monitor, and control the probability, impact and vulnerability of those risks. The company acknowledges the necessity for risk recognition and a proactive risk management strategy given the competitive and dynamic business climate that it operates within Sri Lanka and globally.

When evaluating the contemporary business environment, Printcare also experienced a high level of uncertain events due to many macro and micro environmental factors. In order to respond and to be more resilient the Company use both top-down and bottom-up approaches in risk management.

Accordingly, the Board holds responsibility for the Company's effective system of internal control and risk management. The Audit Committee on behalf of the Board oversees the risk management process by working closely with the management of the Company to ensure that the process is implemented and practiced effectively. To ensure that the risks of the Company are being satisfactorily managed, the audit committee has included the risk review on the agenda of Audit Committee meetings.

The Group Enterprise Risk Management (ERM) process is subject to constant evaluation to ensure that it meets the challenges and requirements of the local and global markets including regulatory standards and industry best practices. Printcare upgraded its risk management system in line with ISO 31000 enterprise risk management framework, which provides principles, a procedures and a process for managing risks and integrated system. The new enterprise-wide integrated approach to risk management will enable Printcare to better consider the potential impact of all types of risks on all systems, processes, tasks, activities, stakeholders, products & services.

The implementation of the risk management process is entrusted to a Steering Committees formed at the Business Unit level supervised by the Group Risk and Compliance Unit. The business entity-based risk steering committees are responsible for identifying, evaluating, and managing the risks. The committee includes personnel from different divisions with diverse expertise to implement, control and review the process on a regular basis.

The risk management system in place recognizes different risks under four broad categories. Namely Strategic, Compliance and regulatory, Financial and operational risks. Under each category, specific potential risks are identified and ranked on a scale of 1 to 5 in terms of business impact, and likelihood of occurrence, and velocity to ascertain a risk score for each individual risk. The product of these risk rankings is then tabulated in a risk matrix that rates the risks on a scale of 'Insignificant' to 'Ultra Risk'. However, the factor of velocity ensures that Company will consider measures against the "black swans".

Quantifying the size of the risk exposure enables the Company to prioritize the risks and plan strategies accordingly. The risk management strategy would be to avoid, mitigate, share/transfer (outsource or insure), or retain (accept and prepare or budget) for the risks identified.

An overview of the key risks faced by the Group, and the management strategies to manage the potential risks to minimize negative impact on the Group are given below.

	Risk Exposure	Implication	Mitigating Actions
01	Loss of principals & Business Partners.	Loss of principal & business partners due to global mergers/ acquisitions & competition can have a negative impact on the growth prospects of the group.	• Regular assessment of existing relationships with business partners and development of strategies to further strengthen the existing relationship. • Group continues to explore new partnerships locally and overseas to expand product offering and market share. • Participate in webinars related to Printing & Packaging to understand the new trends in packaging solutions and to broaden customer base.
02	Dependency on few Industry/ Products.	Economic dependency on few industries can cause volatility in the performance of the group	• Identified new packaging solutions with existing capability to broaden the markets served to minimize the exposure to any single industry. • Broaden product lines with customized and short delivery times by investing in high -tech machinery. • Diversify into non-tea segments such as Tobacco, Pharmaceutical, Apparel,Security Printing,Education, Distilleries, FMCG etc.
03	Sudden increases in prices/short supply of raw materials.	The single largest cost item for the group is the paper sourced from overseas suppliers. A sudden increase in prices/short supply of raw material can cause significant margin erosion and loss of faith among customers in the short to medium term.	• Developed alternative sources for key materials. • While balancing the holding cost, maintained sufficient paper stocks for fast moving items. • Negotiated fixed prices for selected substrates for short and medium terms. • Strengthen the relationship with strategic suppliers. • Continuous product development process to find alternative material options.
04	Environmental damage caused by natural disasters.	Damage due to natural perils can adversely impact the operations of the group.	• The group conducts gap analysis continuously with our insurance service providers to identify possible risks and implements appropriate preventive measures. • Upgraded Facilities at 3 Plants in Sri Lanka and Coimbatore Plants (India) to use as a partial back- up in case of an emergency. • Periodic Risk survey by qualified risk engineers from Sri Lanka and overseas to determine the adequacy of fire protection, safety from natural perils etc.

	Risk Exposure	Implication	Mitigating Actions
			• Fire drills/programs were conducted by the fire brigade division for the in-house teams to educate and to handle the-firefighting equipment. Regular fire drills were performed to train the employees and the in-house firefighters.
05	Failure of IT system due to internal & external factors.	IT infrastructure has become a necessary tool for businesses to grow especially during the pandemic. However, failure of IT systems can potentially disrupt the day-to-day operation, resulting in significant financial losses.	• To mitigate the exposure, the group reviewed the adequacy of the IT infrastructure, to support the current business operation and assessed the network security architecture and security policies in place to protect against viruses, hacking and spy-ware. • Audits were carried out to assess the functionality of the Disaster Recovery Plan (DRP) to resurrect the key business processes and the business continuity plan for continuation of the business beyond disaster. • Further the Group reviewed the policy on the use of Information Technology, audited the key IT processes and systems and the rights/compliance of employees and took corrective action to minimize any risks. • Changes to the existing policies/procedures on the use of e-platforms were critically evaluated to improve the internal controls.
06	Lack of competent workforce.	Shortage of competent work force continues to pose a challenge for businesses operating in this Industry.	• The Group addresses the risk by implementing systems and processes to build a stronger employer brand image to attract high caliber workforce. Well focused training and development, career planning, talent management and job rotations were implemented at all levels of employees to develop a workforce with the long-term commitment. • Group has in place a performance-based rewards system for the senior management. • The group conducts company wide employee survey to identify areas for improvements and corrective action was taken to further improve the management employee relationship. • The Group continuously makes use of market research to ensure that the compensation is on par with that being offered by the market.

	Risk Exposure	Implication	Mitigating Actions
07	Losses due to fraud human errors, inefficient processes, loss of data and disclosure of sensitive information.	Losses due to poor operating procedures and weak internal controls can have an adverse impact on the profitability of the group in the short, medium, and long term.	• Implemented clearly defined systems, procedures, and policies to ensure compliance with internal controls. Procedures/systems are periodically reviewed for their continued effectiveness by independent auditors. • Maintain objectivity and independence of the internal audit and internal control function. An externally sourced independent internal audit firm carries out quarterly review and reports on the adequacy and effectiveness of these systems and level of compliance to the Group Audit Committee.
08	Adverse effects on the environment caused by effluents, emissions, waste, resource depletion.	The nature of the operations is such that the business entities operating in this Industry are continuously challenged to protect the environment from pollution.	• The environmental policy of the group includes discharge of waste, water, energy, and emissions. The system in place ensures that the environmental laws and regulations are complied with on a regular basis. • In addition, the group continues with energy conservation projects to reduce the energy consumption by using energy efficient and environment friendly devices and steps have been taken to enhance the water treatment plants to purify and recycle contaminated wastewater.
09	Changes in regulations.	The introduction of new regulations, amendments to existing regulations and the level of enforcement by the authorities locally and overseas, continue to pose a challenge to business entities to manage the uncertainties.	• Continuous effort by the Group to have regular discussions on such changes with knowledgeable sources to recognize the significance of the exposure and taking corrective measures helped to reduce the risk exposure. • In addition, the group has put in place dynamic internal processes to adapt to the changes as needed. The Group also participates in various fora to obtain clarity on policies and regulations.
10	Changes in currencies and interest rates.	Volatility in interest rates and currencies cause uncertainties and has an adverse impact on the performance of the Group.	• To mitigate the risk on finance the group implemented proactive strategies to manage interest, liquidity, and currencies efficiently and effectively. The cost of borrowing is minimized by constantly monitoring and forecasting the market interest /exchange rates and using appropriate hedging techniques.

	Risk Exposure	Implication	Mitigating Actions
			• Continuous discussions were held with experts knowledgeable on the subject to identify trends to manage the uncertainties. • Negotiated with banks to re structure the existing short-term loans on fixed terms to protect against any rate fluctuation.
11	Business disruption due to shortage of supply of fuel.	As the fuel crisis is significantly affecting organizations as well as individuals, knowing how to reduce the accompanying risks is vital to prevent an adverse impact on the performance of the company.	• Expanded the inhouse diesel storage capacity in order to have uninterrupted power supply to production plants .
12	Cyber attacks	Cybersecurity risk is the potential exposure to loss or harm stemming from an organization's information or communications systems. Cyber hackers are determined and use sophisticated, continually evolving attack techniques to compromise corporate data, and enterprises must stay vigilant and proactive in protecting corporate networks and data.	• Printcare has implemented the world class preventive security measures and policies Group have Incident Response (IR) plans for handling breaches and attempted breaches, prevent security incidents and data breaches as well as limit the extent of damage when security attacks do happen. • Printcare has good strategies and tools to reduce the impact of active security threats that have gotten past corporate security defences and infiltrated the network by isolating or containing the threat. • Printcare back up Its critical data, It has installed the best-in-class Anti-Virus Protection Softwares & keeps all relevant Software up to date.

Sustainability Report

Message From the CEO

Printcare is a relatively small company but is committed to sustainable value creation, for its shareholders and varied stakeholder groups. We believe that a sustainable approach is not only essential for the well-being of our planet but also critical for the long-term success of our business. Thus as a leading printing and print services company servicing a global community we have a responsibility to establish a benchmark for sustainability.

In the midst of the travails we are surrounded with – the global crisis of food, energy and finance being the after effects of COVID-19, our own economic melt down and the war in Ukraine, its easy to put in the back page the looming environmental crisis.

At Printcare we refused to take mother earth for granted and had put into play our plans for building a new green factory completely run on renewable energy with imaginative architecture and an eye on sustainable practices and recycled products. Unfortunately given the local crisis, the difficulty with acquiring basic building materials the building aspect of the project was put on hold.

Nonetheless as a responsible corporate citizen, we at Printcare do acknowledge the need to balance our healthy economic performance with responsible environmental and social considerations.

Apart from a natural obligation to the planet, from a consumer's sentiment point of view the aspect of sustainability will be a key focal point in the value chain as to future regulatory pressure they face and thus the direction in which packaging trends will move.

Clearly we then have an obligation to be a thought partner to our customers in showing them the way to revamp their packaging portfolio and to keep in mind the Publics' concern around single-use packaging waste. and in the process creating opportunities for ourselves. We know with the right focus and innovation capabilities, and given our exposure to the international markets, there will be significant growth and new partnership opportunities to support customers in revising their packaging portfolios and they will need our services and expertise.

Going forward, packaging converters will have to proactively embrace sustainability issues as consumer demands and regulatory requirements multiply.

We fully understand that, and at Printcare we intend to help our customers innovate and capture new opportunities by addressing their sustainability challenges.

K. R. Ravindran
Chief Executive Officer

Corporate Profile

About Us

Founded in 1979, Printcare has evolved into one of South Asia's most respected printing, packaging and digital media solutions providers. The Company has one of the most technologically advanced plants in Asia with customers in five continents.

Printcare started in a small warehouse, servicing the nascent tea bag market in the early 1980s. It was a pioneer in developing packaging for the tea bag industry in Sri Lanka and the developing world.

In time, Printcare moved into other niche printing, packaging, and digital media growth markets. Today our customer portfolio includes leading firms in Tea, Apparel, FMCG, Telecommunications, Education, Publishing, Tobacco, Finance and Lottery industries.

For added customer convenience and flexibility, our innovative and world-class printing and packaging service capabilities are available at multiple locations. Printcare is now the largest packaging exporter in the country and an integral part of the global value added tea market.

Printcare PLC was incorporated as a Private Limited Liability company and was converted to a Public Limited Liability company in 1994. Printcare Group's head office is located in Sri Lanka while two subsidiary companies are located in India and United Kingdom. In Sri Lanka, the holding Company Printcare PLC and the operating subsidiaries Printcare Universal (Pvt) Ltd, Printcare Secure Ltd, Printcare Pre-media Services Ltd are situated in Kelaniya, while Printcare Universal (Pvt)Ltd - Plant 2 is located in Mahara. The two overseas companies, Printcare India (Pvt) Ltd and Printcare Universal UK Ltd are located in India and United Kingdom respectively. Printcare Digital Services (Pvt) Ltd was established in order to focus on Digital Printing / Packaging segment.

Our Culture and Values

Printcare culture reflects more than just a structure. It is a statement of values. Our commitment towards its values enables us to build honest and trustworthy relationship with our stakeholders. These values have been integrated into our overall business strategy.

What We Do

We provide printing and packaging solutions in a vast array of products ranging from tea bag tags and envelopes, to cartons, security printing, publications, commercial printing and digital media.

We collaborate with our partners in order to consistently provide superior and innovative products, services and customer experience.

When manufacturing our products we use specialized human skill and cutting edge technology in our printing process. We also outsource certain non-core processes in order to cost effectively serve the best quality products to our customers.


TEA BAG TAGS AND ENVELOPES AND PYRAMID TEA BAG MESH
Tea Bag Tags
Pyramid Tea Bag Mesh
Tea Bag Envelopes
MEDIA SERVICES DIGITAL
Pre-Press
E-Learning Solutions
Packaging Consultancy
SECURITY PRINTING
Phone Cards Pre-Paid
Security Certificates
Promotional Games
Lottery Tickets
DIVERSIFIED PRINTING AND PACKAGING
Commercial Packaging
Self-Adhesive Labels
Apparel Packaging
Cartons and Boxes
Greeting Cards
Gift Packaging
Book Printing
Labels
Human Resources
Finance
IT and ERP
Engineering
Quality Assurance
Supply Chain

Our Product Range

Gift Packaging

Apparel Packaging

Self-Adhesive Lables

Cartons And Boxes

Diversified Printing and Packaging

Greeting Cards

Lables

Commercial Printing

Book Printing

Diversified Printing and Packaging

Tea Bag Tags And Envelopes

Pyramid Tea Bag Mesh

Tea Bag Tags, Envelopes and Pyramid Tea Bag Mesh

Pre-Paid Phone Cards

Lottery Tickets

Promotional Games

Security Certificates

Security Printing

Packaging Design

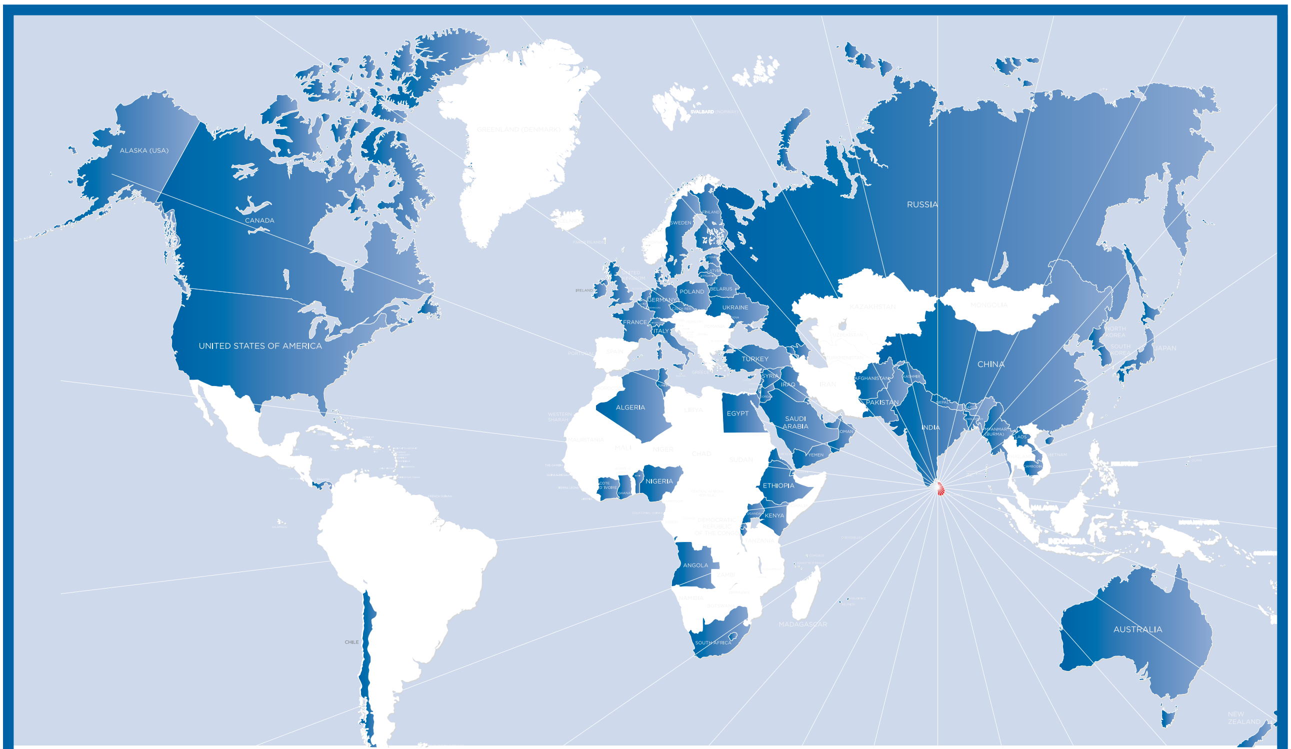
E-Learning Solutions

Pre-Press

Digital Media Services

Our Printing & Packaging Materials

ARE USED IN **50+** COUNTRIES



we work with **290+** Customers

Organizational Scale

In the year under review our total employee population was 744 and net revenue amounted to Rs. 14.1 billion.

We are unable to report on the quantity of products provided as a variety of different products are produced by each operation.

Significant Changes In The Group

There were no significant changes in the Group during the year.

Certifications and Externally Developed Initiatives

Sri Lanka Business and Biodiversity Platform

Printcare is a patron member of the Sri Lankan Business and Biodiversity Platform which was established by the Ceylon Chamber of Commerce, Dilmah Conservation and International Union for Conservation of Nature (IUCN). This platform aims to provide assistance to businesses to ensure environmentally responsible management and sustainable growth, whilst providing benefits to biodiversity and the eco system.

Training Partner of the Institute of Chartered Accountants

Printcare is a fully registered Company for Certificate and Strategic Level training of the Institute of Chartered Accountants (CA), Sri Lanka. As a training partner, Printcare offers practical training for students in the fields of auditing, accounting, taxation, use of information technology, and any other advisory/consultancy services.

ISO 9001:2015 Quality Management System Printcare PLC Printcare Universal (Pvt) Ltd Printcare Secure Ltd Printcare Pre-Media Services Ltd Printcare India (Pvt) Ltd Printcare Digital Solutions (Pvt) Ltd	**ISO 14001:2015** Environmental Management System Printcare PLC Printcare Universal (Pvt) Ltd Printcare Secure Ltd Printcare Pre-Media Services Ltd Printcare Digital Solutions (Pvt) Ltd	**ISO 27001:2013** Information Security Management Systems Printcare Secure Ltd	**ISO 45001:2018** Occupational Health & Safety Management System Printcare PLC Printcare Universal (Pvt) Ltd Printcare Secure Ltd Printcare Pre-Media Services Ltd Printcare Digital Solutions (Pvt) Ltd
FSSC 22000 Version 5.1 Food Safety Management System Printcare PLC Printcare India (Pvt) Ltd	**BRC GS "Grade A" "Issue 6"** – Global Standard for Packaging and Packaging Material Printcare Universal (Pvt) Ltd	SEDEX Member (Supplier Ethical Data Exchange) Printcare PLC Printcare Universal (Pvt) Ltd Printcare India (Pvt) Ltd	FSC Chain of Custody Certification FSC C115972 Printcare PLC Printcare Universal (Pvt) Ltd Printcare Digital Solutions (Pvt) Ltd

Precautionary Approach

The Group Risk Steering Committee is responsible for the risk management process. The committee is also responsible for reviewing any potential risks relating to social and environmental aspects. Further information of the risk management process is given in the 'Risk Management' section on page 20.

Corporate Governance

Details of the Group's governance structure, highest governance committees, their responsibilities and national and international memberships maintained by the organization are given in the 'Corporate Governance' section on page 11.

Reporting Practice

Report Profile

This is our thirteenth Sustainability Report and this report has been prepared in accordance with the GRI Standards: Core Option. In drawing up content for this report we have taken into account the topics that can have a material impact on our business as well as interest and expectations of our stakeholders. This report aims to provide a transparent overview of our environmental, social, and economic performance as defined by the Global Reporting Initiative. We see the compilation of this report not only as a reporting tool, but also as a way to account for our activities and improve our performance over time.

This report covers the period from 1 April 2022 to 31 March 2023 and maintains an annual reporting frequency. Our previous Sustainability Report appeared in the Printcare Annual Report 2022 which was published on 31 August 2022.

The Group's consolidated financial statements cover all 9 companies mentioned earlier in the 'About Printcare' section. However, except for GRI disclosures Net Revenue (102-7), Direct Economic Value Generated and Distributed (201-1) and Defined Benefit Plan Obligations and Other Retirement plans (201-3) all other GRI disclosures reported are limited to Sri Lankan operations i.e. Kelaniya and Kadawatha plants. This enables us to focus on positioning a precise sustainability approach throughout the Group in time to come, and gradually improve our reporting by achieving excellence through continuous improvement. We have not pursued an external assurance of our sustainability reporting yet; however we are working towards obtaining an assurance in the future.

Material Topics And Topic Boundaries

Printcare sustainability report focuses on the sustainability challenges and subjects that are most relevant to our stakeholders and our business. To determine this, we conduct a structured materiality assessment. The material topics are identified by mapping them out as given in the 'Materiality Matrix' diagram based on the impact level on Printcare and to its stakeholders. During this process the key issues captured through our stakeholder engagement process and issues that could be potentially material are also taken into account.

As part of the materiality assessment, we identified where the impact of the material topics could occur, both within and outside the company. Within the Company, material topics impact the entire organization. Outside the Company, material topics impact areas such as value chain, customers, government authorities, environment and community. As a result, we identified 20 material topics.

Under the identified material topics we report on 27 Topic Specific Standards. Data measurement techniques and the bases of calculations, including assumptions and techniques applied to the compilation of the indicators and other information in the report are in accordance with indicator protocols provided under the GRI Standards.

There is no change in the scope of the report as the material topics and topic boundaries reported are same as last year.

Restatements

There are no restatements regarding any information provided in the previous reports.

Management Approach To Sustainability

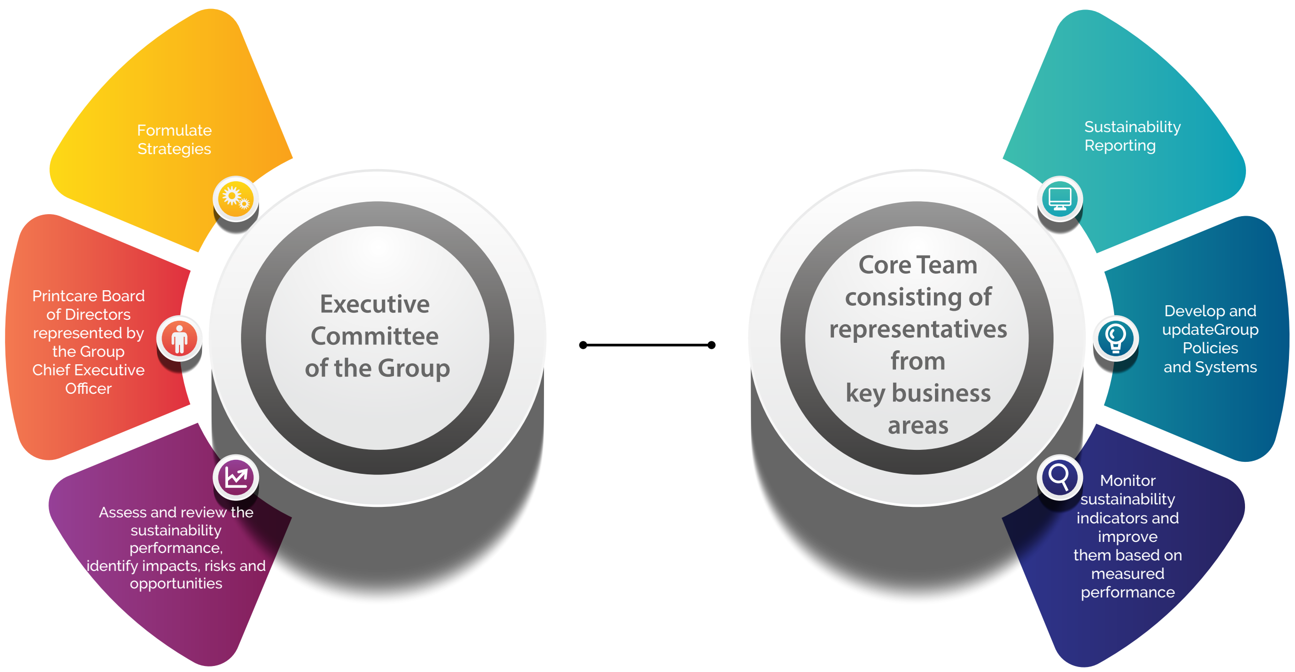
At Printcare, sustainability and economic growth go hand in hand. We strongly believe that being a sustainable company is linked to creating value for society. The most significant aspect is to ensure that the product or service a company offers also benefits the community at large.

Sustainability is made an integral part of the decision making process at Printcare. Our Sustainability Team, which reports to the Executive Committee, includes representatives from key business areas and is involved in tracking and implementing measures to improve the sustainability performance against the indicators chosen. This ensures that we are engaging people from across the entire business operations for the Sustainability Reporting process.

The scope of the Sustainability Team is to monitor all operations of our group to ensure that they are being carried out in a sustainable manner and improve the social and environmental impacts of these operations.

Our Sustainability Targets

- Integrate the sustainability approach into the corporate culture.
- Improve performance against the indicators through continuous monitoring and implementing various measures.



Our Sustainability Journey

What we did in 2022

Environment

- To reduce the waste water and water consumption, various initiatives have been implemented including water meter verification.
- Internal energy audits, energy saving projects such as capacitor bank improvements
- Replacing of Florescent lamps with LED bulb project continued.

Work place

- Re-arranged the work places according to the Covid-19 safety guide lines.
- Continued the awareness programmes on Covid - 19 for all employees.

Health and Safety

- Implemented new normal procedures for employees and visitors based on Covid - 19 guidelines.
- Continuously monitored the Health of the employees by random checking with PCR and Antigen tests
- Comprehensive medical health screening for all the employees has been conducted with the objective of maintaining a healthy workforce.

What we plan to do next

Environment

- Obtain Higg FEM certification
- Improving waste water storage facilities in order to comply with multiple standards.
- Initiatives has been taken to become a Carbon Neutral Company by 2025.
- To obtain ISO 14064-certification for the carbon footprint calculation for Printcare.

Workplace

- Continue the awareness programmes on Covid - 19 + Monkey pox & Dengue
- Continuously maintain the Covid - 19 safety place certification from SLSI for the whole Group (SLS 1672:2020)

Health and Safety

- Arrange to print employee safety handbook which will be available in each departments.
- More awareness program's/ activities on Health and Safety subject for all the employees.

- Completed
- On-going

Our Stakeholders

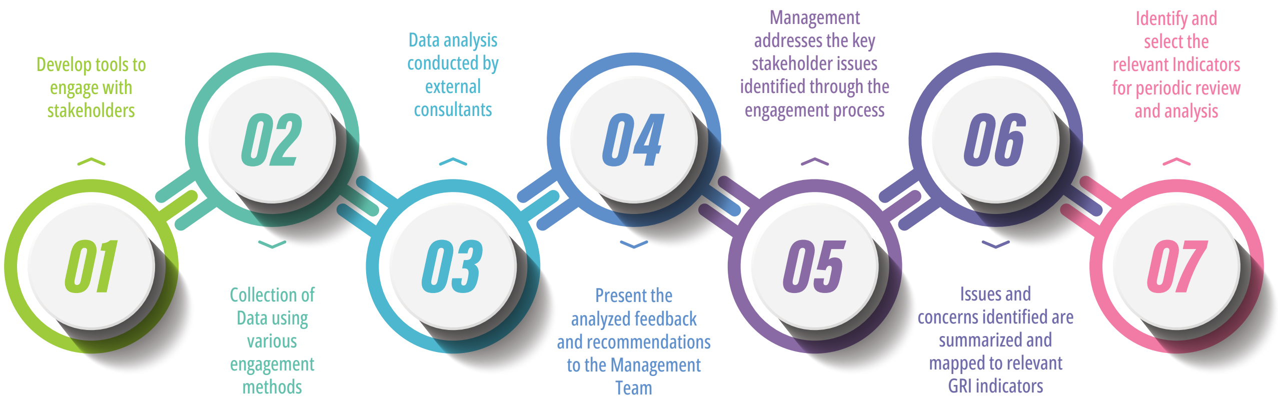
We consider 'stakeholders' as any individual, groups of individuals, or organizations that affect, and/or could be affected in some way by our activities. In certain cases these stakeholders are the very core of our existence. Every business activity we undertake to achieve our mission and objectives' call on us to continuously interact with all stakeholders and it is critical that we develop a close relationship with them, based on trust and openness, to reach better understanding on a variety of important issues.

KEY STAKEHOLDERS OF PRINTCARE

Stakeholder Engagement Process

Stakeholder engagement is an integral part of our efforts to align our sustainability strategy with our business strategy. As our stakeholders can affect or can be affected by our activities, it is important to include their input into the decision making process of the organization. Therefore, we take a holistic engagement approach which encompasses all stakeholder interests and concerns.

In addition to the regular engagement that occurs with stakeholders on a day to day basis by our individual businesses, a comprehensive stakeholder engagement is conducted among the key stakeholders of the Group every two to three years. The following flow chart illustrates the stakeholder engagement process followed at Printcare.



Engagement with Our Key Stakeholders

Stakeholder	Importance of engaging with them	How we engage	Key issues	How we respond to these issues
Customers	They are the reason we are in business. Therefore by engaging with our customers we can broaden our understanding of our customer needs and expectations. This will help us identify the areas of business that needs to be improved and will also assist in building customer loyalty.	Direct feedback through regular weekly, monthly and annual meetings Customer visits Customer engagement surveys Printed reports Corporate website	Product quality Price Service standards On time delivery Certifications and compliance with standards Ethical operations Sustainable practices Innovative printing and packaging solutions	Adhering to various quality standards such as ISO, BRC / IOP etc Sourcing of more environmentally friendly raw materials Set up a new product development team for continuous developments and new innovations Constantly finding solutions to reduce costs More involvement with the community and environment through sustainable practices
Employees	Employees are the foundation that our business is built on. Engaging with them help us retain and motivate our employees and it makes Printcare a great place to work at.	Workers' representative meetings Employee engagement surveys Regular one-on-one meetings Open door policy Semi-annual performance review The internal newsletter 'Vision' Intra-net Annual events Training and development programmes	Remuneration and benefits Career progress Health and safety Training and development Organizational ethics Job security Awareness on company policies	Performance Evaluation Development Plan (PEDP) has been implemented which facilitate transparent evaluation, dialogue and performance based remuneration and rewards Providing more training programmes and learning initiatives to all employees across the Group Continuous monitoring of occupational hazards, risks and implementation of safety controls by the Health and Safety Committee

Stakeholder	Importance of engaging with them	How we engage	Key issues	How we respond to these issues
Suppliers	They coexist to fulfill customer needs and They can be used as a resource to develop supplier business efficiencies.	Regular one-on-one meetings with suppliers and business partners Supplier engagement surveys Conference calls and emails	Fair business practices and collaboration on new developments Regular meetings Payment terms and conditions	Products are purchased only from qualified sources Supplier performance is monitored Semi- annually
Investors/ Shareholders	As they provide capital to drive our business it is important for us to engage with them to have access to growth capital.	Annual General Meeting Distribute quarterly financial reports that provide timely feedback on our financial performance Corporate website with frequent updates	Investor returns Strong governance Risk management Sustainable growth	Continuously developing measures to improve governance and reduce risks Launching new products Investing in new machines and providing new facilities
Environment and regulators	We affect the environment we operate in therefore engaging with them is important as it will help reduce our environmental footprint by pursuing better environmental management practices.	Ongoing meetings to design environmentally friendly systems, processes and products Environmental audits are carried out as part of ISO 14001 Implementation	Effluent and Waste Use of materials obtained from sustainable sources Resource consumption	Monitoring and managing waste Implementing initiatives to reduce the impact on the environment
Local community	To maintain our reputation and gain the full support of our neighbours. This will improve better communication which will promote enhanced community relations.	Regular meetings with key community institutions Corporate Social Responsibility programmes	Health and safety Economic welfare Education of children	Engaging in various projects towards the benefit of the community

Our Economic Impact

Economic Performance

Management Approach

As a leading printing and packaging company in the region we have direct and indirect impacts in the local and international economy and are taking steps to increase the positive impacts whilst reducing any negative impacts. We are aware that our responsibility in the area of financial performance and our economic contribution is not only towards the shareholders and employees, but also towards all of our stakeholders.

Our direct impacts include payment to investors, shareholder returns, payment of taxes and relevant levies to Government, payment of salaries and benefits to employees, payments to suppliers whereas our indirect impacts include enhancement of local communities by improving business environment, conducting constructive and focused investments, creating variable jobs and community developments.

The Group identifies its obligations, responsibilities and risks on the local market, the environment and the community it operates in. Therefore, it aims to be the growth partner for all its stakeholders by integrating local suppliers within the supply chain where possible, employing from the local community and contributing to the local community.

Economic Value Statement

The Economic Value Statement illustrates the creation of value for our stakeholders and the distribution of it amongst them. It outlines the financial contributions made in the form of dividends to shareholders, salaries and wages to employees, taxes paid to government and social investments in our community.

More detailed information relating to operating costs, employee salaries and benefits accruing to shareholders are given in our financial statements. This statement highlights the payments to the government and community investment.

	2022/23 Rs.'000	2021/22 Rs.'000
Direct Economic Value Generated		
Revenue	14,138,738	7,626,233
Other Income	739,789	1,075,335
Share of Associate Results	-	62,786
Total	**14,878,527**	**8,764,355**
Economic Value Distribution		
Operating Costs	9,766,349	4,432,699
Employee Wages & Benefits	1,922,526	1,329,265
Payment to Providers of Funds	1,339,199	696,452
Payment to Government	453,056	71,210
Community Investment	5,271	30,862
Total	**13,486,401**	**6,560,488**
Economic Value Retained		
Depreciation & Amortization	403,602	374,515
Retained Profit	988,524	1,829,352
Retained for Reinvestment/ Growth	1,392,125	2,203,867

Defined Benefit Plan Obligations

Printcare provides a retirement plan for its workforce by using general resources to pay the obligations to retired employees. Employees with more than 5 years of service are entitled to half of the last months' salary for every year of service on termination under the Payment of Gratuity Act No. 12 of 1983.

Defined Contribution Plan Obligations

According to the terms of Employees' Provident Fund (EPF) Act No. 15 of 1958 and its subsequent amendments and Employees' Trust Fund (ETF) Act No. 46 of 1980 and its subsequent amendments, employees are eligible for EPF and ETF contributions. The companies contribute the relevant percentages of the eligible gross emoluments of employees to the respective Provident Funds and to the Trust Fund respectively, both of which are externally funded.

In relation to the rules of the provident fund, to which such contributions are made, the Group contributes 12 per cent as the employers' contribution and the employees contribute 8 per cent to the fund. Further, the Group also contributes 3 per cent to the Employees' Trust Fund.

Market Presence

Management Approach

The Group's existence directly benefits the economic wellbeing of the community and its employees. Our business activities provide opportunities to local economies through employment, skills development, community investments and training. We focus on identifying the potential impacts from our operations by actively building strong community relations to strive to achieve development of the economy and strengthen our social license to operate.

Creating Opportunities in the Local Community

We hire a large number of employees from the local community into our Senior Management Team as it increases the Company's ability to understand local needs while bringing economic benefits to the community.

Our Senior Management team comprises of the Executive Board Members, General Managers, Assistant General Managers and Senior Managers. Out of the 31 Members in the Senior Management Team 93% are from the Western Province, which is the local community the Group operates in.

	2023 Rs.	2022 Rs.
Employer Contribution to the Trust Fund	20,394,842	16,381,793
Employer Contribution to the Provident Fund	81,579,369	65,527,171
	101,974,211	**81,908,964**

Procurement Practices

Management Approach

As a responsible printing and packaging company, Printcare contributes to the development of our society and enhancing quality of life of people throughout the world by providing top quality printing and packaging solutions. At Printcare, procurement involves purchasing of direct materials for printing and packaging as well as indirectly related materials, services, and maintenance facilities. We drive ethical sourcing practices across our supply chain and we ensure that our procurement practices are based on the following elements.

- **Quality -** Highest quality materials are procured at all times.
- **Price -** The required quality materials are procured at the lowest possible cost.
- **Availability in the local market –** To support the local economy, preference is always given to local vendors as long as the required quality and quantity of materials are available.
- **Environmental friendliness -** As an environmentally responsible organization we look for materials that have minimal negative impact on the environment and also engage with suppliers around environmental issues.
- **Service -** Suppliers are evaluated on the reliability and consistency of their service.
- **Building long term partners -** Long term partnerships are built with suppliers by sharing knowledge and making new developments which will benefit both parties.

The significance and insignificance level of the suppliers are decided based on the direct and indirect impact each supplier has towards Printcare. All our key business functions are integrated and controlled by our ERP system.

A Procurement Committee has been established compromising of key senior personnel from procurement, finance, engineering and the heads of subsidiaries, and will be responsible for collectively overlooking key purchases for the Group.

Supply Chain

The building of strong relationships with our suppliers is essential in delivering products and services to our customers on time and running our operations. At Printcare, suppliers are viewed as strategic partners therefore we strive to continuously improve our relationship with them which is built through open, transparent and fair business practices. We establish sustainable relations with them in order to build partnerships that assure mutual success and create added value for our customers.

When selecting our suppliers we conduct a screening process based on their level of commitment, price, quality, lead time, service levels, reliability, compliance, environmental safety, corporate responsibility as well as their expertise in areas such as innovation, safety etc. However, in certain cases where a particular material is available with only one supplier, the company will not assess the supplier based on all these criteria.

Printcare's supply chain network interacts with a variety of suppliers such as brokers, wholesalers, retailers, licensees as well as third party representatives such as consultants and service contractors. In 2023, the Group spent Rs. 8.6 billion on goods and services around the world.

The Group continuously focuses on exploring new systems to improve efficiency and integrity of its business processes. As a result group transformed its procurement process to an online bidding system where registered suppliers are allowed to participate through instant online connection. This online tendering method allows Printcare to maintain all preferred suppliers within a single data base, monitor bids and service requests more efficiently, compare bids provided by suppliers easily and increase integrity of contractual documentation. Most of all it improves productivity of Procurement staff and other relevant divisions as it allows to communicate with multiple suppliers in a very short time and minimizes the paper work.

Supplier Diversity

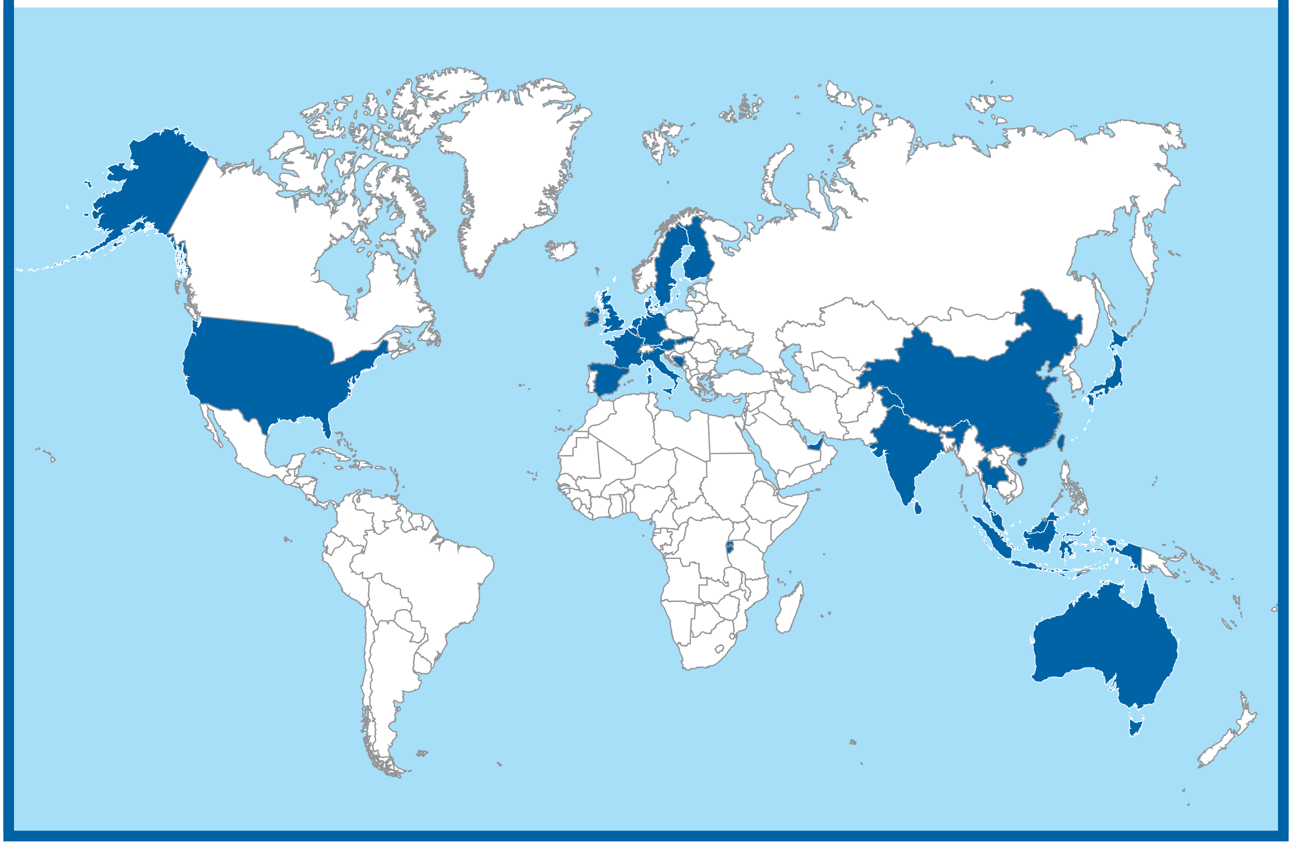
Where it makes overall business sense, we buy goods and services from local suppliers and help support local businesses and skill development. During the year, Printcare spent 22% of its purchases on locally-based suppliers and 78% on foreign purchases. Value of local Purchasing has increased by 10% in comparison to last year due to non availability of required raw materials in the local market. As a policy we continue to procure locally however, due to the nature of our business we source materials according to our customers' requirements; which sometimes limits our ability to procure locally.

Key Factors that Affect Local Purchasing

- **Customer requirements** - Certain materials requested by the customers may not be available in the local market leaving the company no choice but to import them.
- **Price** - For large orders it's much more cost effective to import the materials in bulk rather than buy locally. In many cases the volumes required are also not available locally ex-stock.
- **Quality** - In certain cases even though certain materials are available in the local market it may be of low quality and therefore the performance of the material may be very poor. In these circumstances the material needs to be imported. At Printcare, the quality of materials will not be compromised as we provide our customers with the highest quality products.

Engaged with

603 local & global **SUPPLIERS**



Anti-Corruption

Our Approach

Printcare's long standing commitment to doing business with integrity means avoiding corruption in any form, including bribery and complying with the anti-corruption laws of every country in which we operate. Ethical practices are placed as one of the core values of Printcare and it maintains a zero tolerance policy towards corruption and bribery in all its transactions.

It is our principle not to pay any sort of bribe or accept favours from customers, suppliers, politicians, government advisers or representatives, private person or company. It is not permitted to establish accounts or internal budgets for the purpose of facilitating bribes or influencing transactions.

Our top management is committed to operating and managing an ethical organization with a strong sense of responsibility towards all stakeholders. Therefore, our leadership team at the top is committed to positively influence our management and our people towards transparency, integrity, ethical and honest behaviour in all business operations. To create awareness of the Company's anti-corruption policies periodic training programmes are held for all employees.

In order to sustain our commitments we have also created a safe environment and procedures so that our people are able to report any unethical behaviours and violations they have identified using the whistle blowing mechanism at Printcare.

Communication and Training on Anti-Corruption

Our Anti-Corruption Policy is available on the Printcare intra-net and included in the employee hand book which is distributed to all employees at the time of recruitment.

We also train all our new hires on our ethical standards and anti corruption policies at the induction programme held monthly. The internal E-newsletter 'Vision' magazine published semi-annually also contains a column to create employee awareness on company policies.

During the year an awareness article on anti-corruption policy and whistle blowing mechanism was published and circulated to all employees. Apart from these initiatives periodic training programmes and awareness sessions are conducted by the HR team on key corporate policies. During the year 2023, we trained 279 employees on Printcare anti-corruption policies through orientation and periodic training programmes.

Our Environmental Responsibility

Printcare's mission of being a business that truly cares for all its stakeholders commits us to continually improve our environmental performance by integrating and promoting environmental practices throughout our business processes. Due to the rapid climate change occurring in the world no company can afford to ignore the impact it has on the environment as it has become mandatory to do our part to ensure it flourishes for future generations. Therefore, we have committed to certain stringent environmental management standards and we continuously strive to reduce our environmental impacts and use our resources in an efficient and sustainable manner as we believe that the approach companies take to manage its environmental issues is a critical measure that reflects a company's responsibility and vision.

At Printcare, our management approach is based on the following principles:

Environmental Management -

Efficient use of resources, manage risks to the environment and reduce potential environmental impacts of our operations to reduce our environmental footprint.

Environmental Integration -

Taking measures to make the business green by considering the environmental concerns in the decisions and activities of our business as well as actively engaging in creating a culture of environmental responsibility amongst the employees through environmental awareness programmes.

Environmental Compliance -

Complying with all environmental legislation and regulatory requirements.

The environmental commitment of Printcare is manifested in the tranquil view of the cascading waterfall, ponds and lawns in our factories. Group's strong commitment towards environment is further exhibited through compliance to systems such as ISO 14001:2015 Environmental Management Systems and FSC Chain of Custody Certification (Forest Stewardship Council) which monitors and manages the effectiveness of environmental aspects. Internal and external audits conducted by personnel within the company and third party experts ensure that the Group is committed and complies with all standards and environmental responsibilities.

Material Management

Management Approach

At Printcare, we source a vast array of materials from diverse number of suppliers. All these materials have an impact on the environment and the profitability of the business. Therefore, our primary focus is to continuously reduce our cost and the carbon footprint by embedding optimum usage of material and resource efficiency in all our operations. Wherever possible we also promote concepts of reusing and recycling material.

Our material management approach includes the following practices.

- **Planning of material requirements –** Material needs are planned and forecast effectively.
- **Acquisition -** Ensure that materials purchased conform to appropriate quality assurance and environmental standards.
- **Operation, use and maintenance -** Allocate materials according to specific requirements and maintain records of material usage to minimize waste.
- **Disposal -** Surplus material is reallocated for a different purpose or disposed of in a responsible manner.

Our material consumption is managed and analyzed through our integrated ERP system.

Consumption of Materials

The Group consumes a wide range of materials in producing printing and packaging products. The following table outlines the key categories of materials used across the reporting companies that directly affect the cost of the products. Tracking these materials consumed facilitates us to monitor material efficiencies and cost of material flows

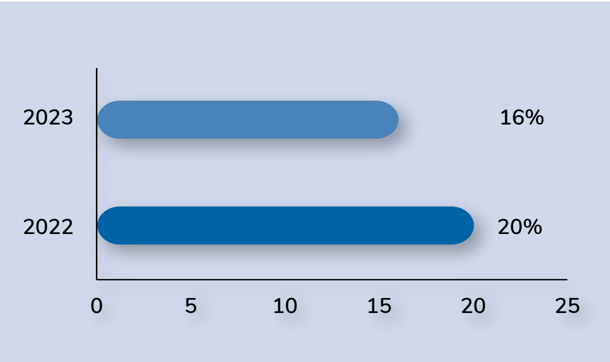
Raw Materials	2023	2022
Paper and Board	29,909MT	19,431 MT
Varnish	134 MT	139 MT
Ink	156MT	148 MT
Corrugated Boxes / Fluted Boxes	813MT	216 MT
Plates	35,563 Nos	37,548 Nos
Die-cutters	727 Kgs	5,138 Kgs
Foils	8,027,001 Meters	3,224,339 Meters
Oil	2,430 Liters	2,448 Liters

Estimations Used for Calculation

- The actual weight of die-cutters and corrugated boxes cannot be obtained as they are recorded in numbers, therefore and estimated weight is derived by calculating the average weight.
- It is not possible to report the total weight of plates consumed as an average weight cannot be calculated due to the different sized plates used at different factories. Therefore, plates are recorded in numbers.

Recycled Materials Consumed

We use various types of recycled materials in our products to reduce the environmental impact and to achieve better environmental performance. However, as our packaging products are produced according to our customer requirements, selection of recycling or virgin pulp board is entirely at our customers' discretion. Out of the total material consumed during the year 16% of the materials were recycled materials.



How We Help Consumers Make Responsible Choices

- Offering and promoting environmentally friendly materials such as recycled and FSC certified paper/ board, environmental friendly inks that are mineral oil free and made of renewable resources and non-fossil carbon content.
- Obtaining the FSC Chain of Custody certification helps us supply material from responsible forests and ensures certified material from sustainable forests' are not mixed with non-certified material at any point in the supply chain to the end consumer.

Energy Management

Management Approach

Printcare supplies printing and packaging solutions to renowned brands across a broad spectrum of industries. Our innovative and world class printing and packaging services are available in multiple locations and all facilities are equipped with state of the art machinery and sophisticated equipment. Therefore, all factories require a substantial amount of energy in order to consistently provide superior and innovative products.

Hence, the Group seeks to improve its energy performance by consuming energy in the most efficient, cost effective and environmentally responsible manner possible, thus minimizing the energy related environmental impacts.

Through improving energy performance Printcare aims to;

- Reduce carbon emissions.
- Substitute non renewable energy sources with renewable energy sources.
- Reduce cost by managing the energy consumption of its operations actively and responsibly.

In order to achieve the above objectives the following energy management activities are practiced:

- Monitor the energy usage and conduct periodic energy reviews.
- Implement energy saving projects to reduce operating cost and carbon emissions associated with energy consumption.

Energy Consumption within the Organization

Non-Renewable Energy	2023 Giga Joules (GJ)	2022 Giga Joules (GJ)
CEB Units	5,815	6,473
LECO Units	24,675	24,181
Diesel	6,164	807
Total Energy Consumption	36,654	31,461

Electricity for Printcare is supplied by the Ceylon Electricity Board (CEB) and Lanka Electricity Company (Pvt) Limited (LECO). Diesel consumption reported depicts the amount used for the generator. Total energy consumption has increase by 17% during the year. Printcare does not consume any energy generated from renewable sources.

We installed and commissioned an industrial solar system of 500kW capacity at one of the factories in Kelaniya.

Energy Intensity

	2023	2022
Energy Intensity Ratio (GJ)	4.88	9.38

We continue to work on improving the energy efficiency of our existing operations. The energy intensity ratio has been calculated based on the turnover of the Sri Lankan operations of Printcare. All non-renewable energy types reported above have been considered when calculating this ratio. In 2023, 4.88 GJ of energy was consumed for every rupee earned.

Water Management

Management Approach

Water is a crucial and increasingly scarce natural resource. Water scarcity is a growing challenge in many regions and the availability of fresh water is a global issue. At Printcare, water is an important factor used in the manufacturing process and operations.

Our key objective is to reduce our water footprint by conserving and optimizing the use of water obtained from surface and ground wherever possible. In order to achieve this, the Group practices the following water management practices:

- Reduce need for water in all operations through meticulous planning.
- Re-use waste water after treatment for operations or domestic use.
- Monitor water consumption periodically and implement projects to manage water usage efficiently.

Water Withdrawn by Source

	2023	2022
Municipal Water Supplies (m3)	25,665	30,074
Ground Water (m3)	0	2,132
External Water Supply (m3)	0	42
Total Water Withdrawal (m3)	25,665	32,248

Primary source of water for Printcare is from the National Water Supply and Drainage Board and ground water. Water is also sourced externally through direct tanker at times when water supplied from the primary sources are not sufficient. In comparison to last year the total water consumption has increased by 22%.

Effluents and Waste Management

Management Approach

Printcare is committed to minimizing waste generation as it has a direct impact on profitability, the environment and the surrounding community. One of our key focus areas within our environmental management strategy is responsible management of hazardous and non-hazardous waste, minimization of waste generation and proper disposal of waste. We control waste generation from our operations by implementing comprehensive waste management processes throughout all business units which includes controlling, monitoring, regulation of production, collection, treatment and disposal of waste in a responsible manner.

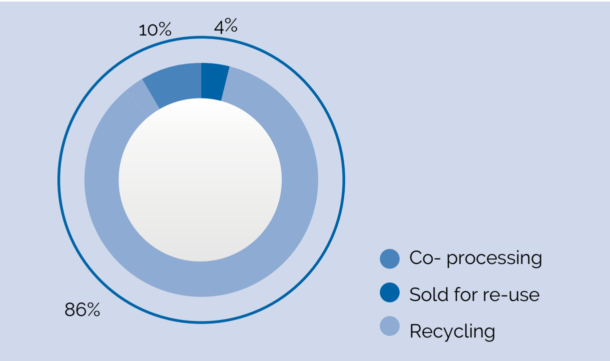
In order to safeguard the environment we ensure that hazardous waste is treated and disposed in a proper manner. In 2023, we spent Rs. 16 million on disposing hazardous waste such as Effluent Treatment Plant sludge, contaminated cotton waste and ink tubs, FTL and CFL bulbs and other chemicals generated from the manufacturing process through a CEA approved waste handler.

Waste

Minimizing waste has been a long standing practice across the Group and our priority in this area has been to reduce waste in the production processes in order to increase efficiency and profitability. The hazardous and non-hazardous waste generated by the Group is shown in the following table. The hazardous waste includes waste items such as contaminated cotton waste, waste water treatment plant sludge, foil paper, FTL / CFL bulbs and liquid waste material.

	2023	2022
Hazardous Waste (MT)	94	192

	2023	2022
Non-Hazardous Waste (MT)	2,721	2,855
Non-Hazardous Waste (Nos)	16,826	24,171



Waste Disposal Methods

All non-hazardous waste items stated in numbers were disposed by selling it for re-using.

Treatment for Hazardous Waste

- The contaminated cotton waste that is used to clean the machines, chemicals used for plate processing, and foil paper used by the factories cannot be discarded without proper treatment. Therefore, these are collected separately and sent for co-processing for complete thermal destruction.
- FTL and CFL bulbs are disposed through a CEA approved re-cycler in an environmentally friendly manner.
- All E-Waste collected is given to a CEA approved E-waste solutions provider.
- We are cautious not to release any chemicals and substances that would harm the environment. Therefore, the waste water generated from the factories are treated through our effluent treatment plant before being re-used.

Treatment for Non-Hazardous waste

- Leftover food at the staff and worker lunch rooms are segregated and collected daily to be given to farms in the area for use as input material.
- Other non-hazardous waste are either sold for reuse or sent to a CEA approved re-cycler.
- All waste paper from offices are collected separately and sent to a CEA approved re-cycler.

Significant Spills

There were no significant chemical leakage or spillage incurred during the year.

Environmental Compliance

Management Approach

Complying with environmental regulations and laws is critical for us as it affects our reputation directly and helps reduce financial risks. Therefore, the level of compliance is monitored directly by our management as well as the Central Environmental Authority through their factory visits. These are also verified by ISO 14001:2015 external audits conducted annually. During the year Company spent Rs. 6.5 million as environmental protection expenditure. Out of this 75% was spent for treatment of hazardous waste and Rs.440,000 was spent for external certification cost for ISO 14001:2015 and FSC

Non-Compliance with Environmental Laws and Regulations

All companies within the Group comply with the environmental laws and health and safety regulations of the products therefore no fines were paid nor were any impacts on reputation encountered by any of our companies during the year.

Our People

Employee Diversity and Equal Opportunity

Management Approach

Our people are at the core of our ability to continuously deliver innovative solutions to our customers and help Printcare achieve a competitive edge in the market. To deliver our aims, we strive to maintain an open, inclusive and stimulating work environment for our employees where everyone lives the same values.

As an equal opportunity employer, Printcare ensures that all employees and job applicants are treated with equal respect regardless of their sex, sexual orientation, marital status, race, colour, nationality, ethnic or national origin, religion, disability, marital or civil partnership status, gender reassignment, pregnancy

and maternity caring, parental responsibilities and their beliefs on matters such as religion and politics.

This is practiced during recruitment and selection, terms and conditions of employment including pay and benefits, communications, training, promotion, transfer and every other aspect of employment. Printcare is committed to provide a working, learning and social environment in which the rights and dignity of all its members are respected, and which is free from discrimination, prejudice, intimidation and all forms of harassment including bullying.

These principles are applied in accordance with the legislation in force in each of the countries and territories in which we operate. Any act of discrimination by employees or any failure to comply with these terms will result in disciplinary action.

Diversity of Our Workforce

Printcare believes that diversity is one of the core drivers for business growth. Therefore, cultivating a diverse workforce can help increase talent engagement, foster innovation, enhance customer service and ultimately drive better financial performance.

The Group recorded a total workforce of 744 full time employees as at 31 March 2023 in all Sri Lankan operations located in the Western Province. There are no part-time employees. Group's security and cleaning functions are outsourced to external parties which reported 43 outsourced employees end of the year.

Printcare Governance Bodies include Board Members and the Senior Management Team; i.e. General Managers, Assistant General Managers and Senior Managers.

Workforce by Employee Category

Employee Category	Total
Executive Directors	2
General Managers & AGM	15
Managers & Assistant Managers	64
Executives	136
Non - Executives	527
Total Workforce	744

There are two Executive Directors in the Board of Directors.

Total Employees by Gender

Male 76%

Female 24%

Total Employees By Contract

Permanent 86 %

Fixed Term Contract 14 %

Permanent Employees by Gender

Male 80%

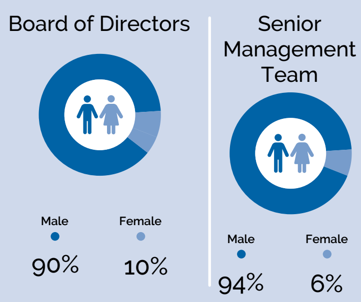
Female 20%

Contract Employees by Gender

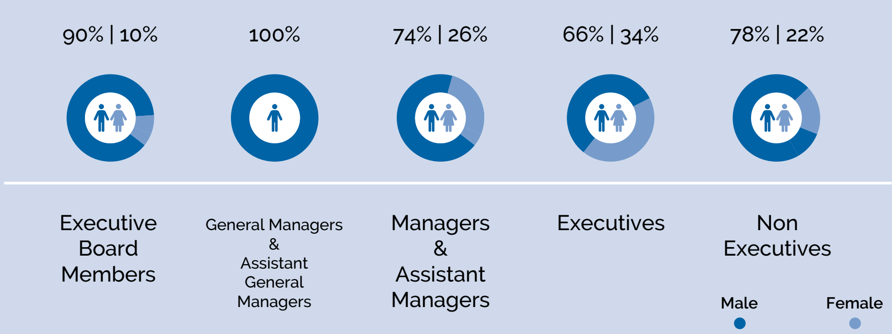
Male 60%

Female 40%

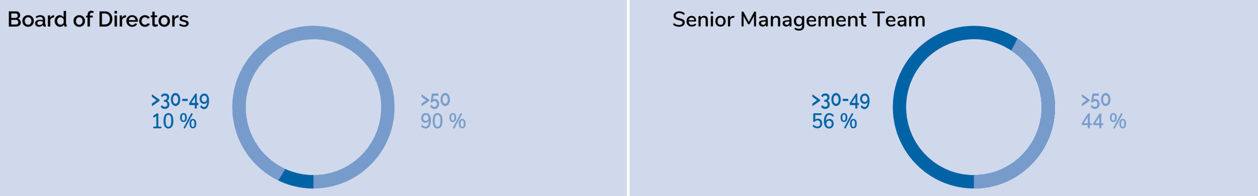
Governance Body By Gender



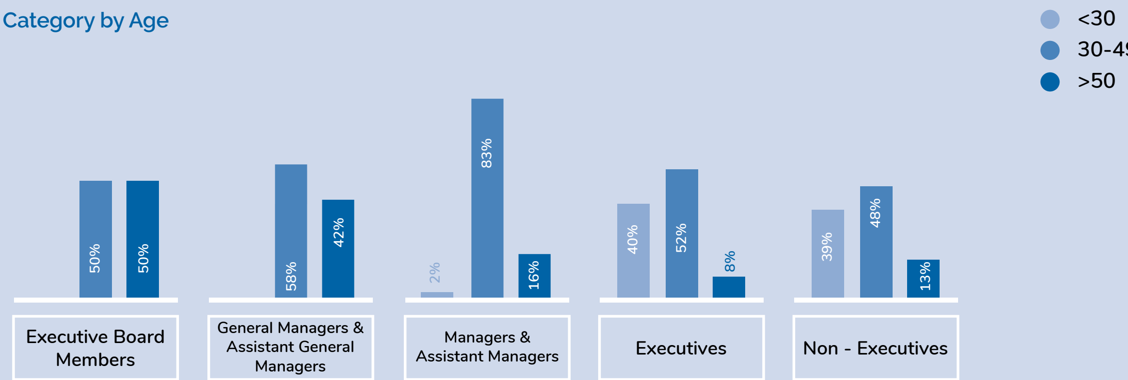
Employee Category By Gender



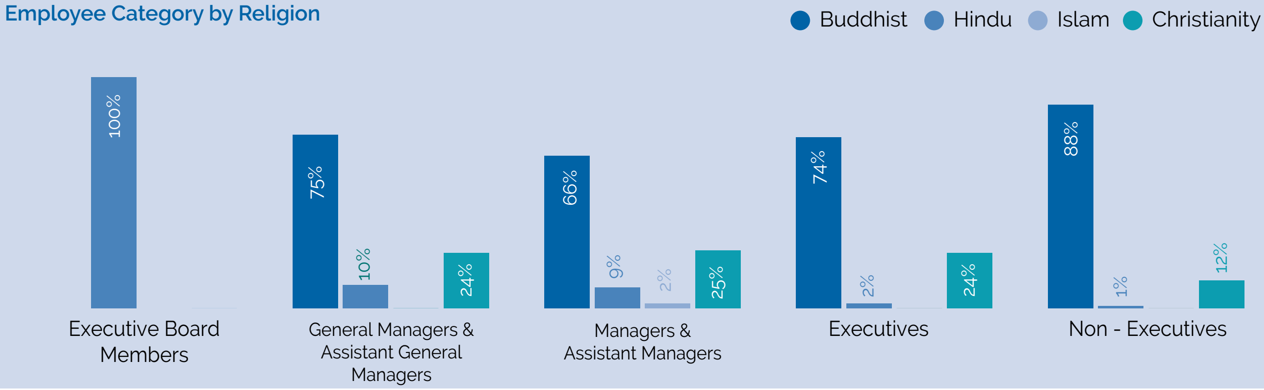
Governance Body by Age



Employee Category by Age



Employee Category by Religion



Ratio of Basic Salary and Remuneration of Women to Men

Printcare ensures that employees are paid in accordance with the knowledge, skills and experience they bring to the position regardless of their gender. All other compensation is purely based on the performance achieved by the individuals and the organization. Therefore, we ensure that all employees receive equal pay for equal experience and performance.

The average salary ratio of men to women is given in the following table. Employee Category shown as Managers include CEO, General Managers, Assistant General Managers, Managers and Assistant Managers.

Employee Category	Male	Female
Managers	1	0.36
Executives	1	0.82
Non- Executives	1	0.64

Employment

Management Approach

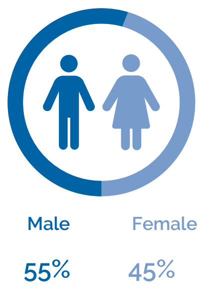
Our diverse workforce is the heartbeat of Printcare. The success of our business depends on every employee in our company. We recognize that by looking after our employees, our business operates more successfully. Therefore, we strive to take good care of our people and create a safe, fair, ethical and rewarding work environment. We value the relationship we have with all of our employees.

We have established well defined HR policies and practices to manage and protect our people. Development of local talent, leadership development, succession planning, employee health and safety, rewards and recognition of deserving talent and organizational ethics is a critical part of our vision for people development and we believe that it will enables us to create and maintain a workplace that attracts, motivates and retains the best people.

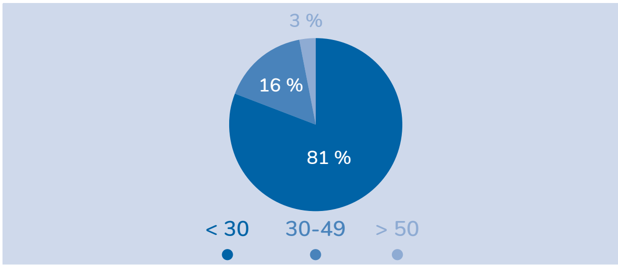
New Recruitments

116 employees were recruited during the year with a new hire rate of 16%.

New Employee Hires by Gender



New Employee Hires by Age

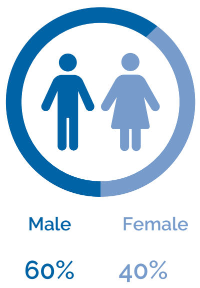


Employee Turnover

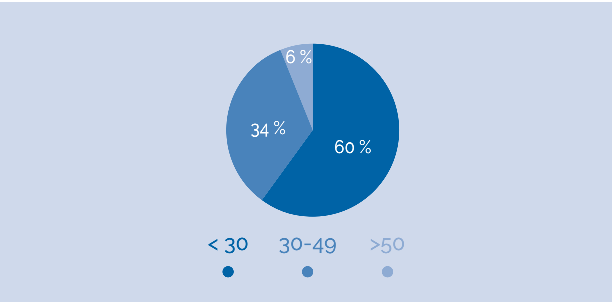
Printcare continuously monitors its employee turnover and seeks to address it through proactive initiatives such as Employee Engagement Surveys, one to one interactions by the Manager or Supervisors, providing various opportunities for training and development, welfare facilities and benefits.

An employee turnover rate of 7% was recorded in 2023 which is a increase of 0.2% in comparison to 7% reported last year.

Turnover by Gender



Turnover by Age



Parental Leave

Our policies are in accordance with the Maternity Benefits Ordinance. All 179 female employees in the Group are entitled to maternity leave. Paternity leave is not recognized under the employment laws in Sri Lanka therefore the Company does not provide paternity leave. After the maternity period has ended the female employee shall be entitled to feeding time of one hour per day for her new born.

Out of 179 female employees in 2023, 2 females took maternity leave during the year out of which 2 employees returned to work after maternity leave ended reporting a Return to Work rate of 100%.

Labour Management Relations

Management Approach

Our aim is always to ensure that our workforce is happy with their work, working environment, facilities and benefits provided to them. A smooth operation depends on the co-operation, team work, effective communication, leadership qualities of all employees of the Group.

In order to create a harmonious work environment various initiatives have been implemented by the Management. Worker Representative Meetings held once in two months create a platform for workers to provide their issues and suggestions to the Management. Monthly Staff Meetings and Employee Engagement survey held every two to three years also allow the employees to share their issues and enables the company to continually update its management approach with regard to employee and workplace practices.

The Open Door Policy is another step taken for employees to provide feedback to any Senior Manager of the Management team including the Managing Director. This policy provides all employees with an alternate mechanism for dialogue.

Minimum Notice Period Regarding Operational Changes

Whilst there is no established minimum notice period for operational changes, all changes are agreed upon ahead of time by all parties. Any significant change in the organization that affects our employees positively or negatively is communicated to the employees with adequate notice period depending on the significance of the change. Communications from the top management to the employees happen timely and effectively. The Managing Director addresses the employees in a quarterly manner and any significant change will be communicated during this meeting. The worker representative meetings and staff meetings also take place regularly which provides employees a forum to voice their concerns as well as communicate operational changes.

Training and Education

Management Approach

To realize its vision of achieving excellence, the Company ensures that employees are given adequate training to perform their jobs effectively and efficiently. Personal and professional development of our people is a critical priority for us. Therefore, we invest in our people and offer variety of methods to help them enhance their capabilities.

We want our people to be the most knowledgeable, skilled and trusted partners in the industry.

Hence, we provide them with numerous opportunities and tools for progression, development and interaction. We also encourage the personal development and satisfaction of the employees through open dialogue and career development goal setting in line with the company's employment practices.

Employee training programmes and other learning initiatives are an integral part of the Printcare Human Resources vision. Training is considered by us as one of the best tools to motivate and support individuals.

How We Identify Training Needs

- At the factory level the skills and knowledge gap of workers are identified through a 'Gap Analysis' which is conducted by the managers and supervisors every six months.
- At the staff level it is identified through the 'Performance Appraisal' carried out every six months.
- Employees are also able to request for specific training needs they require during the performance appraisal held twice a year.

Depending on the requirements recognized from these mechanisms individuals are given opportunity to attend training programmes. Apart from this, various other training sessions are organized to enhance our employee competence. At Printcare, Training and development has been crafted in a way that it develops the employees' job specific technical training as well as develop them to become successful corporate citizens.

Trainings are conducted in four categories:

- Induction and Orientation
- Work-Life Development
- Technical Competencies Development
- General Competencies Development

Employee Training Hours

Employee Category	2023			2022
	Number of Employees	Total Hours of Training	Average Hours of Training per Employee	Average Hours of Training per Employee
Executive Board Director	2	1	0.5	0
General Managers	11	23.75	2.97	7
Assistant General Managers	4	58.25	14.56	15
Managers	37	469.75	13.05	14
Assistant Managers	27	476.5	18.33	10
Executives	136	1666.75	12.26	11
Non-Executives	527	5732.25	10.98	7
Total	744	8428.25	11.44	8

Gender	2023			2022
	Number of Employees	Total Hours of Training	Average Hours of Training per Employee	Average Hours of Training per Employee
Male	564	6907.25	12.36	8
Female	180	1521	8.54	10

Performance and Career Development Reviews

It is important that employees in an organization are guided properly to manage their careers. Therefore, our employees' expectations and targets should be managed and their goals should be set in line with the organizations'. Performance management strives to maximize the connection between employee development and organizational performance. Performance management includes developing SMART goals, continuous feedback and formal and informal review of the progress throughout the year. The performance appraisal system developed at Printcare aligns the performance management cycle. It ensures that performance of each employee is assessed and constructive feedback is provided to motivate, develop, correct and continue their performance in a way it supports the Company's strategic objectives.

At Printcare, Performance is reviewed every six months for 100% of the workforce from worker category to the top management. This is used as a tool of encouragement, to evaluate their performance, and to identify the training and development areas.

Performance Evaluation and Development Plan (PEDP)

A strategically developed system known as the Performance Evaluation and Development Plan (PEDP) is used to evaluate, challenge and motivate the high caliber Management Team at Printcare. It is also designed to test the ability and competencies of the managers to deliver on the core values while also recognizing the contributions and initiatives they make to the Company.

The PEDP evaluations are monitored in an online platform through which the KPIs (Key Performance Indicators) are set and evaluated. Through this system KPIs are given a weightage depending on the level of importance and the impact of them on work objectives which makes the PEDP process more meaningful and unbiased. The online platform has made the PEDP process more efficient as it allows the appraisees and appraisers to access the data from anywhere therefore improves timely completion of the appraisals. This also enables to track and compare the results easily through the system and it gives more security for the data as only authorized personnel can access to the system.

We believe that it is vital that employees are reinforced and rewarded on the most important outcomes they create for the business. PEDP Awards night is one of the tools developed by Printcare in order to recognize and honour the achievements of the Management Team.

Techniques Used to Enhance Employee Motivation

Attendance Bonus Scheme

In recognition of the loyalty and commitment of our employees the senior management holds a special tea party with the presence of the Managing Director for selected employees. However last couple of years this scheme was not implemented due to Covid 19 restrictions and related concerns in the company. But the company has recognized and awarded the employees in different ways in order to keep the high moral of the employees and thereby increasing the productivity of the Companies. Steps has been taken to resume this Scheme from next year.

Year	Number of employees qualified for the bonus
2016	113
2017	119
2018	104
2019	87
2020	112

Corporate events

During the year there were no physical activity events held due to Covid - 19 Pandemic and Health concerns.

Annual Scholarship Programme

Printcare follows an 'Employee First Strategy' as they continuously implement various initiatives to ensure that the employees' basic emotional needs are satisfied within and outside the organization. Printcare Annual Scholarship Programme for children of the employees is one of the initiatives conducted every year as a result of this strategy. This year 53 children were presented with scholarships that covered one year's cost of student accessories such as school uniforms, shoes, stationary, and tuition fees etc.

Employee Welfare

The "Welfare Society of Printcare PLC" has been set up with the objective of assisting our employees in various issues arising at work and arranging welfare activities.

The society provides benefits such as,

- Distress Loan Schemes
- Death Donation Schemes
- School books and stationary to children of employees
- Easy Payment Schemes

Welfare Shop

The Welfare Society has set up a mini supermarket known as the "Welfare Shop" within the company premises that provides a vast array of goods at a discounted rate and also grants credit facilities to its employees for their convenience.

Employee Health and Safety

Management Approach

A healthy workforce is a necessary foundation for economic growth and critical in achieving our business objectives wherever we operate. Printcare is committed to providing a safe and healthy workplace to its employees, contractors, visitors and anyone else who may be affected by its operations. In order to achieve this objective, the Company makes every endeavor to eliminate conditions and incidents that could result in personal injury or ill health.

Printcare is a responsible organization and provides all employees with coaching, guidance and training in the identification, assessment and control of hazards in the workplace. It is the responsibility of all employees to adhere to these safe working practices to avoid injuries to themselves, others and damage to plant and equipment and buildings.

Printcare commits to provide its employees and contractors with appropriate personnel protective clothing and equipment and they are required to wear these whilst on duty. All our factories are inspected in relation to safety of our employees by the Chief Factory Inspection engineer from the Department of Labour every six months, and we ensure that we keep our approach to safety continually updated.

Injury Type	2023			2022		
	Male	Female	Total	Male	Female	Total
Occupational Injuries	0	0	0	0	0	0
Lost Man Days	0	0	0	0	0	0
Absentee Days	0	0	0	0	0	0

Types and Rates of Injuries

Printcare monitors, records, and reports on the occupational injuries, diseases, lost days and absentee rates of all employees. The Group's health and safety incidents are monitored through its management processes which include Accident Reports and Balanced Score Card.

Due to the stringent health and safety practices implemented continuously across the Group there was a substantial reduction in occupational injuries by 100% in 2023 whilst recording a zero lost day count which signifies that zero injuries recorded during the year.

The absentee days portrays the number of unauthorized leave taken throughout the year. The absentee rate has reduced by 100% in 2023. There were no occupational diseases or work related fatalities during the year.

The Health and Safety Committee appointed by the Managing Director consists of SBU General Managers, Health and Safety Manager, QA Manager, Factory Manager, Factory HR Manager, representatives of Engineering Division and production related employees. The Committee monitors and identifies hazards, assesses risks, implements appropriate safety controls in place and provides advice on accident prevention. We continue our record of zero fatal injuries since inception.

We review all the injuries incurred in a systematic manner and create awareness among the employees regarding accident prevention and creating a safe working environment. Accident prevention method called "Near Misses Register" is maintained in every factory and all near misses that could lead to an accident are identified, recorded and actions are taken to eliminate such occurrences.

Training on occupational health and safety is now conducted by the District Factory Inspecting Engineer of Gampaha District. All new recruits are trained on health and safety, awareness on fire hazards and first aid at the orientation sessions conducted monthly.

First Aid Team is formed to assist the employees to provide first aid assistance during an accident or emergency and the team is given first aid training by the Red Cross Society once in six months. We have established a fire team to safeguard the employees and the Company from any fire hazards. Once in three months the fire team holds review meetings and evacuation drills with the assistance of the Fire Brigade Officers. The Group fire warden also conducts fire training at the induction programme every month for all new recruits as well as the existing employees.

To ensure that we have a healthy workforce we have also organized an in-house doctor that visits Printcare once a week and provides free consultation for the employees. Apart from occupational health and safety we also conduct several awareness sessions time to time on personal hygiene and health care.

The Group has been certified for ISO 45001:2018 by implementing OSHAS (Occupational Health and Safety Assessment Series) rules into their factories. Various training programmes, risk analyzing sessions, team forming activities etc have been carried out during the year in order to fulfill the requirements of the standard.

	2023	2022
Injury Rate		
Number of Occupational Injuries	0	0
Total Man Hours Worked in the Period	132,929	125,074
Injury Rate	0.0%	0.0%
Lost Day Rate		
Number of Lost Days	-	-
Total Scheduled Man Days Worked in the Period	147,699	135,492
Lost Day Rate	-	-
Absentee Rate		
Number of Absentee Days	0	0
Total Scheduled Man Days Worked in the Period	147,699	135,492
Absentee Rate	0%	0%

Our Business Ethics

Codes of Conduct and Codes of Ethics

Our practices on Labour and the Workplace management are supported by the principles of the ILO Declaration (International Labour Organization), namely the elimination of child labour, forced labour, workplace discrimination and the recognition of the right to freedom of association. Our employment practices are governed by the laws and regulations of the country, our inherent commitment to fair and equal employment practices and an overall organizational practice that does not tolerate harassment or discrimination in the workplace.

All Printcare policies, value statements, standards and norms are included in the employee handbook. The handbook is handed over to all new employees at the time of recruitment and they are briefed on the policies, values and standards during the orientation programme held every month. These policies are also available on the Printcare intra-net and can be viewed by any employee. Printcare E-news letter 'Vision Magazine' which is circulated among the employees bi-annually also includes a section that summarizes a policy for each issue in order to create awareness among the employees.

Any revision to the policies will be uploaded to the intra-net and also informed through the policy training programmes conducted for the employees. The values statement of the company can be found on page 26 of this annual report.

Child Labour, Forced or Compulsory Labour

Management Approach

Printcare is committed to comply with all relevant and applicable local and international labour regulations, treaties and conventions to protect the health and safety of children. Forced labour or compulsory labour is not our practice. We maintain employee self-esteem honestly and ethically.

Therefore we do not employ any person below the age of 18 years and we work in collaboration with subcontractors to prevent and remove any instances of child labour in a manner that is consistent with the best interest of the child and ensure they too avoid any illegal practices such as forced or compulsory labour.

All our business operations strictly comply with the ILO Declaration and the country's labour laws. Our employee rights principles include no forced or child labour and we comply with these principles. We do not withhold any original birth certificates or any personal documents during recruitment. Employees who work beyond normal working hours are given transport facilities and workers are provided with overtime or variable and they pay as appropriate. We have also made aware of our child and forced labour policy to our contractors who are bound to comply with these.

Non-Discrimination

Management Approach

Printcare Group is committed to a philosophy that ensures all employees and job applicants are treated with equal respect and dignity. Hence, any unlawful practices based on race, colour, nationality, ethnic or national origin, religion, disability, marital or civil partnership status, gender reassignment, pregnancy and maternity caring, parental responsibilities or their beliefs on matters such as religion and politics will not be tolerated.

Furthermore the Company will ensure that no requirement or condition will be imposed without justification which could disadvantage individuals on any of the above grounds. Printcare is committed to provide an environment which promotes positive attitudes. The policy applies to recruitment and selection, terms and conditions of employment including pay and benefits, communications, training, promotion, transfer and every other aspect of employment.

Grievance mechanisms such as worker representative meetings, open door policy and whistle blowing procedures are in place for employees to report any violations to human rights or voice their concerns.

There were no incidents of discrimination identified during the financial year. The Group is committed in maintaining a work environment of equal opportunities free of discrimination and sexual harassment while keeping up with its Human Rights Policy, Equal Opportunities Policy and Sexual Harassment Policy. The employee charts reported under 'Employee Diversity and Equal Opportunity' section attests that we have a diversified workforce free of discrimination.

Human Rights Grievance Mechanisms

Open Door Policy

Employees are actively encouraged to express themselves openly if any problem arises relating to work. We practice an "Open Door Policy" which permits all employees to provide a feedback to any Senior Manager of the Management Team including the Managing Director.

Worker Representative Meetings

Regular Worker Representative Meetings are held every two months to communicate with our workforce and are represented by senior managers and individuals from each section of the workforce selected by the employees themselves. These meetings allow employees to exchange ideas, suggestions and the necessary actions are taken to solve any issues or concerns. Therefore, currently none of our employees are covered by collective bargaining agreements, as such agreements have not been found to be necessary within Printcare.

Whistle Blowing Mechanism

The Whistle Blowing policy also states the mechanism on how to blow the whistle in the event of discovering any malpractice. Accordingly, employees can raise their concerns to their immediate Supervisor or Head of Department. In situations where the individual is uncomfortable in approaching the said people, they can raise the concerns to the Head of HR or any Head of Department. If the disclosure is extremely severe in nature employees can notify their concerns to the Managing Director via email or a letter. During the year, there were no incidents of grievances relating to human rights recorded.

Customer Health & Safety

Management Approach

We are dedicated to offering high quality products on time while exceeding customer expectation and at the same time maintaining the highest safety standards with regard to the environment. We are aware that as a manufacturer we are responsible for the waste we generate not only during the production process but also when the product is discarded. Hence, we continue to assess the health and safety impacts of products and services throughout out the life cycle of our products.

Our business operations that directly relates to food related products are certified under global food safety standards which assess the health and safety impacts of products and services at each stage of our production process from development to the delivery stage.

The Business Risk review process assesses possible adverse impacts on people and environment as a result of Printcare business operations. The steering committees formed at the Business unit levels are responsible to identify, evaluate and manage risks of all existing and new business operations.

Assessment of Health and Safety Impacts of Products and Services

Our business operations relating to tea bag tags and envelopes and carton packaging for food related products have a direct impact on the health and safety of the users' of the product. Food packaging segment of the Group in Sri Lanka is 60% which is related to health and safety implications of the users. It is our responsibility to ensure the safety of food items until consumption. Therefore, we comply with standards such as FSSC 22000:V.5.1 and BRCGS global food safety programmes which are specifically designed for food packaging manufacturers to reduce food safety risks. As a result we also conduct a routine food handlers medical test annually to employees who are directly involved with food related products to ensure the end users' safety.

Social Compliance

Management Approach

Printcare adheres to all laws and regulations of Sri Lanka labour laws and ILO requirements in conducting its business practices. Business level compliance reviews are conducted throughout the Group every quarter to ensure that all business units adhere to legal and statuary requirements. The Audit Committee at the Board level reviews and ensures the compliance of financial reporting in line with relevant regulations, internal controls and risk management processes are in place and satisfactorily managed.

Legal Compliance with Laws and Regulations

There were no fines or monetary sanctions related to accounting fraud, workplace discrimination or corruption in 2023 across the Group.

Local Community

Community

Management Approach

Printcare strives to be a good citizen and we believe that the community in which we operate, needs to benefit as a result of us being here. Apart from the fact that this satisfies an altruistic need to do good, this also ensures that the neighborhood becomes a strong supporter of our company. We engage and support the surrounding community through initiatives that are mutually agreed upon, sustainable, non-discriminating and beneficial to as many of the community members as possible. Our community investment initiatives will focus on the economic welfare of the community and the improvement of its educational standards.

We search for opportunities that create shared value for Printcare, our stakeholders, and society. The trust, credibility, and goodwill that we have built with government entities, neighbours, schools, religious facilities and educational institutes, as well as others in our communities, have helped create a positive business environment for Printcare.

Our community investment initiatives and philanthropy has two main components, economic welfare and education contribution. The Group carries out its work both directly by supporting learning and education, and facilitating infrastructure for education and growth.

Local Community Engagement, Impact Assessments and Development Programmes

We believe that as a significant employer it is our responsibility to improve services for the community as a whole and not just our individual customers. Therefore, we actively promote our group companies to work towards maximizing the positive impacts on the local community and the environment. At present, we do not have a local community impact needs assessment in place formally.

However, we are looking to implement a formal method in the future. We have currently designated Printcare representatives who engage with the local Urban Councils, schools and temples in the Kelaniya and Kadawatha locations informally to identify and understand their needs and any positive or negative impacts created through our operations.

According to the risk management process in place at Printcare, an environment impact/aspect assessment is carried out and reviews are done annually. Activities are categorized for each operation and the impacts of each activity to the environment and community are identified. These impacts are then evaluated and graded based on certain criteria. Finally the aspects are rated as significant if the rating determined is high. All these significant impact areas are then addressed by implementing operational controls.

Development and Education of the Community

Supporting IT Learning

As an ongoing project for the past 13 years Printcare has been providing financial support to the youth of the community in order to reach their potential through learning new IT skills. Printcare sponsors the teaching at the Sri Gnananadashrama computer centre that provides computer training to students living around the village. The company has been paying for the cost of the instructor on a monthly basis.

Building Skills and Knowledge

We create value to our stakeholders by supporting individuals who wish to upgrade or enrich their job skills and opportunities. Printcare has set up collaborations with local universities such as University of Moratuwa and University of Kelaniya as well as private universities such as Academy of Design (AOD) in order to assist the university students with their education and to give them an insight into the industrial and corporate sector.

Supporting Community Groups and Charities

Distribution of Food Hampers

The Group distributes food hampers consisting of dry rations to several destitute families in the Nungamugoda village for Poson Full-Moon Poya. This has been an ongoing project for the last few years and the Company has been able to help over 90 families annually through this project.

GRI Content Index for 'In accordance' - core

GRI Standard	Disclosure	Page No	Omission
GRI 101: Foundation 2016			
General Disclosures			
GRI 102: General Disclosures 2016	**Organizational Profile**		
	102 – 1 Name of the organization	26	
	102 – 2 Activities, brands, products, and services	29 & 30-33	
	102 – 3 Location of headquarters	26	
	102 – 4 Location of operations	26	
	102 – 5 Ownership and legal form	26	
	102 – 6 Markets served	26 & 34	
	102 – 7 Scale of the organization	34	
	102 – 8 Information on employees and other workers	56	
	102 – 9 Supply chain	44-45	
	102 – 10 Significant changes to the organization and its supply chain	34	
	102 – 11 Precautionary Principle or approach	19-23 & 35	
	102 – 12 External initiatives	35	
	102 – 13 Membership of associations	13	
	Strategy		
	102 – 14 Statement from senior decision-maker	25	
	Ethics and Integrity		
	102 – 16 Values, principles, standards, and norms of behavior	28 & 65	
	Governance		
	102 – 18 Governance structure	10-14 & 35	
	Stakeholder Engagement		
	102 – 40 List of stakeholder groups	39	
	102 – 41 Collective bargaining agreements	65-66	
	102 – 42 Identifying and selecting stakeholders	39	
	102 – 43 Approach to stakeholder engagement	39	
	102 – 44 Key topics and concerns raised	40-41	
	Reporting Practice		
	102 – 45 Entities included in the consolidated financial statements	36	
	102 – 46 Defining report content and topic boundaries	36-37	
	102 – 47 List of material topics	36	
	102 – 48 Restatements of information	37	
	102 – 49 Changes in reporting	37	
	102 – 50 Reporting period	36	
	102 – 51 Date of most recent report	36	
	102 – 52 Reporting cycle	36	
	102 – 53 Contact point for questions regarding the report	73	
	102 – 54 Claims of reporting in accordance with the GRI Standards	36	
	102 – 55 GRI content index	70-73	
	102 – 56 External assurance	36	

GRI Standard	Disclosure	Page No	Omission
Material Topics			
Economic Performance			
GRI 103: Management Approach	103 – 1 Explanation of the material topic and its boundaries	42	
	103 – 2 The management approach and its components	42	
	103 – 3 Evaluation of the management approach	42	
GRI 201: Economic Performance 2016	201 – 1 Direct economic value generated and distributed	42	
	201 – 3 Defined benefit plan obligations and other retirement plans	43	
Market Presence			
GRI 103: Management Approach	103 – 1 Explanation of the material topic and its boundaries	43	
	103 – 2 The management approach and its components	43	
	103 – 3 Evaluation of the management approach	43	
GRI 202: Market Presence 2016	202 – 2 Proportion of senior management hired from the local community	43	
Procurement Practices Market Presence			
GRI 103: Management Approach	103 – 1 Explanation of the material topic and its boundaries	44	
	103 – 2 The management approach and its components	44	
	103 – 3 Evaluation of the management approach	44	
GRI 204: Procurement Practices 2016	204 – 1 Proportion of spending on local suppliers	45	
Anti-Corruption			
GRI 103: Management Approach	103 – 1 Explanation of the material topic and its boundaries	47	
	103 – 2 The management approach and its components	47	
	103 – 3 Evaluation of the management approach	47	
GRI 205: Anti-Corruption 2016	205 – 2 Communication and training about anti-corruption policies and procedures	47	
Energy			
GRI 103: Management Approach	103 – 1 Explanation of the material topic and its boundaries	51	
	103 – 2 The management approach and its components	51	
	103 – 3 Evaluation of the management approach	51	
GRI 302: Energy 2016	302 – 1 Energy consumption within the organization	51	
	302 – 3 Energy Intensity	52	
Water			
GRI 103: Management Approach	103 – 1 Explanation of the material topic and its boundaries	52	
	103 – 2 The management approach and its components	52	
	103 – 3 Evaluation of the management approach	52	
GRI 303: Water 2016	303 – 1 Water withdrawal by source	52	
Effluents And Waste			
GRI 103: Management Approach	103 – 1 Explanation of the material topic and its boundaries	52-53	
	103 – 2 The management approach and its components	52-53	
	103 – 3 Evaluation of the management approach	52-53	
GRI 306: Effluents and Waste 2016	306 – 2 Waste by type and disposal method	53	
	306 – 3 Significant spills	53	

GRI Standard	Disclosure	Page No	Omission
Environmental Compliance			
GRI 103: Management Approach	103 – 1 Explanation of the material topic and its boundaries	53	
	103 – 2 The management approach and its components	53	
	103 – 3 Evaluation of the management approach	53	
GRI 307: Environmental Compliance 2016	307 – 1 Non-compliance with environmental laws and regulations	53	
Employment			
GRI 103: Management Approach	103 – 1 Explanation of the material topic and its boundaries	58	
	103 – 2 The management approach and its components	58	
	103 – 3 Evaluation of the management approach	58	
GRI 401: Employment 2016	401 – 1 New employee hires and employee turnover	58	
	401 – 3 Parental Leave	59	
Labour Management Relations			
GRI 103: Management Approach	103 – 1 Explanation of the material topic and its boundaries	59	
	103 – 2 The management approach and its components	59	
	103 – 3 Evaluation of the management approach	59	
GRI 402: Labour Management Relations 2016	402 – 1 Minimum notice periods regarding operational changes	59	
Occupational Health and Safety			
GRI 103: Management Approach	103 – 1 Explanation of the material topic and its boundaries	63	
	103 – 2 The management approach and its components	63	
	103 – 3 Evaluation of the management approach	63	
GRI 403: Occupational Health and Safety 2016	403 – 2 Types of injury and rates of injury, occupational diseases, lost days and absenteeism, and total number of work-related fatalities	64	
Training and Education			
GRI 103: Management Approach	103 – 1 Explanation of the material topic and its boundaries	60	
	103 – 2 The management approach and its components	60	
	103 – 3 Evaluation of the management approach	60	
GRI 404: Training and Education 2016	404 – 1 Average hours of training per year per employee	60	
	404 – 3 Percentage of employees receiving regular performance and career development reviews	60	
Diversity and Equal Opportunity			
GRI 103: Management Approach	103 – 1 Explanation of the material topic and its boundaries	54	
	103 – 2 The management approach and its components	54	
	103 – 3 Evaluation of the management approach	54	
GRI 405: Diversity and Equal Opportunity 2016	405 – 1 Diversity of Governance Bodies and Employees	56-57	
	405 – 2 Ratio of basic salary and remuneration of women to men	58	

GRI Standard	Disclosure	Page No	Omission
Non-Discrimination			
GRI 103: Management Approach	103 – 1 Explanation of the material topic and its boundaries	66	
	103 – 2 The management approach and its components	66	
	103 – 3 Evaluation of the management approach	66	
GRI 406: Non-Discrimination 2016	406 – 1 Incidents of discrimination and corrective actions taken	66	
Child Labour			
GRI 103: Management Approach	103 – 1 Explanation of the material topic and its boundaries	65	
	103 – 2 The management approach and its components	65	
	103 – 3 Evaluation of the management approach	65	
GRI 408: Child Labour 2016	408 – 1 Operations and suppliers at significant risk for incidents of child labour	65	
Forced or Compulsory Labour			
GRI 103: Management Approach	103 – 1 Explanation of the material topic and its boundaries	65	
	103 – 2 The management approach and its components	65	
	103 – 3 Evaluation of the management approach	65	
GRI 409: Forced or Compulsory Labour 2016	409 – 1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	65	
Local Communities			
GRI 103: Management Approach	103 – 1 Explanation of the material topic and its boundaries	68	
	103 – 2 The management approach and its components	68	
	103 – 3 Evaluation of the management approach	68	
GRI 413: Local Communities 2016	413 – 1 Operations with local community engagement, impact assessments, and development programs	68-69	
Customer Health and Safety			
GRI 103: Management Approach	103 – 1 Explanation of the material topic and its boundaries	67	
	103 – 2 The management approach and its components	67	
	103 – 3 Evaluation of the management approach	67	
GRI 416: Customer Health and Safety 2016	416 – 1 Assessment of the health and safety impacts of product and service categories	67	
Socioeconomic Compliance			
GRI 103: Management Approach	103 – 1 Explanation of the material topic and its boundaries	67	
	103 – 2 The management approach and its components	67	
	103 – 3 Evaluation of the management approach	67	
GRI 419: Socioeconomic Compliance 2016	419 – 1 Non-compliance with laws and regulations in the social and economic area	67	

The General and Topic Specific Standard Disclosure items listed above have not been externally assured.
For further information or any enquiries on our Sustainability Report, contact:

Pradeep Dias, General Manager – Business Services
77, Nungamugoda Road, Kelaniya, Sri Lanka.
Email: pradeep.dias@printcare.lk

Annual Report of the Board of Directors on the Affairs of the Company

The Directors are pleased to submit their report together with the Audited Accounts of the Company and the Group, for the year ended 31 March 2023, to be presented at the Forty Second Annual General Meeting of the Company.

Review of the Year

The Chairman's review on pages 04 to 05 describes the Company's affairs and mentions important events that occurred during the year, and up to the date of this Report. This Report together with the audited financial statements reflect the state of the affairs of the Company.

Principal Activities / Core Business

The Core Business of the Group is the Manufacturing / Printing of tea bag tags, envelopes, and cartons, and security printing.

Financial Statements

The financial statements of the Company and Group have been prepared in accordance with the Sri Lanka Accounting Standards and in compliance with the requirements of Section 151 of the Companies Act No 7 of 2007, are given from pages 84 to 136 in this Annual Report.

Group Financial Results / Profit and Appropriations

	2022/2023	2021/2022
	Rs. '000	Rs. '000
Turnover	14,138,738	7,626,233
Profit / (Loss) Before Tax	1,957,380	2,336,166
Taxation	(453,056)	(71,210)
Profit / (Loss) After Tax	1,504,324	2,264,956
Minority Interest	(14,932)	(28,144)
Net Profit / (Loss) for the year	1,489,392	2,236,812
Transfer to General Reserves	(200)	(197)
Other adjustments	(358,869)	(4,806)
Profit Brought Forward	3,554,629	1,752,653
Ordinary Dividends Paid	(515,800)	(429,833)
Retained Earnings	4,169,152	3,554,629
Earnings Per Share	Rs. 17.33	Rs. 26.02
Dividends Per Share	Rs. 6.00	Rs. 5.00
Net Asset value Per Share	Rs. 76.71	Rs. 56.31

Market Value Per Share	2022/2023		2021/2022	
Highest Value	26.09.2022	Rs. 99.00	23.08.2021	Rs. 58.00
Lowest Value	20.04.2022	Rs. 20.00	30.03.2022	Rs. 22.40
Market Value at Year End	31.03.2023	Rs. 48.90	31.03.2022	Rs. 27.00

Independent Auditor's Report

The Auditor's Report on the financial statements is on pages 80 to 83 in this report.

Accounting Policies

The Accounting Policies adopted in preparation of the financial statements are given from pages 88 to 105. There were no changes in Accounting Policies adopted by the Company during the year under review except for the policies disclosed under Note 2.4 to the Financial Statements.

Property, Plant & Equipment

During the year under review the Group invested a sum of Rs.329,279,115/- (2022 Rs.892,405,741/-) in Property, Plant & Equipment of which
Rs.9,852,200 /- is in Freehold Land,
Rs.2,516,242 /- is in Building on Freehold Land,
Rs. 285, 508,990 /- is in Machinery & Equipment,
Rs. 18,187,227 /- is in Computer and other Equipment
Rs. 5,525,224 /- is in Furniture and fixtures
Rs. 7,689,232 /- is in Motor Vehicles.

Information relating to movement in Property, Plant & Equipment during the year is disclosed under Note 07 to the financial statements.

Investments

Details of long-term Investments held by the Company are given in Notes 10 to 12.2 to the financial statements.

Directors' Responsibilities

The Statement of Directors' Responsibilities is given on page 79 of this Report.

Corporate Governance

The Company has complied with the corporate governance rules laid down under the Listing Rules of the Colombo Stock Exchange, and a statement is disclosed on pages 11 to 15 of this Report.

Dividend

During the year, the Company paid an interim dividend of Rs. 2.00 per share in February 2023 and a 2nd interim dividend of Rs. 3.50 per share in June 2023 amounting to a total distribution of Rs. 472,816,685 for the financial year ended 31.03.2023.

Reserves

The Reserves and Accumulated Profits as at 31st March 2023 amounted to Rs.6,594,461,266/- as against Rs. 4,840,400,012/= as at 31st March 2022. The breakup and the movements are shown in the Statement of Changes in Equity on page 86.

Stated Capital

The stated capital of the Company was Rs. 271,893,021 /- as at 31 March 2023 and was unchanged during the year. The details are given in Note 19 to the financial statements on page 125.

Post Balance Sheet Events

There were no material events occurring after the Balance Sheet date that require adjustments, or disclosure in the Financial Statements other than those mentioned in Note 28 to the Financial Statements.

Statutory Requirements

The declaration relating to statutory requirements is made in the Statement of Directors' Responsibilities on page 79.

Interests Register

Details of the transactions with Director-related entities are disclosed in Note 25 to the financial statements on page 130 to 131. These have been declared at Board meetings, pursuant to Section 192 (2) of the Companies Act No. 7 of 2007.

BOARD COMMITTEES

Audit Committee

Following are the names of the Independent Non Executive Directors appointed to the Audit Committee of the Board.

1. Ms. A Coomaraswamy (Chairperson)
2. Mr. C.V. Kulatilaka

The report of the Audit Committee on page 16 sets out the mandate of the committee and the manner in which the company has complied with the requirements of Rule 7.10.6 of the Listing Rules of the Colombo Stock Exchange on Corporate Governance.

Related Party Transactions Review Committee

Following are the Directors appointed to the Related Party Transactions Review Committee of the Board.

1. Mr. C. V. Kulatilaka (Chairman) –
   Independent Non- Executive Director

2. Ms. A. Coomaraswamy –
   Independent Non-Executive Director

3. Mr. D. Warnakulasooriya –
   Non-Executive Director

The Related Party Transactions Review Committee was set up in compliance with section 9 of the Listing Rules of the Colombo Stock Exchange .The Objective of the Committee is to exercise oversight on behalf of the Board, that all Related Party Transactions are undertaken and disclosed in a manner consistent with the code of the Listing Rules. The Company's transactions with Related Parties are given in Note 25 to the Financial Statements. The related party transactions of the Company during the financial year have been reviewed by the Related Party Transactions Review Committee and have been dealt with in compliance with section 09 of the Listing Rules of the Colombo Stock Exchange.

Remuneration Committee

Following are the names of the two Independent Non-Executive Directors appointed to the Remuneration Committee of the Board.

1. Ms. A. Coomaraswamy (Chairperson)

2. Mr. C. V. Kulatilaka

The report of the Remuneration Committee on page 18 contains a statement of the remuneration policy relating to the senior management of the company.

Share Information and Substantial Shareholdings

The distribution of shareholdings, market value of shares and Twenty Largest Shareholders are given on pages 139 to 140.

The earnings per share, dividends per share and net assets per share are given in the Financial Highlights on page 03 of this Annual Report.

Directors

The names of all Directors of the Company as at date are listed on page 01. In terms of article 83(iii) of the Articles of Association of the Company, Mr. Ejaz Chatoor is re-elected as a Director of the Company.

It is with great sorrow that we note the demise of our Chairman Mr. Merrill Joseph Fernando on 20 July 2023. Accordingly Alternate Director to Mr. Merrill Joseph Fernando, Mr. Malik Joseph Fernando also cease to be Alternate Director with effect from 20 July 2023.

In terms of Article 89 of the Articles of Association of the Company, Mr. Malik Joseph Fernando was appointed as a Director of the Company on 31st July 2023 and being eligible is re-appointed as a Director.

In accordance with Section 211 of the Companies Act No 7 of 2007, the following Directors shall retire and being eligible have offered themselves for re-appointment.

- Mr. D. Warnakulasooriya
- Mr. K. R. Ravindran
- Mr. A. N. Esufally
- Ms. A. Coomaraswamy

The details of the aggregate remuneration paid to the Executive and Non- Executive Directors during the financial year are given in Note 25.3 to the financial statements on page 131.

Directors' Shareholding

The interest of Directors in the shares of the Company as at 31 March 2023 were as follows;

	No. of Ordinary Shares As at	
	31.03.2023	31.03.2022
Mr. M. J. Fernando	-	-
Mr. K. R. Ravindran	17,321,690	18,121,690
Mr. A.N. Esufally	4,675,830	4,515,830
Mr. E.Chatoor	3,497,500	3,247,500
Mr. D. Warnakulasooriya	1,167,260	1,167,260
Ms. A. Coomarasawamy	-	-
Mr. C.V. Kulatilaka	-	-
Mr. Krishna Ravindran	6,032,000	4,874,500
Mr. Steven Mark Enderby	-	-
Mr. Malik J Fernando (Alternate Director to Mr. M J Fernando)	-	-

Independence of Directors

In accordance with Rule 7.10.3 of Colombo Stock Exchange on Corporate Governance ('CSECG Rules'), Ms. A. Coomaraswamy, Mr. C.V. Kulatilaka and Mr. Steven Mark Enderby who are Non-Executive Directors of the Company have submitted signed and dated declarations to the Board of their Independence.

Whereas the Board of Directors of Printcare PLC having declared that all Directors have made formal declaration of all their interests on an annual basis and having noted that Ms. A. Coomaraswamy has served on the Board of the Company continuously for a period exceeding nine years from the date of the first appointment, resolved, in terms of Rule no. 7.10.3 (a) of the listing rules of CSE, that based on the declarations made as noted above and notwithstanding that Ms. A. Coomaraswamy has completed more than 9 consecutive years as a Director, (nevertheless) considers her "Independent" given her impartial approach to the deliberations of the Board.

Auditors

The resolutions to appoint the present Auditors, Messrs. Ernst & Young Chartered Accountants, who have expressed their willingness to continue in office, will be proposed at the Annual General Meeting. The Board on 31 July 2023 resolved to recommend to Shareholders the re- appointment of the Auditors.

The Audit fees and expenses paid to the Auditors is disclosed in Note 4.5 on page 108 of this Annual Report.

As far as the Directors are aware, the Auditors do not have any relationship or interest in the Company.

The Audit Committee reviews the appointment of the Auditor, its effectiveness and its relationship with the Company including the level of audit and non-audit fees paid to the Auditor.

Notice of Meeting

The Annual General Meeting will be held at the registered office of the Company, Printcare PLC No. 77, Nungamugoda Road, Kelaniya via Zoom (Audio / Video - Virtual AGM) on 26 September 2023 at 3.00 p.m.

The Notice of the Annual General Meeting appears on page 141.

For and on behalf of the Board.

K. R. Ravindran
Director

Vajira Kulatilaka
Director

Managers & Secretaries (Pvt) Ltd)
Secretaries

15 August 2023.
Colombo

Statement of Directors' Responsibilities for Financial Statements

The Companies Act No.07 of 2007 requires Directors to ensure that the Company keeps proper books of accounts of all the transactions and prepares financial statements that give a true and fair view of the state of the Company's affairs and of the profit and loss for the year.

The Directors are also required to ensure that the financial statements have been prepared and presented in accordance with the Sri Lanka Accounting Standards and provide the information required by the Companies Act 07 of 2007 and the Rules of the Colombo Stock Exchange. They are also responsible for taking reasonable measures to safeguard the assets of the Company, and in that context to have proper regard to the establishment of appropriate systems of internal control with a view to prevention and detection of fraud and other irregularities.

The Directors are of the view that, these financial statements have been prepared under the generally accepted accounting principles and in accordance with the Sri Lanka Accounting Standards as laid down by the Institute of Chartered Accountants of Sri Lanka.

The Directors endeavor to ensure that the Company maintains sufficient records to be able to disclose with reasonable accuracy, the financial position of the Company and to be able to ensure that the financial statements of the Company meet with the requirements of the Companies Act, Sri Lanka Accounting Standards and the Rules of the Colombo Stock Exchange.

The Directors have reasonable expectation, after making enquiries and following a review of the Company's budget for the ensuing year including cash flows and borrowing facilities, that the Company has adequate resources to continue in operational existence for the foreseeable future, and therefore have continued to adopt the going concern basis in preparing the Accounts.

Messrs. Ernst & Young the Auditors of the Company have examined the financial statements made available by the Board of Directors together with all relevant financial records, related data, minutes of Shareholders and Directors meeting and express their opinion in their report on page 80 to 83 of the Annual Report.

By Order of the Board
Printcare PLC

Managers & Secretaries (Private) Limited
Secretaries
Colombo
15 August 2023

Ernst & Young
Chartered Accountants
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Sri Lanka

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Independent Auditor's Report to the Shareholders of Printcare PLC

Report on the Audit of Financial Statements

Opinion

We have audited the financial statements of The Printcare PLC ("the Company") and the consolidated financial statements of the Company and its subsidiaries ("the Group"), which comprise the statement of financial position as at 31 March 2023 and the statement of profit or loss and other comprehensive income, statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Company and the Group give a true and fair view of the financial position of the Company and the Group as at 31 March 2023, and of their financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

Building a better working world

Key audit matters common to both Group and the Company.

Key Audit Matter	How audit address the matter
Assessment of fair value of land As at 31 March 2023, Property, Plant and Equipment include land carried at fair value. The fair values of land were determined by an external valuer engaged by the Group. This was a key audit matter due to: • Materiality of the reported land balance amounted to Rs. 1.75Bn and represent 12% of the Group's total assets as of the reporting date • The degree of assumptions, judgements and estimation uncertainties associated with assessing the fair value of land Key areas of significant judgments, estimates and assumptions in the fair value of the land, as disclosed in Note 7 included • per perch value of the land.	**Our audit procedures include the following:** • Assessed the competency, capability and objectivity of the external valuer engaged by the Group • Read the external valuer's report and understood the key estimates made and the approach taken by the valuer in assessing the valuation of each land • Assessed the reasonableness of the significant judgements, made by the valuer such as per perch price of land • We have also assessed the adequacy of the disclosures made in notes 2.4, 2.5.4 and & 7 to the financial statements.
Existence and carrying value of Inventories As at 31 March 2023, the carrying value of inventory amounted to Rs. 4.25Bn after considering an allowance of Rs. 94.4Mn for slow moving and obsolete inventory in accordance with its accounting policy, as disclosed Note 2.5.11 and 14 to the financial statements Existence and carrying value of inventory was a key audit matter due to: • Materiality of the reported amount, which represents 30% of the Group's total assets. • Significance of estimates used in measuring inventories at lower of cost and Net Realizable Value. The measurement of carrying value of inventories also include different components, the identification of which includes estimates in relation to the allocation of labour and overhead cost which are incurred in bringing the inventories to its present condition.	**Our audit procedures amongst others included the Following** • Observed physical inventory counts and reconciled the count results to the inventory listings as at the period end. • Assessed the reasonableness of the estimates made in relation to the overhead allocation. Our procedures included checking the apportionments of allocation of direct labour, direct material and production overhead and assessing the appropriateness of overhead allocation basis used. • Assessed the reasonableness of significant management judgements applied in determining allowance for slow-moving inventory. • Tested whether inventories were stated at the lower of cost and net realizable value, by comparing cost with subsequent selling prices of such items. • We have also assessed the adequacy of the disclosures made in Note 2.5.11 and 14 to the financial statements.

Building a better working world

Other Information included in the 2023 Annual Report

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

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

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls of the Company and the Group.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with ethical requirements in accordance with the Code of Ethics regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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 1697.

15 August 2023
Colombo

Statement of Profit or Loss and Other Comprehensive Income

For the Year ended 31 March

		Group		Company	
	Notes	2023	2022	2023	2022
		Rs.	Rs.	Rs.	Rs.
Revenue	4.1	14,138,737,588	7,626,233,124	3,777,103,018	1,910,423,336
Cost of Sales		(10,061,586,109)	(5,767,247,110)	(2,745,359,571)	(1,541,066,597)
Gross Profit		4,077,151,479	1,858,986,014	1,031,743,447	369,356,739
Other Operating Income	4.2	697,987,401	930,871,821	89,643,924	24,165,436
Other Operating Expense	4.6	(20,361,202)	(22,595,487)	-	(16,653,543)
Distribution Costs		(350,917,507)	(205,432,598)	(88,672,104)	(22,488,847)
Administrative Expenses	30.1	(1,664,882,960)	(1,043,467,881)	(398,397,447)	(186,839,335)
Operating Profit		2,738,977,211	1,518,361,869	634,317,820	167,540,450
Finance Income	4.3	41,801,870	25,900,394	212,050,237	82,877,009
Finance Costs	4.4	(823,399,155)	(260,847,931)	(173,773,603)	(72,517,884)
Gain on Disposal of Associate		-	989,965,065	-	997,473,167
Share of Associate Profit	11	-	62,786,339	-	8,137,180
Profit Before Tax	4.5	1,957,379,926	2,336,165,736	672,594,454	1,183,509,922
Income Tax Expense	5.1	(453,056,179)	(71,209,873)	(185,217,055)	(48,187,319)
Profit for the Year		1,504,323,747	2,264,955,863	487,377,399	1,135,322,603
Other Comprehensive Income					
Other Comprehensive Income that may be reclassified to profit or loss in subsequent periods (Net of tax)					
Exchange Differences on Translation of Foreign Operations	20.2	(14,145,805)	17,035,120	-	-
		(14,145,805)	17,035,120	-	-
Other Comprehensive Income that will not be reclassified to profit or loss in subsequent periods (Net of tax)					
Actuarial Losses	22.2	(33,058,800)	(1,540,485)	(19,701,303)	(1,714,719)
Deferred Tax Effect on Actuarial Losses	5.3 & 5.4	9,910,058	252,081	5,910,391	265,984
Revaluation Surplus on land		1,165,741,450	-	489,497,800	-
Deferred Tax Effect on Capital Gain on land	5.3 & 5.4	(336,490,888)	-	(146,849,340)	-
Gain/(Loss) on Fair Value through Other Comprehensive Income Investments		643,232	(989,026)	116,832	52,573
		806,745,052	(2,277,430)	328,974,380	(1,396,162)
Other Comprehensive Income for the Year Net of Tax		792,599,247	14,757,690	328,974,380	(1,396,162)
Total Comprehensive Income for the Year Net of Tax		2,296,922,994	2,279,713,553	816,351,779	1,133,926,441
Profit Attributable to:					
Equity Holders of the Parent		1,489,391,575	2,236,812,213	487,377,399	1,135,322,603
Non - Controlling Interests		14,932,172	28,143,650	-	-
		1,504,323,747	2,264,955,863	487,377,399	1,135,322,603
Total Comprehensive Income Attributable to:					
Equity Holders of the Parent		2,273,610,033	2,251,910,130	816,351,779	1,133,926,441
Non - Controlling Interests		23,312,961	27,803,423	-	-
		2,296,922,994	2,279,713,553	816,351,779	1,133,926,441
Earning Per Share - Basic	6	17.33	26.02	5.67	13.21
Dividend Per Share		6.00	5.00	6.00	5.00

The accounting policies and notes on pages 88 through 136 form an integral part of the financial statements.

Statement of Financial Position

As at 31 March

		Group		Company	
	Notes	2023	2022	2023	2022
		Rs.	Rs.	Rs.	Rs.
ASSETS					
Non-Current Assets					
Property, Plant and Equipment	7	4,823,190,352	3,764,776,726	1,331,866,750	865,363,240
Intangible Assets	8	69,052,493	66,837,675	5,558,558	2,413,634
Investment Property	9	-	-	40,061,112	42,628,808
Investment in Subsidiaries	10	-	-	280,807,420	280,807,420
Equity Instruments at Fair Value Through Other Comprehensive Income	12.1&12.2	2,707,923	2,064,691	887,923	771,091
Right-of-Use Asset	13.1	73,365,472	93,726,712	-	-
Deferred Tax Assets	5.3	194,845,245	46,520,968	-	-
		5,163,161,485	3,973,926,772	1,659,181,763	1,191,984,193
Current Assets					
Inventories	14	4,255,734,286	2,603,912,418	1,397,896,297	671,929,971
Trade and Other Receivables	15	3,344,710,268	2,700,355,567	848,127,013	625,464,796
Related Party Loan Receivables	12.3.3	-	-	-	480,000,000
Prepayments	16	67,517,029	49,171,913	16,030,049	34,046,379
Taxes Recoverable	17	194,404,324	192,220,777	14,362,278	33,007,717
Income Tax Receivable		3,695,526	1,224,320	-	-
Short Term Investments		163,572,350	503,466,254	-	88,161,510
Cash and Bank Balances	18	1,178,140,752	1,565,456,076	156,478,973	95,120,196
		9,207,774,535	7,615,807,325	2,432,894,610	2,027,730,569
Total Assets		14,370,936,020	11,589,734,097	4,092,076,373	3,219,714,762
EQUITY AND LIABILITIES					
Equity					
Stated Capital	19	271,893,021	271,893,021	271,893,021	271,893,021
Reserves	20	998,411,262	1,012,869,517	409,271,498	409,271,498
Revaluation Reserve	20.4	1,153,202,746	-	489,497,800	-
Retained Earnings		4,169,152,130	3,554,628,599	624,666,644	813,729,518
Fair Value Through Other Comprehensive Income Reserves	20.3	1,802,107	1,008,875	359,442	242,610
		6,594,461,266	4,840,400,012	1,795,688,405	1,495,136,647
Non Controlling Interest		240,743,055	214,193,166	-	-
Total Equity		6,835,204,321	5,054,593,178	1,795,688,405	1,495,136,647
Non-Current Liabilities					
Interest Bearing Loans and Borrowings	12.3	1,483,132,426	1,992,064,880	503,365,449	679,987,087
Deferred Tax Liabilities	5.4	739,461,757	211,205,671	306,601,759	31,355,945
Employee Benefit Liabilities	22	316,661,039	228,765,691	153,498,596	109,546,023
		2,539,255,222	2,432,036,242	963,465,804	820,889,055
Current Liabilities					
Trade and Other Payables	23	1,767,219,689	1,429,743,076	551,948,449	413,451,254
Taxes Payable	24	100,615,097	62,872,332	5,236,623	1,209,810
Income Tax Payable		385,394,727	100,131,839	54,788,409	3,878,219
Interest Bearing Loans and Borrowings	12.3	2,743,246,964	2,510,357,430	720,948,683	485,149,777
		4,996,476,477	4,103,104,677	1,332,922,164	903,689,060
Total Equity and Liabilities		14,370,936,020	11,589,734,097	4,092,076,373	3,219,714,762

These financial statements are in compliance with the requirements of the Companies Act No. 07 of 2007.

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R. Kishore Ignatius
Chief Financial Officer

The Board of Directors is responsible for these financial statements. Signed for and on behalf of the Board by:

....

K. R. Ravindran
Director

....

Vajira Kulatilaka
Director

The accounting policies and notes on pages 88 through 136 form an integral part of the financial statements.

15 August 2023
Colombo

Statement of Changes In Equity

For the Year ended 31 March

	Attributable to Equity Holders of the Parent							Non Controlling	Total
	Stated Capital	Other Reserve	Exchange Translation Reserve	Retained Earnings	Fair Value Through Other Comprehensive Income Reserve	Revaluation Reserve	Total	Interests	Equity
Group	Rs.	Rs.	Rs.	Rs.	Rs.		Rs.	Rs.	Rs.
As at 31 March 2021	271,893,021	1,000,686,001	(5,048,764)	1,752,652,995	1,997,901	-	3,022,181,154	190,111,946	3,212,293,100
Profit for the Year	-	-	-	2,236,812,213	-	-	2,236,812,213	28,143,650	2,264,955,863
Other Comprehensive Income/(Loss)	-	-	17,035,120	(948,177)	(989,026)	-	15,097,917	(340,227)	14,757,690
Dividends	-	-	-	(429,833,350)	-	-	(429,833,350)	(5,770,856)	(435,604,206)
Disposal of Subsidiary	-	-	-	(3,857,922)	-	-	(3,857,922)	2,048,653	(1,809,269)
Transfer to Other Reserves	-	197,160	-	(197,160)	-	-	-	-	-
As at 31 March 2022	271,893,021	1,000,883,161	11,986,356	3,554,628,599	1,008,875	-	4,840,400,012	214,193,166	5,054,593,178
Profit for the Year	-	-	-	1,489,391,575	-	-	1,489,391,575	14,932,172	1,504,323,747
Other Comprehensive Income/(Loss)	-	-	(14,145,805)	(355,481,715)	643,232	1,153,202,746	784,218,458	8,380,788	792,599,246
Dividends	-	-	-	(515,800,020)	-	-	(515,800,020)	-	(515,800,020)
Transfer to Other Reserves	-	199,380	-	(199,380)	-	-	-	-	-
Transfer to Transaltion Reserve	-	-	(511,830)	-	-	-	(511,830)	-	(511,830)
Transfers to/from Retained Earnings	-	-	-	(3,386,929)	150,000	-	(3,236,929)	3,236,929	-
As at 31 March 2023	271,893,021	1,001,082,541	(2,671,279)	4,169,152,130	1,802,107	1,153,202,746	6,594,461,266	240,743,055	6,835,204,321

	Stated Capital	Other Reserve	Revaluation Gain	Retained Earnings	Fair Value through Other Comprehensive Income Reserve	Total
Company	Rs.	Rs.		Rs.	Rs.	Rs.
As at 31 March 2021	271,893,021	409,271,498	-	109,689,000	190,037	791,043,556
Profit for the Year	-	-	-	1,135,322,603	-	1,135,322,603
Other Comprehensive Income/(Loss)	-	-	-	(1,448,735)	52,573	(1,396,162)
Dividends	-	-	-	(429,833,350)	-	(429,833,350)
As at 31 March 2022	271,893,021	409,271,498	-	813,729,518	242,610	1,495,136,647
Profit for the Year	-	-	-	487,377,399	-	487,377,399
Other Comprehensive Income / (Loss)	-	-	489,497,800	(160,640,253)	116,832	328,974,379
Dividends	-	-	-	(515,800,020)	-	(515,800,020)
As at 31 March 2023	271,893,021	409,271,498	489,497,800	624,666,644	359,442	1,795,688,405

The accounting policies and notes on pages 88 through 136 form an integral part of the financial statements.

Statement of Cash flows

For the Year ended 31 March

	Notes	Group 2023 Rs.	Group 2022 Rs.	Company 2023 Rs.	Company 2022 Rs.
Cash Flows From / (Used in) Operating Activities					
Profit Before Income Tax Expense		1,957,379,926	2,336,165,736	672,594,454	1,183,509,922
Non-Cash Adjustment to Reconcile Profit/(Loss) Before Tax to Net Cash Flows:					
Depreciation of Property, Plant Equipment	7	392,032,604	363,193,948	66,165,490	69,295,744
Amortization of Intangible Assets	8	11,569,161	11,321,191	1,054,727	885,043
Amortization of Investment Property	9	-	-	2,866,007	2,861,047
Amortization of Right of Use Asset	13	20,361,240	20,780,548	-	-
(Profit) / Loss on Disposal of Property, Plant and Equipment	4.5	39,109,633	23,410,606	-	(447,756)
Finance Costs	4.4	817,182,456	253,069,373	173,773,603	72,517,884
Finance Income on Lease Asset- Refundable Deposit	4.3	(91,850)	(85,657)	-	-
Finance Costs on Lease Liability	4.4	6,216,699	7,778,558	-	-
Finance Income	4.3	(41,710,020)	(25,814,736)	(212,050,237)	(82,877,009)
Provision for Employee Benefit Liability	22	63,103,814	16,284,957	26,066,719	6,911,708
Provision for Slow Moving Stocks	4.5	43,536,474	(4,372,248)	39,364,929	(6,401,954)
Gain On sale of Investments		-	(989,965,065)	-	(997,473,167)
Provision/(Reversal) of Impairment of Trade and Other Receivables	4.5	42,128,808	7,815,868	3,568,660	(282,492)
Share of Associate Profit	11	-	(62,786,339)	-	(8,137,180)
Unrealised Exchange (Profit)/ Loss	12.3.1	52,070,684	111,009,999	58,813,770	111,009,999
Operating Profit before Working Capital Changes		3,402,889,629	2,067,806,739	832,218,122	351,371,789
Working Capital Adjustment:					
(Increase) in Inventories		(1,695,358,342)	(938,506,211)	(765,331,255)	(99,688,721)
(Increase) in Trade and Other Receivables		(686,391,658)	(851,022,965)	(226,230,877)	(94,325,218)
(Increase)/ Decrease in Prepayments		(18,345,116)	(21,691,575)	18,016,331	(13,644,838)
(Increase)/Decrease in Tax Recoverable net of payable		35,559,218	(49,325,289)	22,672,251	(22,172,677)
(Decrease) in Trade and Other Payables		337,476,613	361,007,440	138,497,195	107,323,975
Cash Generated From Operation		1,375,830,344	568,268,139	19,841,767	228,864,310
Finance Costs Paid		(790,145,576)	(233,925,023)	(161,813,883)	(66,998,832)
Employee Benefit Plan Costs Paid	22	(8,267,266)	(4,244,498)	(1,815,449)	(2,867,425)
Income Tax Paid		(116,913,515)	(27,086,193)	-	(13,432,103)
Net Cash Flows From Operating Activities		460,503,987	303,012,424	(143,787,566)	145,565,950
Cash Flows From Investing Activities					
Acquisition of Property, Plant and Equipment	7	(329,178,374)	(883,891,215)	(43,171,200)	(22,837,059)
Proceeds from Sale of Property, Plant and Equipment		5,363,956	1,044,814	-	1,044,813
Acquisition of Intangible Assets	8	(14,295,809)	(9,852,798)	(4,199,651)	-
Acquisition of Investment Property		-	-	(298,311)	(94,151)
Finance Income Received	4.3	41,710,020	25,814,736	212,050,237	82,877,009
Disposal of Subsidiary		-	(1,809,269)	-	-
Proceeds from Sale of Investment		-	1,184,654,092	-	1,184,654,092
Investment in Associate		-	-	-	(179,043,745)
Investment in Other Short term Investments		339,893,904	(503,466,254)	88,161,510	(88,161,510)
Loans Given to Inter Companies		-	-	480,000,000	(480,000,000)
Net Cash Flows From/(Used in) Investing Activities		43,493,767	(187,505,894)	732,542,585	498,439,449
Cash Flows From Financing Activities					
Proceeds from Bank Loans	12.3.1	8,652,674,863	8,877,356,283	1,623,165,683	2,736,660,770
Repayment of Bank Loans	12.3.1	(8,980,551,405)	(7,169,174,486)	(1,631,065,712)	(2,844,454,564)
Repayment of Inter Company Loans		-	-	-	(10,000,000)
Lease Liability Paid	13.2	(24,379,292)	(23,732,996)	-	-
Ordinary Dividend Paid	21	(515,800,020)	(435,604,206)	(515,800,020)	(429,833,350)
Net Cash Flows From/(Used in) Financing Activities		(868,055,854)	1,248,844,595	(523,700,049)	(547,627,144)
Net Increase/(Decreased) in Cash and Cash Equivalents		(364,058,170)	1,364,351,126	65,054,970	96,378,255
Exchange Differences from translation of Foreign Operations		(14,145,805)	17,035,120	-	-
Cash and Cash Equivalents at the Beginning of the Year	18	1,539,237,569	157,851,323	91,423,960	(4,954,295)
Cash and Cash Equivalents at the End of the Year	18	1,161,033,594	1,539,237,569	156,478,930	91,423,960

The accounting policies and notes on pages 88 through 136 form an integral part of the financial statements.

Notes To The Financial Statements

Year ended 31 March 2023

1. CORPORATE INFORMATION

1.1 General

Printcare PLC is a limited liability company incorporated and domiciled in Sri Lanka whose shares are publicly traded on the Colombo Stock Exchange. The registered office and the principal place of business is located at No. 77, Nungamugoda Road, Kelaniya.

In the Annual Report of the Board of Directors and in the financial statements, "the Company" refers to Printcare PLC as the holding company and "the Group" refers to the companies whose accounts have been consolidated therein.

1.2 Principal Activities and Nature of Operations

During the year, the principal activities of the Company and the other group companies were as follows;

The Holding Company	Activities
Printcare PLC	Manufacturing and printing of tea bag tags, envelopes and adhesive labels
Subsidiary Companies	
Printcare Universal (Pvt) Ltd.	Manufacturing and printing of Packing Materials, Specialising in Food-Grade Packaging
P C Universal Agencies (Pvt) Ltd	Indenting agency for selected materials, papers, and specialised papers.
Printcare Premedia Services Ltd.	Graphic Design, Prepress, and Premedia Services
Printcare Secure Ltd.	Specialised Printing of Products with Security Features
Printcare India (Pvt) Ltd.	Manufacturing and Printing of tea bags tags and Envelopes
Printcare Universal UK Ltd	Trading packing materials, specializing in Food Grade packaging
Printcare Digital Solutions (Pvt) Ltd	Providing Solutions for Printing and Packaging needs using Digital Technology
The lifepak (Pvt) Ltd	Manufacture and supply of paper canisters, paper containers using eco-friendly material.

1.3 Directors' Responsibility Statement

The Board of Directors is responsible for the preparation and presentation of these financial statements.

1.4 Date of Authorization for Issue

The financial statements of the Company and the Group for the year ended 31 March 2023 were authorised for issue in accordance with a resolution of the Board of Directors on 15 August 2023.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Company and the Group have been prepared in accordance with Sri Lanka Accounting Standards comprising SLFRS and LKAS (hereafter referred as "SLFRS"), as issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka).

2.1.1 Basis of Measurement

The financial statements of the Company and the Group presented in Sri Lanka rupees, have been prepared on an accrual basis and under the historical cost convention, except for Fair Value through other Comprehensive Income Investments and land included under property plant and equipment that has been measured at fair value.

2.1.2 Statement of Compliance

The preparation and presentation of these financial statements are in compliance with the Companies Act No. 07 of 2007.

Notes To The Financial Statements

Year ended 31 March 2023

2.1.3 Going Concern

The Directors have made an assessment of the Company's and Group's ability to continue as a going concern and they do not intend either to liquidate or to cease the operations.

Having presented the outlook and after due consideration of the range and likelihood of outcomes, the Directors are satisfied that the Group/Company, have adequate resources to continue in operational existence for the foreseeable future and continue to adopt the going concern basis in preparing and presenting these financial statements.

2.1.4 Comparative Information

The accounting policies have been consistently applied by the Group and the Company and are consistent with those used previously

2.2 Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries ("the Group") as at 31 March 2023.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

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

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

- The contractual arrangement with the other vote holders of the investee.
- Rights arising from other contractual arrangements.
- The Group's voting rights and potential voting rights.

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

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

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

2.2.1 Investment in an Associate

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

Notes To The Financial Statements

Year ended 31 March 2023

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

The Group's investment in its associate is accounted for using the equity method.

Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date.

The Statement of Profit or Loss reflects the Group's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The Group's share of the profit or loss of an associate is shown on the face of the Statement of Profit or Loss outside operating profit and represents profit or loss after tax. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss as 'Share of profit of an associate' in the Statement of profit or loss.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

2.2.2 Financial Year

All companies in the Group have a common financial year, which ends on 31 March except for r-Pac Printcare Lanka (Pvt) Ltd, the associate company, where the financial year ends on 31 December. The Group disposed of its stake in its associate company during the third quarter of the financial year 2021/2022. The Management has made necessary, adjustments to incorporate the impact of the difference in that reporting period.

2.2.3 Country of Incorporation

All subsidiaries and associate are incorporated in Sri Lanka, except for the following:

Name of Subsidiary	Country of Incorporation
Printcare India (Pvt) Ltd.	India
Printcare Universal UK Ltd.	United Kingdom

2.2.4 Functional and Presentational Currency

The financial statements are presented in Sri Lanka Rupees (LKR), which is the Group's functional and presentation currency.

For each entity, the Group determines the functional currency and items included in the Financial Statements of each entity are measured using the functional currency.

There was no change in the Group's presentation and functional currency during the year under review.

Functional currency of all Group companies is Sri Lanka Rupees other than the following companies whose functional currency is given below.

Notes To The Financial Statements

Year ended 31 March 2023

Name of Subsidiary	Relationship	Country of Incorporation	Reporting Currency
Printcare India (Pvt) Ltd.	Subsidiary	India	Indian Rupees
Printcare Universal UK Ltd.	Sub-Subsidiary	United Kingdom	Pound Sterling

2.2.5 Current versus Non- Current Classification

The Group presents assets and liabilities in the Statement of Financial Position based on current/ non -current classification

An asset is current when it is

- Expected to be realized or intended to sell or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash and cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non- current.

A liability is current when

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period or
- There is no un conditional right to defer the settlement of the liability fir at least twelve months after the reporting period.

The Group classified all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2.3 Significant Accounting Judgments, Estimates and Assumptions

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements which have the most significant effect on the amounts recognised in the consolidated financial statements:

(a) Deferred Tax

Deferred tax assets are recognised for unutilised tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

(b) Transfer Pricing Regulation

The Group is subject to income taxes and other taxes including transfer pricing regulations. Prevailing uncertainties with respect to the interpretation of respective transfer pricing regulations necessitated using management judgement to determine the impact of transfer pricing regulations. Accordingly, critical judgements and estimates were used in applying the regulations in aspects including but not limited to identifying associated undertakings, estimation of the respective arm's length prices and selection of appropriate pricing mechanism.

Notes To The Financial Statements

Year ended 31 March 2023

The current tax charge is subject to such judgements. Differences between estimated income tax charge and actual payable may arise as a result of management's interpretation and application of transfer pricing regulation.

Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change owing to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(a) Employee Benefits

The cost as well as the present value of defined benefit plans - gratuity is determined using Actuarial Valuations. The Actuarial Valuation involves making assumptions about discount rates, future salary increases and other important related data. Due to the long-term nature of employee benefits, such estimates are subject to significant uncertainty. Further details of assumptions together with an analysis of their sensitivity as carried out by the management in relation to the above key assumptions and the results of the sensitivity analysis are given in Note 22.3 & 22.4.

(b) Useful Lives of Property, Plant and Equipment, Intangible Assets and Investment Property

The Group reviews the assets' residual values, useful lives and methods of depreciation or amortisation at each reporting date. Judgement by management is exercised in the estimation of these values, rates and methods.

(c) Impairment of Non-Financial Assets

Impairment exists when the carrying value of an asset or cash generating unit (CGU) exceeds its recoverable amount, which is the higher of its fair value less cost of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length for similar assets or observable market price less incremental costs of disposing of the asset. The Value in Use calculation is based on the discounted Cash Flow Model (DCF). The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected cash inflows and the growth rate used for extrapolation purpose.

2.4 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

2.4.1 Revaluation of Free Hold Land (Property, Plant and Equipment)

The Group's accounting policy was to measure Free Hold Land under the cost model in LKAS 16 Property, Plant and Equipment (LKAS 16) whereby, after initial recognition, free hold land was carried at its historical cost less accumulated impairment losses, if any.

In the period ended 31 March 2023, the Group changed its accounting policy to measure the Group's free hold land from a cost model to one of regular revaluation, where free hold land is measured at fair value less accumulated impairment losses recognized after the date of revaluation ("revaluation model"), in accordance with LKAS 16. The Company determined that the land constitute separate class of property, plant and equipment, based on their nature, characteristics and risks.

The Group believes that a revaluation model provides reliable and more relevant information by reflecting the fair market value of land to the users of its financial statements. In addition, available valuation techniques provide reliable estimates of the free hold land fair value.

Notes To The Financial Statements

Year ended 31 March 2023

In accordance with LKAS 8, the Group and Company has applied its change in accounting policy for the measurement of Free hold land to the revaluation model, prospectively. Therefore, free hold land has been measured at fair value as at 31 March 2023.

Financial statement line items affected are provided in Note 7.

2.5 Summary of Significant Accounting Policies

The following are the significant accounting policies applied by the Group in preparing its consolidated financial statements.

2.5.1 Foreign Currency Translation

The Group's consolidated financial statements are presented in Sri Lanka Rupees, which is also the Company's functional and presentation currency. For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and has elected to recycle the gain or loss arising from this method.

The functional currency is the currency of the primary economic environment in which the entities of the Group operate

Transactions and Balances

Transactions in foreign currencies are initially recorded by the Group at the functional currency spot rate as at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange as at the reporting date. All differences are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates as at the date when the fair value was determined. The gain or loss arising on translation of non-monetary items is recognised in line with the gain or loss of the item that gave rise to the translation difference.

Foreign Operations

The assets and liabilities of foreign operations are translated into Sri Lanka Rupees at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions.

The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the Statement of Profit or Loss.

2.5.2 Revenue Recognition

SLFRS 15 "Revenue from Contracts with Customers" outlines a single comprehensive model of accounting for revenue arising from contracts with customers. It establish five-step model that will apply to revenue arising from contracts with customers .

Step 1: Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that create enforceable rights and obligations and sets out the criteria for each of those rights and obligations.

Step 2: Identify the performance obligations in the contract: A performance obligation in a contract is a promise to transfer a good or service to the customer that is distinct.

Step 3: Determine the transaction price: Transaction price is the amount of consideration to which the entity expects to be entitled to in exchange for transferring the promised goods and services to a customer, excluding amounts collected from third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a

Notes To The Financial Statements

Year ended 31 March 2023

contract that has more than one performance obligation, the entity will allocate the transaction price to each performance obligation in an amount that depicts the consideration to which the entity expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

a) **Sale of Goods**

Revenue from the sale of goods is recognised at the point in time when control of the goods is transferred to the customer.

b) **Rendering of Services**

Revenue from rendering of services is recognised by reference to the stage of completion. Stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours for each contract. When the contract outcome cannot be measured reliably, revenue is recognised only to the extent that the expenses incurred are eligible to be recovered.

c) **Interest Income**

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

Interest Income is recognised as the interest accrued unless collectability is in doubt. Interest income is included in finance income in the consolidated statement of profit or loss.

d) **Dividend Income**

Revenue is recognised when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

e) **Rental Income**

Rental income arising from operating leases is accounted for on a straight-line basis over the lease term and is included in revenue due to its operating nature.

f) **Others**

Other income is recognised on an accrual basis.

Net Gains and losses on the disposal of property, plant & equipment have been accounted for in the Statement of Profit or Loss, having deducted from proceeds on disposal, the carrying amount of the assets and related selling expenses.

Gains and losses arising from incidental activities to main revenue generating activities and those arising from a group of similar transactions which are not material, are aggregated, reported and presented on a net basis.

2.5.3 Taxes

Current Income Tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted as at the reporting date.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the consolidated statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

The provision for income tax is based on the elements of income and expenditure as reported in the Financial Statements and computed in accordance with the provisions of the Inland Revenue Act.

Withholding tax on dividends received from subsidiaries is recognised as a tax expense in the Consolidated Statement of Profit or Loss

Notes To The Financial Statements

Year ended 31 March 2023

Deferred Tax

Deferred tax is provided, using the 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 at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except, when the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or/and in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax credits and unused tax losses can be utilised, except, when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss or/and in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures. Deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.5.4 Property, Plant and Equipment

Property, plant and equipment are recognised if it is probable that future economic benefits associated with the asset will flow to the Group and the cost of the asset can be reliably measured.

Property, plant and equipment except for lands are stated at cost, excluding the costs of day-to-day servicing, less accumulated depreciation and accumulated impairment in value. Such cost includes the cost of replacing part of the property, plant and equipment when that cost is incurred, if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Notes To The Financial Statements

Year ended 31 March 2023

Lands are measured at fair value and impairment charged subsequent to the date of the revaluation.

Any revaluation surplus is recognised in other comprehensive income and accumulated in equity under the asset revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in the income statement, in which case the increase is recognised in the income statement. A revaluation deficit is recognised in the income statement, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve.

When a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the profit or loss as incurred.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit or loss in the year the asset is derecognised.

Depreciation is calculated on a straight line basis over the useful life of the assets as disclosed in Note 7.3.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at the end of each financial year and adjusted prospectively, if appropriate

2.5.5 Investment Properties

Investment property is property held either to earn rental income or for capital appreciation or both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property is measured at its cost less accumulated depreciation and accumulated impairment losses, if any.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self- constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the consolidated statement of profit or loss in the period of derecognition.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the value for subsequent accounting is the cost at the date of change. If owner-occupied property becomes an investment property, the Company accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change. Investment Properties are amortised over 25 years.

2.5.6 Intangible Assets

Computer Software and Candela Learning Material

Acquired computer software licenses and Candela Learning Material are capitalised on the basis of the costs incurred to acquire and bring to use this asset and expenses incurred which are directly attributed for the development of the intangible asset. The costs relating to computer software licenses and Candela Learning Material are amortised over their estimated useful life of 5 years and 10 years respectively. Costs associated with carrying out the tasks are recognised as an expense as and when incurred.

Notes To The Financial Statements

Year ended 31 March 2023

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets except Candela related expenses are not capitalised and expenditure is reflected in the statement of profit or loss in the year in which the expenditure is incurred.

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

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

2.5.7 Borrowing Costs

Borrowing costs are recognised as an expense in the year in which they are incurred, except to the extent where borrowing costs that are directly attributable to the acquisition, construction, or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale, are capitalised as part of that asset. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.5.8 Financial Assets and Financial Liabilities

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

2.5.8.1 Initial Recognition and Measurement

Financial assets are classified as at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial assets not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under SLFRS 15

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

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

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Notes To The Financial Statements

Year ended 31 March 2023

2.5.8.2 Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

2.5.8.3 Financial assets at amortised cost (debt instruments)

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

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

and

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

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

  The Group's financial assets at amortised cost includes trade receivables.

2.5.8.4 Financial assets at fair value through OCI (debt instruments)

The Group measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling

and

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

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

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

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

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

The Group elected to classify irrevocably its Listed / Non-Listed equity investments under this category.

Notes To The Financial Statements

Year ended 31 March 2023

2.5.8.6 Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

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

This category includes derivative instruments and listed equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are also recognised as other income in the statement of profit or loss when the right of payment has been established.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

2.5.8.7 Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

The rights to receive cash flows from the asset have expired or

The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either

(a) the Group has transferred substantially all the risks and rewards of the asset, or

(b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The

Notes To The Financial Statements

Year ended 31 March 2023

transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

2.5.8.8 Impairment of Financial Assets

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

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

Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.
For debt instruments at fair value through OCI, the Group applies the low credit risk simplification. At every reporting date, the Group evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group reassesses the internal credit rating of the debt instrument. In addition, the Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows

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2.5.8.9 Financial Liabilities

Initial Recognition and Measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group determines the classification of its financial liabilities at initial recognition.
All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, carried at amortised cost. This includes directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, bank overdrafts and loans and borrowings.

Subsequent Measurement

The measurement of financial liabilities depends on their classification as follows:

a) Loans and Borrowings

Notes To The Financial Statements

Year ended 31 March 2023

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the consolidated statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate method (EIR) amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that is an integral part of the EIR. The EIR amortisation is included in finance costs in the consolidated statement of profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the consolidated statement of profit or loss.

2.5.8.10 Offsetting of Financial Instruments

Financial assets and financial liabilities are offset with the net amount reported in the consolidated statement of financial position only if there is a current enforceable legal right to offset the recognised amounts and intent to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

2.5.9 Fair Value of Financial Instruments

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

An analysis of fair values of financial instruments and further details as to how they are measured are provided in Note 12.5.

2.5.10 Impairment of Non-Financial Assets

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

Notes To The Financial Statements

Year ended 31 March 2023

assessments of the time value of money and the risks specific to the asset.

In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

The Group bases its impairment calculations on detailed budgets and forecasts which are prepared separately for each of the Group's cash-generating units to which the individual assets are allocated. These budgets and forecasts generally cover a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.

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

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined net of depreciation had no impairment loss been recognised for the asset in prior years.

Such reversal is recognised in the consolidated statement of profit or loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

2.5.11 Inventories

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

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

Raw Materials	-	At Weighted Average Cost basis
Finished Goods	-	At the cost of direct materials, direct labour and systematic allocation of production overheads based on machine hours. Production overheads are those indirect cost of production that remain relatively constant regardless of the volume of production, such as depreciation and maintenance of factory buildings and equipment, and the cost of factory management and administration.
Work in Progress	-	At the cost of direct materials, direct labour and systematic allocation of production overheads based on machine hours. Production overheads are those indirect cost of production that remain relatively constant regardless of the volume of production, such as depreciation and maintenance of factory buildings and equipment, and the cost of factory management and administration.
Consumables & Spares	-	At actual cost on Weighted Average Cost Basis
Goods in Transit	-	At purchase cost

Notes To The Financial Statements

Year ended 31 March 2023

2.5.12 Cash and Short-Term Deposits

Cash and bank balance includes cash at bank and in hand, demand deposits and short term highly liquid investments, readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

For the purpose of statement of cash flows, cash and cash equivalents consist of cash in hand and deposits in banks net of outstanding bank overdrafts. Investments with short maturities i.e. three months or less from the date of acquisition are also treated as cash equivalents.

2.5.13 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the consolidated statement of profit or loss net of any reimbursement.
If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.5.14 Employee Benefits

(a) Defined Benefit Plan – Gratuity

The Group measures the cost of Defined Benefit Plan-Gratuity; every financial year using the Projected Unit Credit Method with the advice of an actuary.

The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

Actuarial gains and losses are recognised in Other Comprehensive Income in the period in which it arises. The item is stated under Employee Benefit Liability in the Consolidated Statement of Financial Position.

This is not an externally funded defined benefit plan.

(b) Defined Contribution Plans - Employees' Provident Fund & Employees' Trust Fund

All employees who are eligible for Employees' Provident Fund contributions and Employees' Trust Fund contributions are covered by relevant contribution funds in line with respective statutes and regulations. The Group contributes 12% and 3% of gross emoluments of employees to the Employees' Provident Fund and Employees' Trust Fund respectively.

2.5.15 Right-of Use-Asset and Leases

The Group assesses at contract inception whether a contact is, or contains, a lease. that is, if the contract conveys that right to control the use of an identified asset for the period time in exchange for consideration.

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

The Group only reassesses whether a contract is, or contains, a lease subsequent to initial recognition if the terms and conditions of the contract are changed.

Notes To The Financial Statements

Year ended 31 March 2023

Right-of-Use-Assets

The Group recognises Right of Use Assets at the commencement date of the lease, when the underlying asset is available for use. Right of Use Assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of Lease Liabilities. The cost of right of use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised Right of Use Assets are depreciated on a straight line basis over the shorter of its estimated useful life or the lease term. If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, amortisation is calculated using the estimated useful life of the asset. Right of Use Assets are subject to impairment.

Lease Liability

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset. The Group's lease liabilities are included in Interest-bearing loans and borrowings

Short-term Leases and Leases of Low-value Assets.

The Group applies the short-term lease recognition exemption to leases that have a lease term of 12 months or less from the commencement date. It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight line basis over the lease term.

2.6 STANDARDS ISSUED BUT NOT YET EFFECTIVE.

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

The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

Amendments to LKAS 8: Definition of Accounting Estimates

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates. The amended standard clarifies that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023. Earlier application is permitted.

Notes To The Financial Statements

Year ended 31 March 2023

Amendments to LKAS 12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognised in the financial statements (and interest expense) or to the related asset component (and interest expense). This judgement is important in determining whether any temporary differences exist on initial recognition of the asset and liability.

Also under the amendments the initial recognition exception does not apply to transactions that on initial recognition give rise to equal taxable and deductible temporary differences. It only applies if the recognition of a lease asset and lease liability (or decommissioning liability and decommissioning asset component) give rise to taxable and deductible temporary differences that are not equal.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023.

Amendments to LKAS 1 and IFRS Practice Statement 2: Disclosure of Accounting Policies

Amendments to LKAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures.The amendments aim to help entities provide accounting policy disclosures that are more useful by:

- Replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies.
- Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023.

Amendments to LKAS 1: Classification of Liabilities as Current or Noncurrent.

Amendments to LKAS 1 Presentation of Financial Statements specify the requirements for classifying liabilities as current or non-current. The amendments clarify –

- What is meant by a right to defer settlement.
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right.
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.
- Disclosures

The amendments are effective for annual reporting periods beginning on or after 1 January 2023.

Notes To The Financial Statements

Year ended 31 March 2023

3. SEGMENT INFORMATION

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

The printing segment, which engages in Digital Printing, manufacturing and printing of tea bags and envelopes, exporting of printed papers and boards and printing of products with security features.

The packaging segment, which engages in manufacturing and printing of packing materials, printing and binding of books, magazines, brochures and catalogues, graphic design, prepress and providing premedia services.

No operating segments have been aggregated to form the above reportable operating segments.

The Executive Management Committee monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements.

Operating Segments	Printing		Packaging		Group	
	2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
Revenue						
Direct Exports	1,231,735,987	708,180,439	584,404,509	430,214,583	1,816,140,496	1,138,395,022
Indirect Exports	1,724,261,265	889,908,598	3,701,099,129	2,245,993,207	5,425,360,394	3,135,901,805
Local Sales	3,897,770,488	1,869,497,577	2,999,466,210	1,482,438,720	6,897,236,698	3,351,936,297
	6,853,767,740	3,467,586,614	7,284,969,848	4,158,646,510	14,138,737,588	7,626,233,124
Segment Results						
Profit Before Tax	456,576,798	1,183,570,999	1,500,803,128	1,152,594,737	1,957,379,926	2,336,165,736
Taxation	(45,069,254)	(51,505,627)	(407,986,925)	(19,704,246)	(453,056,179)	(71,209,873)
	411,507,544	1,132,065,371	1,092,816,203	1,132,890,492	1,504,323,747	2,264,955,863
Non Controlling Interest	(9,897,279)	(7,531,153)	(5,034,893)	(20,612,497)	(14,932,172)	(28,143,650)
Profit Attributable to Equity Holders of the Parent	401,610,265	1,124,534,218	1,087,781,310	1,112,277,995	1,489,391,575	2,236,812,213
Segment Assets						
Non-Current Assets	2,958,637,944	2,370,263,917	2,204,523,541	1,603,662,855	5,163,161,485	3,973,926,772
Current Assets	4,001,014,727	3,052,770,817	5,206,759,808	4,563,036,508	9,207,774,535	7,615,807,325
	6,959,652,671	5,423,034,734	7,411,283,349	6,116,699,363	14,370,936,020	11,589,734,097
Segment Liabilities						
Non-Current Liabilities	1,610,311,932	1,673,170,869	928,943,290	758,865,373	2,539,255,222	2,432,036,242
Current Liabilities	2,595,545,221	1,938,182,905	2,400,931,256	2,164,921,772	4,996,476,477	4,103,104,677
	4,205,857,153	3,611,353,774	3,329,874,546	2,923,787,145	7,535,731,699	6,535,140,919
Other Information						
Additions to Property, Plant, Equipment, Investment Property and Intangible Assets	132,644,931	535,402,341	210,829,252	358,341,672	343,474,183	893,744,013
Depreciation and Amortization	218,033,609	181,366,555	185,568,156	193,148,584	403,601,764	374,515,139
	350,678,540	716,768,896	396,397,408	551,490,256	747,075,948	1,268,259,152

Notes To The Financial Statements

Year ended 31 March 2023

3. SEGMENT INFORMATION (Contd..)

Operating Segments	Printing		Packaging		Group	
	2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
Non-Cash Expenses						
Provision for Bad & Doubtful Debts	10,480,449	5,254,539	31,648,359	2,561,329	42,128,808	7,815,868
Provision for Gratuity	43,210,623	12,308,396	19,893,191	3,976,561	63,103,814	16,284,957
Provision for Slow Moving Stocks	40,554,638	(5,750,918)	2,981,836	1,378,670	43,536,474	(4,372,248)
	94,245,710	11,812,017	54,523,386	30,078,525	148,769,096	19,728,577
Finance (Income) and Cost						
Finance Cost	432,578,257	147,823,398	390,820,898	113,024,533	823,399,155	260,847,931
Finance Income	(4,810,524)	(18,399,991)	(36,991,346)	(7,500,403)	(41,801,870)	(25,900,394)
	427,767,733	129,423,407	353,829,552	105,524,130	781,597,285	234,947,537

Segment Revenue	Printing	Packaging	Total Segment	Adjustments and Elimination	Consolidated
External Customers	6,989,020,465	7,497,584,435	14,486,604,900	(347,867,312)	14,138,737,588
Inter- Segment	61,188,827	555,981,797	617,170,624	(617,170,624)	-
Total	7,050,209,292	8,053,566,232	15,103,775,524	(965,037,936)	14,138,737,588

	Group		Company	
	2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
4. REVENUE / OTHER INCOME AND EXPENSES				
4.1 Revenue				
Sale of Goods	14,138,737,588	7,626,233,124	3,777,103,018	1,910,423,336
Gross Revenue	14,138,737,588	7,626,233,124	3,777,103,018	1,910,423,336
4.1.1 Summary				
Direct Exports	1,816,140,495	1,138,395,022	740,449,539	432,913,581
Indirect Exports	5,425,360,394	3,135,901,805	1,556,632,551	768,967,660
Local Sales	6,897,236,699	3,351,936,297	1,480,020,928	708,542,095
	14,138,737,588	7,626,233,124	3,777,103,018	1,910,423,336
4.2 Other Operating Income				
Rent Income	-	-	14,955,360	14,955,360
IT Service Charges	-	-	13,797,612	5,187,600
Scrap Sales	64,965,469	45,420,270	4,248,636	4,022,476
Solar Power Income	12,533,955	14,049,446	-	-
Exchange Gain	620,487,977	871,402,105	56,642,316	-
	697,987,401	930,871,821	89,643,924	24,165,436
4.3 Finance Income				
Dividend Income	65,800	121,800	138,618,000	66,900,162
Interest Income	41,644,220	25,692,937	73,432,237	15,976,847
Interest on Refundable Deposit paid under Lease	91,850	85,657	-	-
	41,801,870	25,900,394	212,050,237	82,877,009

Notes To The Financial Statements

Year ended 31 March 2023

	Group		Company	
	2023	2022	2023	2022
	Rs.	Rs.	Rs.	Rs.
4. REVENUE / OTHER INCOME AND EXPENSES (Contd..)				
4.4 Finance Costs				
Interest Expense on Overdrafts	24,073,184	3,531,415	4,778,000	1,043,305
Interest Expense on Loans and Borrowings	793,109,272	249,537,958	168,995,603	71,474,579
Interest Expense on Lease Creditor	6,216,699	7,778,558	-	-
	823,399,155	260,847,931	173,773,603	72,517,884
4.5 Profit/(Loss) is stated after charging/(crediting)				
Included in Cost of Sales				
Employee Benefits including the following;				
- Employee Benefit Plan Costs - Gratuity	27,186,654	5,262,344	3,116,837	1,965,952
- Defined Contribution Plan Costs - EPF & ETF	40,459,470	34,929,074	10,000,266	8,243,947
Other Staff Costs	877,145,083	621,435,330	189,529,564	125,598,208
Depreciation of Property, Plant & Equipment	334,699,758	320,013,788	52,243,909	56,820,198
Included in Administrative Expenses				
Employee Benefits including the following;				
- Employee Benefit Plan Costs - Gratuity	35,917,160	11,022,613	22,949,882	4,945,756
- Defined Contribution Plan Costs - EPF & ETF	61,514,741	46,979,890	13,205,742	9,963,302
Other Staff Costs	880,302,897	609,635,497	222,477,799	120,554,819
Depreciation of Property, Plant & Equipment	57,332,847	43,180,160	13,921,581	12,475,546
Amortization of Investment Property	-	-	2,866,007	2,861,047
Amortization of Intangible Assets	11,569,161	11,321,191	1,054,727	885,043
Loss /(Profit) on Sale of Property, Plant & Equipment	39,109,633	23,410,606	-	(447,756)
Auditors' Remuneration - Current Year	6,160,566	4,276,299	876,250	790,000
Provision for Slow Moving Stocks	43,536,474	(4,372,248)	39,364,929	(6,401,954)
Donations	5,270,770	30,861,966	1,917,314	103,180
Bad Debts Written Off	42,128,808	7,815,868	3,568,660	(282,492)
Directors' Fees	9,231,884	6,324,102	4,500,000	4,050,000
Included in Distribution Costs				
Transport and Vehicle Running Expenses	58,411,370	30,986,100	4,925,599	3,502,148
Sales Promotions	67,747,649	14,234,319	42,187,922	2,179,873
4.6 Other Operating Expenses				
Exchange Loss	20,361,202	22,595,487	-	16,653,543
	20,361,202	22,595,487	-	16,653,543

Notes To The Financial Statements

Year ended 31 March 2023

	Group		Company	
	2023	2022	2023	2022
	Rs.	Rs.	Rs.	Rs.

5. INCOME TAX

The major components of income tax expense for the years ended 31 March 2023 and 31 March 2022 are :

5.1 Consolidated Statement of Profit or Loss

	Group 2023 Rs.	Group 2022 Rs.	Company 2023 Rs.	Company 2022 Rs.
Current Income Tax:				
Current Tax Expense on Ordinary Activities for the Year (Note 5.2)	413,194,947	93,160,159	64,066,360	13,156,170
Over Provision of Current Taxes in Respect of Prior Years	(13,122,674)	(240,368)	(13,156,170)	-
	400,072,273	92,919,791	50,910,190	13,156,170
Deferred Income Tax:				
Deferred Taxation Charge/(Reversal) (Note 5.3 and Note 5.4)	52,983,906	(21,709,918)	134,306,865	35,031,149
Income Tax Expense reported in the Consolidated Statement of Profit or Loss	453,056,179	71,209,873	185,217,055	48,187,319

5.2 A Reconciliation between Tax Expense and the Product of Accounting Profit multiplied by the Statutory Tax Rate for the Years Ended 31 March 2023 and 2022 is as follows :

	Group 2023 Rs.		Group 2022 Rs.	Company 2023 Rs.		Company 2022 Rs.
Accounting Profit Before Income Tax	1,957,379,926		2,336,165,736	672,594,454		1,183,509,922
Aggregate Disallowed Items	743,618,348		608,054,165	168,605,802		115,316,252
Aggregate Allowable Expenses	(1,199,423,099)		(2,306,621,211)	(284,985,139)		(1,065,147,589)
Income not Subject to Tax	(38,384,676)		(18,651,134)	(139,612,486)		(3,967,334)
Other Assessed Income	362,908		367,477,926	101,190,723		355,195,014
Taxable Profit	1,463,553,407		986,425,482	517,793,354		584,906,265
Set off Against Tax Profit	(259,147,053)		(581,495,810)	(254,351,276)		(453,344,529)
Taxable Profit	1,204,406,354		404,929,672	263,442,078		131,561,736
Adjusted Taxable Profit	1,499,587,398		601,305,321	263,442,078		131,561,736
Adjusted Taxable Loss	(295,181,044)		(196,375,649)	-		-
	1,204,406,354		404,929,672	263,442,078		131,561,736
	1st 6 month	2nd 6 month		1st 6 month	2nd 6 month	
Statutory Tax Rate - Business Profit	14% & 18%	30%	14% & 18%	14% & 18%	30%	14% & 18%
- Other Income	24%	30%	24%	24%	30%	24%
- Foreign Subsidiaries	25%	25%	25%	-	-	-
Current Income Tax Expense	413,194,947		93,160,159	64,066,360		13,156,170
Tax Losses Brought forward	(543,211,540)		(933,454,077)	(254,351,276)		(707,695,805)
Net Movement	(36,033,991)		390,242,537	254,351,276		453,344,529
Tax Losses Carried forward	(579,245,531)		(543,211,540)	-		(254,351,276)

Notes To The Financial Statements

Year ended 31 March 2023

5. INCOME TAX (Contd..)

5.3 Deferred Tax Asset and Income Tax related to the following:

	Group 2023 Rs.	Group 2022 Rs.	Company 2023 Rs.	Company 2022 Rs.
Deferred Tax Liability Arising on:				
Property Plant and Equipment	156,314,708	22,641,537	-	-
Net impact from right of Use Asset and Lease Creditor	1,912,577	2,131,648	-	-
Capital gain tax on Revaluation of Land	13,512,425	-	-	-
	171,739,710	24,773,185	-	-
Deferred Tax Assets Arising on:				
Defined Benefit Plans	(8,853,507)	(1,585,216)	-	-
Tax Loss Carried Forward	(357,731,448)	(69,708,937)	-	-
	(366,584,955)	(71,294,153)	-	-
	(194,845,245)	(46,520,968)	-	-
Balance Brought Forward	(46,520,968)	(58,624,170)	-	(3,409,220)
Transfer From Asset/ Liability	16,268,641	8,254,020	-	3,409,220
Deferred Income Tax Charge/(Credit)-Statement of Profit or Loss	(177,440,552)	4,231,653	-	-
Deferred Income Tax Charge/(Credit)-Statement of Other Comprehensive Income	12,847,634	(382,471)	-	-
	(194,845,245)	(46,520,968)	-	-

5.4 Deferred Tax Liability and Income Tax Related to the following:

	Group 2023 Rs.	Group 2022 Rs.	Company 2023 Rs.	Company 2022 Rs.
Deferred Tax Liability Arising on:				
Property Plant and Equipment	499,145,528	337,817,690	205,801,995	113,708,051
Capital gain tax on Revaluation of Land	322,978,463	-	146,849,340	-
	822,123,991	337,817,690	352,651,335	113,708,051
Deferred Tax Assets Arising on:				
Defined Benefit Plans	(82,662,234)	(36,144,447)	(46,049,576)	(16,992,583)
Tax Loss Carried Forward	-	(89,715,487)	-	(65,359,523)
Net Impact from Right-of-Use Asset and Lease Liability	-	(752,085)	-	-
	(82,662,234)	(126,612,019)	(46,049,576)	(82,352,106)
	739,461,757	211,205,671	306,601,759	31,355,945
Balance Brought Forward	211,205,671	236,858,634	31,355,945	-
Transfer From Asset/ Liability	(16,268,641)	(8,254,020)	-	(3,409,220)
Deferred Income Tax Charge/(Credit)-Statement of Profit or Loss	230,424,458	(25,941,571)	134,306,865	35,031,149
Deferred Income Tax Charge/(Credit)-Statement of Other Comprehensive Income	313,733,197	130,390	140,938,949	(265,984)
Exchange Translation Difference	367,072	8,412,238	-	-
	739,461,757	211,205,671	306,601,759	31,355,945

Notes To The Financial Statements

Year ended 31 March 2023

5.5 Tax Rate

As per the Inland Revenue Act No. 24 of 2017 and amendments thereto, all Group companies which are resident in Sri Lanka are liable to Income Tax at 30% w.e.f. 01 October 2022; upto 30 September 2022 - 14%,18%, and 24% (2021/22- 14%,18%, and 24%) on taxable profit during the period.

	Group 2023 Rs.	Company 2023 Rs.
Deferred Tax Charge/(Reversal) recognized through:		
Statement of Profit or Loss		
Charge/(Reversal) Due to Change in Tax Rates	95,677,355	80,005,104
Charge/(Reversal) Arising on Tax Base	(42,693,449)	54,301,761
	52,983,906	134,306,865
Other Comprehensive Income		
Charge/(Reversal) Due to Change in Tax Rates	161,650,396	68,064,977
Charge/(Reversal) Arising on Tax Base	165,297,507	72,873,972
	326,947,902	140,938,949

6. EARNINGS PER SHARE

6.1 Basic/Diluted Earnings Per Share is calculated by dividing the net profit for the year attributable to ordinary shareholders of the parent by the weighted average number of ordinary shares outstanding during the year.

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

	Group		Company	
	2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
Amount Used as the Numerator:				
Net Profit attributable to Ordinary Equity Holders of the Parent for Basic Earnings	1,489,391,575	2,236,812,213	487,377,399	1,135,322,603
Number of Ordinary Shares Used as the Denominator:	Number	Number	Number	Number
Weighted Average Number of Ordinary Shares at the Beginning of the Year	85,966,670	85,966,670	85,966,670	85,966,670
Weighted Average Number of Ordinary Shares at the End of the Year	85,966,670	85,966,670	85,966,670	85,966,670
Earnings Per Share - Basic	17.33	26.02	5.67	13.21

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorisation of these financial statements.

Notes To The Financial Statements

Year ended 31 March 2023

7. PROPERTY, PLANT AND EQUIPMENT

7.1 Group

7.1.1 Gross Carrying Amount

At Cost	Balance as at 01.04.2022 Rs.	Additions Rs.	Disposals Rs.	Revaluation Gain Rs.	Balance as at 31.03.2023 Rs.
Buildings on Freehold Land	658,976,028	2,516,242	(16,128,970)	-	645,363,300
Plant and Machinery	4,629,914,300	208,658,136	(70,169,287)	-	4,768,403,149
Furniture and Fittings	56,386,152	5,525,224	(190,060)	-	61,721,316
Office Equipment	137,156,654	18,187,227	(2,112,019)	-	153,231,862
Factory Equipment	506,199,930	76,850,854	(8,572,964)	-	574,477,820
Motor Vehicles	36,375,230	7,689,232	(3,277,510)	-	40,786,952
Total Gross Carrying Amount	6,025,008,294	319,426,915	(100,450,810)	-	6,243,984,399
At Valuation					
Land	580,088,766	9,852,200	-	1,165,741,450	1,755,682,416
	6,605,097,060	329,279,115	(100,450,810)	1,165,741,450	7,999,666,815
Work in Progress					
Buildings	2,662,655	-	-	-	2,662,655
Plant and Machinery	100,741	-	(100,741)	-	-
	2,763,396	-	(100,741)	-	2,662,655
	6,607,860,456	329,279,115	(100,551,551)	1,165,741,450	8,002,329,470

7.1.2 Depreciation

At Cost	Balance as at 01.04.2022 Rs.	Charge for the year Rs.	Disposals Rs.	Balance as at 31.03.2023 Rs.
Buildings on Freehold Land	257,911,108	31,437,030	(5,266,577)	284,081,561
Plant and Machinery	2,157,209,136	296,340,377	(37,259,272)	2,416,290,241
Furniture and Fittings	38,211,112	4,679,706	(65,807)	42,825,011
Office Equipment	102,639,403	12,779,328	(1,842,265)	113,576,466
Factory Equipment	258,713,198	42,199,007	(8,265,787)	292,646,418
Motor Vehicles	28,399,774	4,597,157	(3,277,510)	29,719,421
Total Depreciation	2,843,083,731	392,032,604	(55,977,217)	3,179,139,118

Notes To The Financial Statements

Year ended 31 March 2023

7. PROPERTY, PLANT AND EQUIPMENT (Contd..)

7.1 Group (Contd...)

7.1.3 Net Book Values	As at 31.03.2023 Rs.	As at 31.03.2022 Rs.
At Cost		
Freehold Land	-	580,088,766
Buildings on Freehold Land	361,281,739	401,064,920
Plant and Machinery	2,352,112,908	2,472,705,164
Furniture and Fittings	18,896,305	18,175,040
Office Equipment	39,655,396	34,517,251
Factory Equipment	281,831,402	247,486,733
Motor Vehicles	11,067,531	7,975,456
	3,064,845,281	3,762,013,330
At Valuation		
Freehold Land	1,755,682,416	-
Add: Work in Progress		
Building	2,662,655	2,262,655
Plant and Machinery	-	100,741
Total Carrying Amount of Property, Plant and Equipment	4,823,190,352	3,764,376,726

7.2 Company

7.2.1 Gross Carrying Amount	Balance as at 01.04.2022 Rs.	Additions Rs.	Disposals Rs.	Revaluation Gain Rs.	Balance as at 31.03.2023 Rs.
At Cost					
Buildings on Freehold Land	183,689,177	775,156	-	-	184,464,333
Plant and Machinery	1,072,541,007	18,617,208	-	-	1,091,158,215
Furniture and Fittings	18,488,238	1,181,040	-	-	19,669,278
Office Equipment	75,164,883	7,609,107	-	-	82,773,990
Factory Equipment	104,546,506	8,536,489	-	-	113,082,995
Motor Vehicles	14,873,501	-	-	-	14,873,501
Total Gross Carrying Amount	1,469,303,312	36,719,000	-	-	1,506,022,312
At Valuation					
Freehold Land	130,000,000	6,452,200	-	489,497,800	625,950,000
	1,599,303,312	43,171,200	-	489,497,800	2,131,972,312

Notes To The Financial Statements

Year ended 31 March 2023

7. PROPERTY, PLANT AND EQUIPMENT (Contd..)

7.2 Company (Contd...)

7.2.2. Depreciation

At Cost	Balance as at 01.04.2022 Rs.	Charge for the Year Rs.	Disposals Rs.	Balance as at 31.03.2023 Rs.
Buildings on Freehold Land	72,918,849	7,447,279	-	80,366,128
Plant and Machinery	501,674,933	45,623,471	-	547,298,404
Furniture and Fittings	15,643,564	1,101,007	-	16,744,571
Office Equipment	54,071,189	5,373,294	-	59,444,483
Factory Equipment	74,758,036	6,620,438	-	81,378,474
Motor Vehicles	14,873,501	-	-	14,873,501
Total Depreciation	733,940,072	66,165,490	-	800,105,562

7.2.3 Net Book Values

	As at 31.03.2023 Rs.	As at 31.03.2022 Rs.
At Cost		
Freehold Land	-	130,000,000
Buildings on Freehold Land	104,098,205	110,770,328
Plant and Machinery	543,859,811	570,866,074
Furniture and Fittings	2,924,707	2,844,674
Office Equipment	23,329,506	21,093,694
Factory Equipment	31,704,521	29,788,470
Motor Vehicles	-	-
At Valuation		
Freehold Land	625,950,000	-
Total Carrying Amount of Property, Plant and Equipment	1,331,866,750	865,363,240

7.3 The useful lives of the assets is estimated as follows;

	2023	2022
Group		
Buildings	7 - 60 Years	7 - 60 Years
Plant and Machinery	6 2/3 - 40 Years	6 2/3 - 40 Years
Motor Vehicles	5-8 Years	5-8 Years
Furniture and Fittings	6 2/3 - 10 Years	6 2/3 - 10 Years
Office Equipment	5 Years	5 Years
Factory Equipment	5 -20 Years	5 -20 Years
Company		
Buildings	25 Years	25 Years
Plant and Machinery	6 2/3 - 20 Years	6 2/3 - 20 Years
Motor Vehicles	5 Years	5 Years
Furniture and Fittings	6 2/3 Years	6 2/3 Years
Office Equipment	5 Years	5 Years
Factory Equipment	10 Years	10 Years

Notes To The Financial Statements

Year ended 31 March 2023

7.4 During the year the Group and the Company acquired property, plant and equipment to the aggregate value of Rs.329,178,374/- and Rs. 43,171,200 /- respectively for cash. (2022 -Rs. 883,891,215/- and Rs. 22,837,059/-).

7.5 Property, Plant and Equipment includes fully depreciated assets of Group and Company having a Original Cost of Rs. 670,036,395/- and Rs.356,011,122 /- (2022 - Rs. 560,816,518/- and Rs..298,715,527 /-).

7.6 Building value details

Address	Extent (sqft)	No of Building	Valuation (Rs.)
Group			
No 77, Nungamugoda Road, Kelaniya	153,141	4	1,421,697,482
No 10, Sangothipalayam, Arasur(PO), Coimbatore	39,780	1	4,0021,573*
No 21, Pushparama Road, Pahala Biyanwila, Kadawatha	39,500	1	360,600,000
			* INR
Company			
No 77, Nungamugoda Road, Kelaniya	69,381	1	744,450,000

7.7 Revaluation of land

Accounting judgements, estimates and assumptions

The Group uses the revaluation model of measurement for land during the year. The Group engaged independent expert valuers to determine the fair value of its land. Fair value is determined by reference to market-based evidence of transaction prices for similar properties. Valuations are based on open market prices, adjusted for any difference in the nature, location or condition of the specific property. These valuation techniques are those appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. The most recent revaluation dates has been given below. The changes in fair value are recognised in other comprehensive income and in the statement of equity. Market Valuation has been used as the valuation technique to get the value of land. Group revalues its lands every three years.

Revaluation of lands was carried out by S I P Indika, an independent valuer as at 31 March 2023.

Group

Charge for	Valuation Method	Value Range	Measurement	Carrying Value (Rs.)	Fair Value (Rs.)	Revaluation Surplus (Rs.)	Effective date (Rs.)
No 77, Nungamugoda Road, Kelaniya	Open Market Valuation	Rs. 1,200,000 - Rs. 1,900,000	Perch	248,360,507	1,186,750,000	938,389,493	31.03.2023
No 10, Sangothipalayam, Arasur(PO), Coimbatore	Open Market Valuation	INR 15,000,000	Acre	29,654,202	73,759,359	44,105,157	31.03.2023
No 21, Pushparama Road, Pahala Biyanwila, Kadawatha	Open Market Valuation	Rs. 650,000 - Rs. 900,000	Perch	67,627,000	215,300,000	147,673,000	31.03.2023
Nos 160 & 162, Siwralumulla Road, Nadungamuwa, Weliweriya	Open Market Valuation	Rs. 550,000 - Rs. 750,000	Perch	288,226,200	323,800,000	35,573,800	31.03.2023
				633,867,909	**1,799,609,359**	**1,165,741,450**	

Company

Charge for	Valuation Method	Value Range	Measurement	Carrying Value (Rs.)	Fair Value (Rs.)	Revaluation Surplus (Rs.)	Effective date (Rs.)
No 77, Nungamugoda Road, Kelaniya	Open Market Valuation	Rs. 1,200,000 - Rs. 1,900,000	Perch	130,000,000	617,150,000	487,150,000	31.03.2023
No 07 , Siwralumulla Road, Nadun-gamuwa, Weliweriya	Open Market Valuation	Rs. 550,000 - Rs. 750,000	Perch	6,452,200	8,800,000	2,347,800	31.03.2023
				136,452,200	**625,950,000**	**489,497,800**	

Notes To The Financial Statements

Year ended 31 March 2023

Reconciliation of carrying amount

	Group	Company
	Rs.	Rs.
Carrying Value before Revaluation as at 31 March 2023*	589,940,966	136,452,200
Revaluation gain recognised in OCI due to change in accounting policy to revaluation model as at 31 March 2021	1,165,741,450	489,497,800
Carrying Value and fair value as at 31 March 2023	1,755,682,416	625,950,000

*The Group/Company changed the accounting policy with respect to the measurement of Free hold Land as at 31 March 2023 on a prospective basis. Therefore, the fair value of the land was not measured at 31 March 2022.

The carrying value of the Group's and Company's revalued freehold land, if it was carried at cost, would be as follows.

	2023 Cost Rs.	2023 Carrying Value Rs.	2022 Cost Rs.	2022 Carrying Value Rs.
Freehold Land (Group)	589,940,966	589,940,966	589,940,966	589,940,966
	589,940,966	589,940,966	589,940,966	589,940,966
Freehold Land (Company)	136,452,200	136,452,200	136,452,200	136,452,200
	136,452,200	136,452,200	136,452,200	136,452,200

8. INTANGIBLE ASSETS

	Group		Company	
	2023	2022	2023	2022
	Rs.	Rs.	Rs.	Rs.
Cost				
As at 1 April	179,272,284	169,419,486	57,127,628	57,127,628
Additions During the Year	14,295,809	9,852,798	4,199,651	-
As at 31 March	193,568,093	179,272,284	61,327,279	57,127,628
Amortization				
As at 1 April	112,434,609	101,113,418	54,713,994	53,828,951
Exchange Difference	511,830	-	-	-
Amortization During the Year	11,569,161	11,321,191	1,054,727	885,043
As at 31 March	124,515,600	112,434,609	55,768,721	54,713,994
Net Book Value	69,052,493	66,837,675	5,558,558	2,413,634

Intangible assets include SAP ERP ECC6, Tally ERP 9, Hsenid HRIS Module Version 6 and Candela Learning Materials which are amortized over 05- 10 years.

Notes To The Financial Statements

Year ended 31 March 2023

	Group		Company	
	2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
9. INVESTMENT PROPERTY				
Cost				
As at 1 April	-	-	70,690,832	70,596,681
Additions During the Year	-	-	298,311	94,151
As at 31 March	-	-	70,989,143	70,690,832
Amortization				
As at 1 April	-	-	28,062,024	25,200,977
Amortization During the Year	-	-	2,866,007	2,861,047
As at 31 March	-	-	30,928,031	28,062,024
Net Book Value	-	-	40,061,112	42,628,808

9.1 Details Of Investment Property

Fair Value of the Investment Property

Company	Building Sq.Ft.	Number of Building	2023 Rs.	2022 Rs.
Address				
No. 77, Nungamugoda Road, Kelaniya				
Value has been determined based on the Open Market Valuation method done by a professional valuer, S.I.P Indaka AIV	37,620	01	403,658,192	403,658,192

Summary Results of Investment Property	2023 Rs.	2022 Rs.
Rent Income	14,955,360	14,955,360
Expenses incurred During the year	-	-
Net Income	14,955,360	14,955,360

Company

Fair Value of the Investment Property	2023 Rs	Level 1 Rs	Level 2 Rs	Level 3 Rs	2022 Rs	Level 1 Rs	Level 2 Rs	Level 3 Rs
Fair Value of the Investment Property								
Investment Property	403,658,192	403,658,192		-	403,658,192	403,658,192	-	-
	403,658,192	403,658,192		-	403,658,192	403,658,192	-	-

Notes To The Financial Statements

Year ended 31 March 2023

10. INVESTMENTS IN SUBSIDIARIES

10.1. Company

	% Holding		No of Shares		Cost	
	2023	2022	2023	2022	2023 Rs.	2022 Rs.
Printcare Universal (Pvt) Ltd	100%	100%	4,320,000	4,320,000	43,200,000	43,200,000
Printcare Premedia Services Ltd	65%	65%	3,250,004	3,250,004	32,500,040	32,500,040
Printcare Secure Ltd	78.5%	78.5%	9,533,077	9,533,077	76,500,000	76,500,000
Printcare India (Pvt) Ltd	100%	100%	527,308	527,308	128,107,400	128,107,400
PC Universal Agencies (Pvt) Ltd	100%	100%	49,998	49,998	499,980	499,980
					280,807,420	280,807,420

11. INVESTMENTS IN ASSOCIATE

The Group has invested 45% interest in R-Pac Printcare Lanka (Pvt) Ltd, which is involved in the manufacture of hand tags, fabric acre labels, self-adhesives labels, heat transfer labels and hardlines packaging for export. R-Pac Printcare Lanka (Pvt) Ltd is incorporated and domiciled in Sri Lanka. The Group disposed of its stake in its associate company during the third quarter of the financial year 2021/22.

	Group		Company	
	2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
Group's carrying amount of the investment as at 01 April	-	131,902,688	-	-
Share Purchased During the year			-	179,043,745
Group Share of Profit for the Year	-	62,786,339	-	8,137,180
Divestment during the year	-	(194,689,027)	-	(187,180,925)
Group's carrying amount of the investment as at 31 March	-	-	-	-

12. OTHER FINANCIAL ASSETS AND FINANCIAL LIABILITIES

12.1 Group

Fair Value through Other Comprehensive Income Investments	No. of Shares 2023 Number	Fair Value 2023 Rs.	No. of Shares 2022 Number	Fair Value 2022 Rs.
Quoted Equity Shares				
Taj Lanka Hotels PLC	58,416	887,923	58,416	771,091
Hemas Holdings PLC	28,000	1,820,000	28,000	1,293,600
Total Fair Value through Other Comprehensive Income Investments		2,707,923		2,064,691

Notes To The Financial Statements

Year ended 31 March 2023

12. OTHER FINANCIAL ASSETS AND FINANCIAL LIABILITIES (Contd..)

12.2 Company

Fair Value through Other Comprehensive Income Investments	No. of Shares 2023 Number	Fair Value 2023 Rs.	No. of Shares 2022 Number	Fair Value 2022 Rs.
Quoted Equity Shares				
Taj Lanka Hotels PLC	58,416	887,923	58,416	771,091
Total Fair Value through Other Comprehensive Income Investments		887,923		771,091

12.3 Interest Bearing Loans and Borrowings

	2023 Amount Repayable Within 1 Year Rs.	2023 Amount Repayable After 1 Year Rs.	2023 Total Rs.	2022 Amount Repayable Within 1 Year Rs.	2022 Amount Repayable After 1 Year Rs.	2022 Total Rs.
Group						
Bank Loans (Note 12.3.1)	2,706,186,665	1,434,732,739	4,140,919,404	2,465,976,321	1,923,712,061	4,389,688,382
Bank Overdrafts (Note 18.2)	17,107,158	-	17,107,158	26,218,507	-	26,218,507
Lease Liabilities (Note 13.2)	19,953,141	48,399,687	68,352,828	18,162,602	68,352,819	86,515,421
	2,743,246,964	1,483,132,426	4,226,379,390	2,510,357,430	1,992,064,880	4,502,422,310
Company						
Bank Loans (Note 12.3.1)	720,948,640	503,365,449	1,224,314,089	481,453,541	679,987,087	1,161,440,628
Bank Overdrafts (Note 18.2)	43	-	43	3,696,236	-	3,696,236
Related Party Loan (Note 12.3.3)	-	-	-	-	-	-
	720,948,683	503,365,449	1,224,314,132	485,149,777	679,987,087	1,165,136,864

12.3.1 Bank Loans

	Group 2023 Rs.	Group 2022 Rs.	Company 2023 Rs.	Company 2022 Rs.
As at 1 April	4,389,688,382	2,551,352,236	1,161,440,628	1,152,705,370
Loans Obtained During the Year	8,652,674,863	8,877,356,283	1,623,165,683	2,736,660,770
Less: Repayments	(8,980,551,405)	(7,169,174,486)	(1,631,065,712)	(2,844,454,564)
Unrealised Exchange Loss	52,070,684	111,009,999	58,813,770	111,009,999
Add: Interest	27,036,880	19,144,350	11,959,720	5,519,053
As at 31 March	4,140,919,404	4,389,688,382	1,224,314,089	1,161,440,628

Notes To The Financial Statements

Year ended 31 March 2023

12. OTHER FINANCIAL ASSETS AND FINANCIAL LIABILITIES (Contd..)

12.3 Interest Bearing Loans and Borrowings (Contd..)

12.3.2 Bank Loans-Repayment Terms

Company	Lending Institution	Nature of Facility	Interest Rate	Repayment Terms	2023 Rs.	2022 Rs.
Printcare PLC	National Development Bank PLC	Term Loan USD 1,570,367	1 M LIBOR + Margin	Yearly Instalment of USD 314,200 Matures on May 2026	326,398,594	392,421,575
Printcare PLC	Commercial Bank of Ceylon PLC	Term Loan LKR 300 Mn	Fixed Rate	Equal Instalments of LKR 5,000,000 Matures on March 2028	300,000,000	300,000,000
Printcare PLC	People's Bank	Term Loan LKR 100 Mn	Fixed Rate	Equal Instalment of LKR 3,333,333 Matures on March 2025	79,900,000	100,000,000
Printcare Universal (Pvt) Ltd	Commercial Bank of Ceylon PLC	Term Loan LKR 500Mn	Fixed Rate	Equal Instalment of LKR 8,333,333 and 1 instalment of LKR 8,333,353 Matures on March 2028	500,000,000	500,000,000
Printcare Digital Solutions (Pvt) Ltd	Commercial Bank of Ceylon PLC	Term Loan LKR 300 Mn	AWPLR+ Margin	Equal Instalment of LKR 4,166,666 and 1 instalment of LKR4,166,714 Matures on December 2027	237,500,010	287,500,002
Printcare Secure Ltd	DFCC Bank PLC	Term Loan LKR 48.5 Mn	Fixed Rate	Equal Instalment of LKR 456,990 Matures on November 2022	-	3,655,850
Printcare Secure Ltd	Commercial Bank of Ceylon PLC	Term Loan LKR 250 Mn	Fixed Rate	Equal Instalment of LKR 4,166,666 and 1 instalment of LKR4,166,714 Mature on April 2028	250,000,000	250,000,000
Printcare Secure Ltd	People's Bank	Term Loan LKR 150 Mn	Fixed Rate	Equal Instalment of LKR 5,000,000 Mature on April 2025	89,999,930	150,000,000
Printcare Premedia Services Ltd	Commercial Bank of Ceylon PLC	Term Loan LKR 20 Mn	Fixed Rate	Equal Instalment of LKR 555,556 Mature on March 2024	6,666,680	13,333,340
Printcare Premedia Services Ltd	People's Bank	Term Loan LKR 50 Mn	Fixed Rate	Equal Instalment of LKR 1,666,667 Mature on December-2024	33,333,333	50,000,000

Asset pledge details has been given in Note 27.

12.3.3 Related Party Loan Receivable

	Balance as at 01.04.2022 Rs.	Loans Obtained Rs.	Loans Re-paid Rs.	Balance as at 31.03.2023 Rs.
Printcare Universal (Pvt) Ltd	480,000,000	-	(480,000,000)	-
	480,000,000	-	(480,000,000)	-

Notes To The Financial Statements

Year ended 31 March 2023

12.4 Fair Values

The fair values of the financial assets and liabilities are assessed at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. There is no difference between carrying amounts and fair values of the Group's and Company's financial assets and liabilities.

The following methods were used to estimate the fair values.

A. Long-term receivables/borrowings are evaluated by the Company based on parameters such as interest rates, risk characteristics of the financed project etc. As at 31 March 2023, the carrying amounts of such borrowings are not materially different from their calculated fair values.

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

C. Fair values of the unquoted ordinary shares have been estimated using net assets of the investee company.

D. Fair values of of remaining fair value through other comprehensive income financial assets are derived from quoted market prices in active markets

12.5 Fair Value Hierarchy

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Fair value are determined according to the following hierarchy.

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2: Other valuation techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: Valuation techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

As at 31 March 2023, the Group or/and the Company held the following financial instruments carried at fair value in the statement of financial position.

Group

Assets Measured at Fair Value	2023 Rs	Level 1 Rs	Level 2 Rs	Level 3 Rs	2022 Rs	Level 1 Rs	Level 2 Rs	Level 3 Rs
Fair Value through Other Comprehensive Income								
Quoted Equity Shares	2,707,923	2,707,923	-	-	2,064,691	2,064,691	-	-
	2,707,923	2,707,923	-	-	2,064,691	2,064,691	-	-

Company

Assets Measured at Fair Value	2023 Rs	Level 1 Rs	Level 2 Rs	Level 3 Rs	2022 Rs	Level 1 Rs	Level 2 Rs	Level 3 Rs
Fair Value through Other Comprehensive Income								
Quoted Equity Shares	887,923	887,923	-	-	771,091	771,091	-	-
	887,923	887,923	-	-	771,091	771,091	-	-

During the reporting period ending 31 March 2023, there were no transfers between Level 1 and Level 2 fair value measurements.

Notes To The Financial Statements

Year ended 31 March 2023

13. RIGHT-OF-USE OF ASSET AND RELATED LEASE LIABILITY

	Group	
	2023	2022
13.1 Right-of-Use of Leased Assets	Rs.	Rs.
Cost		
As at 1 April	147,201,548	147,201,548
Additions during the Year	-	-
As at 31 March	147,201,548	147,201,548
Amortization		
As at 1 April	53,474,836	32,694,288
Amortisation during the period	20,361,240	20,780,548
As at 31 March	73,836,076	53,474,836
Carrying Value as at 31 March	73,365,472	93,726,712
13.2 Related Lease Liabilities		
As at 1 April	86,515,421	102,469,859
Accretion of interest	6,216,699	7,778,558
Payments	(24,379,292)	(23,732,996)
As at 31 March	68,352,828	86,515,421
Current	19,953,141	18,162,602
Non Current	48,399,687	68,352,819
13.3 Amounts recognised in Profit or Loss:		
Depreciation expense of right-of-use of leased assets	20,361,240	20,780,548
Interest expense on lease liabilities	6,216,699	7,778,558
Expenses relating to short-term leases and low value assets	60,127,674	37,236,756
Total amount recognised in Profit or Loss	86,705,613	65,795,862

14. INVENTORIES

	Group		Company	
	2023	2022	2023	2022
	Rs.	Rs.	Rs.	Rs.
Raw Materials	3,636,525,098	1,990,197,271	1,174,021,115	486,122,460
Work-in-Progress	143,251,148	109,961,924	63,575,493	47,389,471
Finished Goods	161,178,054	105,040,899	60,759,481	35,722,432
Goods-in-Transit	108,909,015	165,799,990	28,526,672	22,232,256
Consumables and Spares	300,323,859	281,725,893	126,799,212	96,884,098
	4,350,187,174	2,652,725,977	1,453,681,973	688,350,717
Less: Allowance for Obsolete and Slow Moving Inventory	(94,452,888)	(48,813,559)	(55,785,676)	(16,420,746)
Total Inventories at the lower of Cost and Net Realisable Value	4,255,734,286	2,603,912,418	1,397,896,297	671,929,971

Notes To The Financial Statements

Year ended 31 March 2023

15. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
Trade Debtors - Related Parties (Note 15.1)	-	-	33,116,805	30,384,746
- Others	3,215,346,404	2,583,648,727	693,708,426	531,777,056
Less: Provision for Doubtful Debts (Note 15.5)	(36,957,174)	(16,155,145)	(3,553,530)	(14,754)
	3,178,389,230	2,567,493,582	723,271,701	562,147,048
Other Debtors - Others	131,381,298	76,036,680	79,926,883	10,271,841
- Related Parties (Note 15.2)	-	-	42,307,477	51,865,690
Advances	29,726,540	54,707,705	877,752	222,618
Loans to Company Officers (Note 15.3)	5,213,200	2,117,600	1,743,200	957,600
	3,344,710,268	2,700,355,567	848,127,013	625,464,796

15.1 Trade Receivable from Related Parties

	Relationship	Company	
		2023 Rs.	2022 Rs.
P C Universal Agencies (Pvt) Ltd	Subsidiary	24,582,808	22,082,557
Printcare Universal (Pvt) Ltd	Subsidiary	7,200,252	4,344,901
Printcare Secure Ltd	Subsidiary	-	221,282
Printcare Universal UK Ltd	Sub- Subsidiary	338,371	323,255
Printcare Digital Solutions (Pvt) Ltd	Sub- Subsidiary	995,374	3,412,750
		33,116,805	30,384,746

15.2 Other Receivable from Related Parties

Printcare Universal (Pvt) Ltd.	Subsidiary	7,308,698	24,958,741
Printcare Premedia Services Ltd.	Subsidiary	2,575,468	1,015,100
Printcare Secure Ltd.	Subsidiary	20,856,372	4,922,427
Printcare Digital Solutions (Pvt) Ltd	Sub- Subsidiary	1,482,786	17,375,313
P C Universal Agencies (Pvt) Ltd	Subsidiary	10,084,153	3,594,109
		42,307,477	51,865,690

15.3 Loans to Company Officers

	Group		Company	
	2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
As at 1 April	2,117,600	2,864,000	957,600	964,000
Loans Granted during the Year	6,850,000	3,109,000	1,750,000	1,109,000
Repayments	(3,754,400)	(3,855,400)	(964,400)	(1,115,400)
As at 31 March	5,213,200	2,117,600	1,743,200	957,600

Notes To The Financial Statements

Year ended 31 March 2023

15. TRADE AND OTHER RECEIVABLES (Contd..)

15.4 Trade Receivables are non-interest bearing and are generally on terms of 30-120 days,

	Total	Neither past due nor Impaired	Past due but not Impaired					Past due and Impaired
			< 30 days	30 - 60 days	61 - 90 days	91 - 120 days	> 120 days	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Group								
2023	3,215,346,404	1,772,762,366	976,382,823	156,776,606	147,665,917	103,783,316	21,018,204	36,957,174
2022	2,583,648,727	1,480,375,282	649,054,888	207,945,380	123,498,210	73,973,811	32,646,011	16,155,145
Company								
2023	726,825,231	457,502,261	187,768,715	24,203,494	45,834,445	2,701,495	5,261,291	3,553,530
2022	562,161,802	317,055,474	178,893,047	27,455,789	10,555,439	14,348,161	13,839,138	14,754

15.5 Loss Allowance Reconciliation - Trade and Other Receivables

	Group		Company	
	2023	2022	2023	2022
	Rs.	Rs.	Rs.	Rs.
Opening Balance	16,155,145	16,186,516	14,754	442,589
Debtors Written off During the Period	(16,890,941)	-	(29,884)	-
Debtors Provision/ (Reversal) During the Period	37,692,970	(31,371)	3,568,660	(427,835)
Closing Balance	36,957,174	16,155,145	3,553,530	14,754

16. PREPAYMENTS

	Group		Company	
	2023	2022	2023	2022
	Rs.	Rs.	Rs.	Rs.
Prepayments	67,517,029	49,171,913	16,030,049	34,046,379
	67,517,029	49,171,913	16,030,049	34,046,379

Prepayments include SAP Annual Maintenance Fees, Insurance Premium etc.

17. TAXES RECOVERABLE

	Group		Company	
	2023	2022	2023	2022
	Rs.	Rs.	Rs.	Rs.
Value Added Tax	177,386,609	175,200,314	14,362,278	33,007,717
Economic Service Charge	16,356,583	16,356,583	-	-
Withholding Tax Receivable	661,132	663,880	-	-
	194,404,324	192,220,777	14,362,278	33,007,717

Notes To The Financial Statements

Year ended 31 March 2023

	Group		Company	
	2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.

18. CASH AND SHORT TERM DEPOSITS

18.1 Favourable Cash & Cash Equivalent Balances

	Group 2023 Rs.	Group 2022 Rs.	Company 2023 Rs.	Company 2022 Rs.
Cash & Bank Balances	1,135,926,282	1,515,844,214	156,478,973	95,120,196
Fixed Deposits	42,214,470	49,611,862	-	-
	1,178,140,752	1,565,456,076	156,478,973	95,120,196

18.2 Unfavourable Cash & Cash Equivalent Balances

	Group 2023 Rs.	Group 2022 Rs.	Company 2023 Rs.	Company 2022 Rs.
Bank Overdrafts (Note 12.3)	(17,107,158)	(26,218,507)	(43)	(3,696,236)
Total Cash and Cash Equivalent For the Purpose of Cash Flow Statement	1,161,033,594	1,539,237,569	156,478,930	91,423,960

19. STATED CAPITAL

Group/Company	Group 2023 Rs.	Group 2022 Rs.	Company 2023 Rs.	Company 2022 Rs.
Ordinary Shares (Number)	85,966,670	85,966,670	271,893,021	271,893,021
Ordinary Shares (Rs.)	271,893,021	271,893,021	271,893,021	271,893,021

20. RESERVES

	Group 2023 Rs.	Group 2022 Rs.	Company 2023 Rs.	Company 2022 Rs.
Other Reserve (Note 20.1)	1,001,082,541	1,000,883,161	409,271,498	409,271,498
Exchange Translation Reserve (Note 20.2)	(2,671,279)	11,986,356	-	-
	998,411,262	1,012,869,517	409,271,498	409,271,498
Fair Value Through Other Comprehensive Income Reserve (Note 20.3)	1,802,107	1,008,875	359,442	242,610
Revaluation Reserve (Note 20.4)	1,153,202,746	-	489,497,800	-

20.1

	Group			Company		
	As at 01.04.2022 Rs.	Transfer from Retained Earnings Rs.	As at 31.03.2023 Rs.	As at 01.04.2022 Rs.	Transfer from Retained Earnings Rs.	As at 31.03.2023 Rs.
Other Reserve	1,000,883,161	199,380	1,001,082,541	409,271,498	-	409,271,498
	1,000,883,161	199,380	1,001,082,541	409,271,498	-	409,271,498

Other Reserve which is a revenue reserve represents the amounts set aside by the Directors for future expansions.

Notes To The Financial Statements

Year ended 31 March 2023

20. RESERVES (Contd..)

		Group			Company		
		As at 01.04.2022	Increase During the Year	As at 31.03.2023	As at 01.04.2022	Decrease During the Year	As at 31.03.2023
20.2	Exchange Translation Reserve	11,986,356	(14,657,635)	(2,671,279)	-	-	-
		11,986,356	(14,657,635)	(2,671,279)	-	-	-

Exchange translation reserve comprises the net exchange movement arising from the currency translation of foreign operations and equity accounted investees into Sri Lankan rupees.

		Group			Company		
20.3		As at 01.04.2022	Increase During the Year	As at 31.03.2023	As at 01.04.2022	Increase During the Year	As at 31.03.2023
	Fair Value through Other Comprehensive Income Reserve	1,008,875	793,232	1,802,107	242,610	116,832	359,442
		1,008,875	793,232	1,802,107	242,610	116,832	359,442

The fair value reserve of financial assets at FVOCI includes changes in fair value of financial instruments designated as financial assets at FVOCI.

		Group			Company		
20.4		As at 01.04.2022	Increase During the Year	As at 31.03.2023	As at 01.04.2022	Increase During the Year	As at 31.03.2023
	Revaluation Reserve	-	1,153,202,746	1,153,202,746	-	489,497,800	489,497,800
		-	1,153,202,746	1,153,202,746	-	489,497,800	489,497,800

The revaluation includes changes in fair value of land.

21. DIVIDENDS PROPOSED AND PAID

	Group		Company	
	2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
Declared and Paid During the Year				
Dividends on Ordinary Shares				
Final Dividend	343,866,680	91,737,526	343,866,680	85,966,670
Interim Dividend	171,933,340	343,866,680	171,933,340	343,866,680
	515,800,020	435,604,206	515,800,020	429,833,350
Dividend Per share	6.00	5.00	6.00	5.00

Notes To The Financial Statements

Year ended 31 March 2023

22. EMPLOYEE BENEFIT LIABILITY

	Group		Company	
	2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
22.1 Net Benefit Expense				
Past Service Cost	-	(17,967,906)	-	(8,611,035)
Current Service Cost	32,073,119	18,815,505	9,634,816	7,479,250
Interest Cost on Benefit Obligation	31,030,695	15,437,358	16,431,903	8,043,493
	63,103,814	16,284,957	26,066,719	6,911,708
Net Actuarial Loss	33,058,800	1,540,484	19,701,303	1,714,719
Amount Recognised in OCI	33,058,800	1,540,484	19,701,303	1,714,719
Total Expenses	96,162,615	17,825,441	45,768,022	8,626,427
22.2 Employee Benefit Liability				
Changes in the present value of the defined benefit obligation are as follows:				
As at 1 April	228,765,691	215,184,749	109,546,023	103,787,021
Charge for the Year	63,103,814	16,284,957	26,066,719	6,911,708
Actuarial Loss	33,058,800	1,540,484	19,701,303	1,714,719
Benefits Paid	(8,267,266)	(4,244,499)	(1,815,449)	(2,867,425)
As at 31 March	316,661,039	228,765,691	153,498,596	109,546,023

22.3 An actuarial valuation of the employee retirement benefit liability scheme was carried out by Messrs. Actuarial & Management Consultants (Pvt) Ltd. as at 31 March 2023. The following assumptions were used for such valuation.

	Group		Company	
	2023	2022	2023	2022
Method of Actuarial Valuation:	Projected Unit Credit Method	Projected Unit Credit Method	Projected Unit Credit Method	Projected Unit Credit Method
Discount Rate	18.00%	15.00%	18.00%	15.00%
Future Salary Increases	15%+ Salary scales	12%+ Salary scales	15%+ Salary scales	12%+ Salary scales
Retirement Age	60 Years	60 Years	60 Years	60 Years
Mortality Table	A 67/70 Ultimate Mortality Table	A 67/70 Ultimate Mortality Table	A 67/70 Ultimate Mortality Table	A 67/70 Ultimate Mortality Table

Discount Rate was based on the yields available on government bonds or high-quality corporate bonds as of 31 March.
During the 2022, Legislation Revision of minimum retirement age of private sector employees, by minimun retirement age of workers Act No. 28 of 2021.

22. EMPLOYEE BENEFIT LIABILITY (Contd..)

22.4 Sensitivity of Assumptions Employed in Actuarial Valuation

The following table demonstrates the sensitivity to a reasonable possible change in the key assumptions employed with all other variables held constant in the employment benefit liability measurement, in respect of the year 2023.

Sensitivity Level	Group				Company			
	Discount Rate		Future Salary Increment Rate		Discount Rate		Future Salary Increment Rate	
	Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease
	1%	1%	1%	1%	1%	1%	1%	1%
2023 - Impact on defined benefit obligation	(18,200,129)	20,447,084	22,167,443	(19,980,913)	(8,701,787)	9,744,392	10,670,231	(9,655,913)
2022 - Impact on defined benefit obligation	(14,362,036)	16,246,575	17,551,602	(15,711,106)	(6,721,354)	7,579,874	8,259,120	(7,420,883)

22.5 Changes in the Defined Benefit Obligation

The following table demonstrates the changes in the defined benefit obligation.

		Amounts Charged to Profit or Loss				Re measurement Gains/(Losses) in Other Comprehensive Income				
	01 April 2022	Service Cost	Interest Cost	Sub Total included in Profit or Loss	Benefits Paid	Actuarial Changes arising from Changes in Financial Assumptions	Experience Adjustment	Subtotal Included in OCI	Contributions by the Employer	31 March 2023
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Group										
Defined Benefit Obligation	228,765,691	32,073,119	31,030,695	63,103,814	(8,267,266)	5,313,066	27,745,734	33,058,800	-	316,661,039
Benefit Liability	228,765,691	32,073,119	31,030,695	63,103,814	(8,267,266)	5,313,066	27,745,734	33,058,800	-	316,661,039
Company										
Defined Benefit Obligation	109,546,023	9,634,816	16,431,903	26,066,719	(1,815,449)	2,849,627	16,851,676	19,701,303	-	153,498,596
Benefit Liability	109,546,023	9,634,816	16,431,903	26,066,719	(1,815,449)	2,849,627	16,851,676	19,701,303	-	153,498,596

22.6 Following payments are expected from the Defined Benefit Obligation in the future years:

	Group		Company	
	2023	2022	2023	2022
	Rs.	Rs.	Rs.	Rs.
Within the next 12 months	57,837,107	40,990,277	42,722,070	27,146,513
Between 13 to 36 months	27,586,163	21,022,465	8,444,909	16,339,761
Between 37 to 72 months	57,478,846	35,696,155	21,593,519	25,058,313
Beyond 72 months	173,758,923	131,056,797	80,738,098	35,242,434
	316,661,039	228,765,691	153,498,596	103,787,021

Notes To The Financial Statements

Year ended 31 March 2023

23. TRADE AND OTHER PAYABLES

		Group		Company	
		2023	2022	2023	2022
		Rs.	Rs.	Rs.	Rs.
Trade Payables	- Related Parties (Note 23.1)	-	-	17,797,018	36,701,319
	- Others	705,139,161	911,123,666	330,275,648	271,992,148
Other Payables	- Others	243,082,578	79,924,956	-	-
	- Related Parties (Note 23.2)	-	-	34,411,045	-
Sundry Creditors including Accrued Expenses		812,152,400	433,331,486	162,619,188	99,394,819
Unclaimed Dividends		6,845,550	5,362,968	6,845,550	5,362,968
		1,767,219,689	1,429,743,076	551,948,449	413,451,254

23.1 Trade Payable to Group Companies

	Relationship	Company 2023	Company 2022
		Rs.	Rs.
Printcare Universal (Pvt) Ltd	Subsidiary	-	5,007,519
Printcare Digital Solutions (Pvt) Ltd	Sub- Subsidiary	-	1,676,952
Printcare Premedia Services Ltd	Subsidiary	17,778,472	25,021,403
Printcare Secure Ltd	Subsidiary	-	4,725,348
Printcare India (Pvt) Ltd	Subsidiary	18,546	270,097
		17,797,018	36,701,319

23.2 Non-Trade Payable to Group Companies

	Relationship	Company 2023	Company 2022
		Rs.	Rs.
Printcare Universal UK Ltd	Sub- Subsidiary	34,411,045	-
		34,411,045	-

24. TAXES PAYABLE

	Group		Company	
	2023	2022	2023	2022
	Rs.	Rs.	Rs.	Rs.
Value Added Tax	39,783,619	24,148,145	-	-
Nation Building Tax	16,346,937	16,346,937	-	-
Economic Service Charges	22,377,250	22,377,250	1,209,812	1,209,810
Social Security Levy	20,736,494	-	3,748,029	
Withholding Tax	1,370,797	-	278,782	-
	100,615,097	62,872,332	5,236,623	1,209,810

Notes To The Financial Statements

Year ended 31 March 2023

25. RELATED PARTY TRANSACTIONS

25.1 Transactions with Subsidiaries

Nature of Transactions	2023 Rs.	2022 Rs.
Company		
Balance as at the Beginning of the Year	525,549,117	6,143,733
Sale of Goods	107,951,285	48,094,846
Purchase of Goods	(176,518,720)	(74,876,501)
Short Term Loan	-	490,000,000
Short Term Loan Settlement	(480,000,000)	-
IT Service Charge	13,588,458	5,248,200
Reimbursement of Staff Related Expenses	333,622,706	330,036,679
Reimbursement of Utility charges and other expenses	62,679,091	94,704,964
Others -Interest	72,956,271	9,837,648
Value Added Tax	(33,976,008)	6,963,822
Rent	15,146,789	11,355,360
Dividend Received	138,618,000	66,900,162
Settlement	(569,592,476)	(462,546,611)
Currency Adjustment	13,191,706	(6,313,185)
Balance as at the End of the Year	23,216,219	525,549,117

25.2 Transactions with Other Related Companies

Nature of Transactions	2023 Rs.	2022 Rs.
Group		
Balance as at the Beginning of the Year	260,153,199	220,568,821
Sale of Goods	1,310,622,356	715,450,067
Purchase of Goods	(26,000,745)	(14,276,039)
Settlement	(1,445,604,233)	(661,589,650)
Balance as at the End of the Year	99,170,577	260,153,199
Company		
Balance as at the Beginning of the Year	72,276,232	42,023,616
Sale of Goods	719,224,753	295,806,659
Purchase of Goods	(5,952,332)	(143,645)
Settlement	(723,459,307)	(265,410,398)
Balance as at the End of the Year	62,089,346	72,276,232

Other Related Companies include :

Dilmah Ceylon Tea Company PLC., Hemas Manufacturing (Pvt) Ltd., Hemas Hospitals (Pvt) Ltd., Midaya Packaging Industries (Pvt) Ltd., MJF Exports (Pvt) Ltd and Amana Takaful PLC

Notes To The Financial Statements

Year ended 31 March 2023

25. RELATED PARTY TRANSACTIONS (Contd..)

25.3 Transactions with Key Management Personnel of the Group

Key Management Personnel include the members of the Board of Directors, of Printcare PLC and its subsidiaries.

a) Key Management Personnel Compensation	Group		Company	
	2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
Short Term Employee Benefits	191,227,840	170,846,836	40,450,033	40,881,244
Long Term Employee Benefits	77,111,908	49,607,341	29,401,750	17,558,967
	268,339,748	220,454,177	69,851,783	58,440,211

Other than the above no significant transaction had taken place involving key Management Personnel and their close family members during the year.

25.4 Terms and Conditions of Transactions with Related Parties

Transactions with related parties are carried out in the ordinary course of the business. Outstanding current account balances at year end are unsecured, interest free and settlement occurs in cash. Interest bearing borrowings are at pre-determined interest rates and terms.

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

26. COMMITMENTS AND CONTINGENCIES

26.1 Financial Commitments

There were no other financial commitments as at the reporting date.

26.2 Contingencies

a) Group and the Company have obtained bank guarantees and bid bonds for customers and Sri Lanka Customs Department in the course of carrying out business as at the reporting date, such outstanding guarantees and bonds amounting to Rs 24.84 Mn (2022 - Rs. 48.7 Mn) and NIL (2022 - NIL) respectively.

b) A contingent liability exists in respect of a case bearing No: DPA 31/2008, filed in the district Court of Colombo where Printcare PLC has been made a party as 21st defendant. The Company lawyers have not advised any unasserted claims and assessments.

27. ASSETS PLEDGED

The following assets have been pledged as security for liabilities.

Nature of Assets	Nature of Liability	Carrying Amount		Included under
		2023 Rs.	2022 Rs.	
Printcare PLC				
Plant & Machinery	Primary Mortgage for Loans and Borrowings	476,678,934	510,102,213	Property, Plant & Equipment
Printcare Secure Ltd.				
Plant & Machinery	Loans and Borrowings	296,433,924	312,421,139	Property, Plant & Equipment
Printcare Premedia Services Ltd.				
Plant and Machinery	Loans and Borrowings	61,540,105	37,000,000	Property, Plant & Equipment
Inventories	Loans and Borrowings	61,790,868	42,318,503	Inventories
Trade Receivables	Loans and Borrowings	38,010,971	52,176,968	Trade and Other Receivables

Notes To The Financial Statements

Year ended 31 March 2023

27. ASSETS PLEDGED (Contd..)

Nature of Assets	Nature of Liability	Carrying Amount		Included under
		2023 Rs.	2022 Rs.	
Printcare India (Pvt) Ltd				
Land & Building and Plant & Machinery	Loans and Borrowings	403,925,816	427,387,577	Property, Plant & Equipment
Printcare Digital Solutions (Pvt) Ltd.				
Plant & Machinery	Loans and Borrowings	239,977,298	273,121,617	Property, Plant & Equipment

28. EVENTS AFTER THE REPORTING PERIOD

The Board of Directors of the Company has declared an second interim dividend of Rs. 3.50 per share for the financial year ended 31 March 2023. As required by Section 56(2) of the Companies Act No. 07 of 2007, the Board of Directors has confirmed that the company satisfies the solvency test in accordance with section 57 of the Companies Act No 07 of 2007.

In Accordance with the Sri Lanka Accounting standards (LKAS 10) – Events after the reporting date, the final dividend has not been recognised as a liability in the financial statements as at 31 March 2023.

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

29.1 Introduction

Risk is inherent in the Group's business activities, but is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. The Board of Directors of the Group places special consideration on the management of such risks. The Group is mainly exposed to;

a. Market risk
b. Liquidity Risk
c. Credit Risk
d. Capital Management

29.1.1 Market Risk

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

Financial risk management is carried out by Printcare PLC and its subsidiaries under policies approved by the Board which set out the principles and procedures with respect to risk tolerance, internal controls, management of foreign currency, interest rate and counterparty credit exposures and the reporting of exposures.

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

Commodity Price Risk

The entity is affected by the availability & price of certain commodities. The main impact for Printcare PLC and its subsidiaries is through imported raw material. The imported raw material price risk is mitigated by centralizing the purchases and continuously seeking alternative suppliers.

Interest Rate Risk

Interest rate risk is the risk that the entity's financial position will be adversely affected by movements in floating interest rates. The entity exposure to interest rate risk is minimized by maintaining an appropriate mix between Rupee borrowings & Dollar borrowings and by looking for the cheapest sources of funds.

Notes To The Financial Statements

Year ended 31 March 2023

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd..)

29.1 Introduction (Contd..)

29.1.1 Market Risk (Contd..)

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

Year	Increase/ (decrease) in basis points	Effect on profit before tax Rs.
2023	+ 100-150 basis points	(18,671,725)
	- 100-150 basis points	18,671,725
2022	+ 100-150 basis points	(14,411,147)
	- 100-150 basis points	14,411,147

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

Foreign Currency Risk

Exchange risk arises out of the commercial transactions that the entity enters into outside Sri Lanka. The Company has a natural hedging by way of its operational transactions as the inflow of foreign currency through export/indirect export sales off sets the import cost.

The following table demonstrates the sensitivity of net operating cash flows to a reasonably possible change of such underlining foreign currencies (EUR, GBP, USD & AUD).

Exchange rate is against the identified currency, with all other variables held constant. The Company's exposure to foreign currency changes for all other currencies is not material.

	2023				2022			
Foreign Currency	Change in Exchange Rate	Effect on Profit Before Tax (Rs.'000)	Change in Exchange Rate	Effect on Profit Before Tax (Rs.'000)	Change in Exchange Rate	Effect on Profit Before Tax (Rs.'000)	Change in Exchange Rate	Effect on Profit Before Tax (Rs.'000)
EUR	1%	(6,480)	-1%	6,480	1%	(3,035)	-1%	3,035
GBP	1%	6,366	-1%	(6,366)	1%	5,563	-1%	(5,563)
USD	1%	13,378	-1%	(13,378)	1%	1,152	-1%	(1,152)
AUD	1%	(218)	-1%	218	1%	(305)	-1%	305
CHF	1%	(155)	-1%	155	1%	(161)	-1%	161
CNY	1%	(807)	-1%	807	1%	-	-	-
JPY	1%	(322)	-1%	322	1%	(397)	-1%	397

Equity Price Risk

The Group's listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Management of the Group monitors the mix of debt and equity securities in its investment portfolio based on market indices. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the GMC. Equity price risk is not material to the financial statements.

Financial instruments at fair value through other comprehensive income statement

All unquoted equity investments are made after obtaining Board of Directors Approval.

Notes To The Financial Statements

Year ended 31 March 2023

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd..)

29.1 Introduction (Contd..)

29.1.2 Liquidity Risk

Liquidity risk arises from the financial liabilities of the entity and the entity's subsequent ability to meet its obligation to repay its financial liabilities as and when they fall due.

Liquidity risk management involves maintaining available funding and ensuring the entity has access to an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying businesses, Printcare PLC and its subsidiaries aim to maintain flexibility within the funding structure through the use of bank overdrafts, short term loans, letter of credit & guarantees.

The Group also regularly performs a comprehensive analysis of all cash inflows and outflows that relate to financial assets and liabilities.

The Group's objectivity is to maintain a balance between continuity of funding and flexibility through the use of multiple source of funding including bank loans and overdrafts.

	Group		Company	
	2023	**2022**	**2023**	**2022**
	Rs.	**Rs.**	**Rs.**	**Rs.**
Cash and Bank Balances	1,178,140,752	1,565,456,076	156,478,973	95,120,196
Total Liquid Assets	1,178,140,752	1,565,456,076	156,478,973	95,120,196
Borrowings				
Current Portion of Borrowings	(2,726,139,806)	(2,484,138,923)	(720,948,640)	(481,453,541)
Bank Overdrafts	(17,107,158)	(26,218,507)	(43)	(3,696,236)
Current Liabilities	(2,743,246,964)	(2,510,357,430)	(720,948,683)	(485,149,777)
Net (debt)/cash	(1,565,106,212)	(944,901,354)	(564,469,710)	(390,029,581)

29.1.2.1 Liquidity risk management

The Group attempts to match cash outflows in each time bucket against a combination of operational cash inflows plus other inflows that can be generated through the sale of assets or other secured borrowing.

Maturity analysis

The table below summarises the maturity profile of the Group's financial liabilities at 31 March 2023 based on contractual undiscounted payments.

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd..)

29.1 Introduction (Contd..)

29.1.2.1 Liquidity risk management (Contd..)

Maturity Analysis

The table below summarises the maturity profile of the Group's financial liabilities at 31 March 2023 based on contractual undiscounted payments.

	Within 1 year	Between 1-2 years	Between 2-3 years	Between 3-4 years	Between 4-5 years	More than 5 years	Total
Group	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Non-Current Portion of Interest Bearing Borrowings	-	483,428,131	400,275,263	295,100,389	247,595,622	8,333,333	1,434,732,738
Trade and Other Payables	1,767,219,689	-	-	-	-	-	1,767,219,689
Current Portion of Interest Bearing Borrowings	2,706,186,665	-	-	-	-	-	2,706,186,665
Current portion of Interest Bearing Borrowings - Leased Liability	19,953,141	-	-	-	-	-	19,953,141
Non-Current portion of Interest Bearing Borrowings - Leased Liability	-	8,997,041	9,845,726	10,762,805	18,794,115	-	48,399,687
Bank Overdrafts	17,107,158	-	-	-	-	-	17,107,158
Total	4,530,419,794	492,425,172	410,120,989	305,863,194	266,389,723	8,333,333	6,013,552,205
Company							
Non-Current Portion of Interest Bearing Borrowings	-	202,433,145	162,733,145	78,199,158	60,000,000	-	503,365,449
Trade and Other Payables	499,740,386	-	-	-	-	-	499,740,386
Amounts Due to Related Parties	52,208,063	-	-	-	-	-	52,208,063
Current Portion of Interest Bearing Borrowings	720,948,639	-	-	-	-	-	720,948,639
Bank Overdrafts	43	-	-	-	-	-	43
Total	1,272,897,131	202,433,145	162,733,145	78,199,158	60,000,000	-	1,776,262,580

Notes To The Financial Statements

Year ended 31 March 2023

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd..)

29.1 Introduction (Contd..)

29.1.3 Credit Risk

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

The Group minimises its credit risk towards its customers by having agreements with customers and having a regular follow up of the debt collections.

29.1.3.1 Credit Risk Exposure

The maximum risk positions of trade and other receivables which are generally subject to credit risks are equal to their carrying values. Refer note 15.4 for age analysis of trade receivables as at 31 March.

29.1.3.2 Credit Risk Relating to Cash and Cash Equivalents

In order to mitigate settlements and operational risk related to cash and cash equivalents, the Group and Company use several banks with acceptable credit ratings. The Group and Company held favourable cash and cash equivalents of Rs. 1,178,140,752/- and Rs. 156,478,973/- respectively. (Group 2022- Rs. 1,565,456,076/- Company 2022 - Rs. 95,120,196/-)

29.1.4 Capital Management

The Board of Directors reviews the capital structures of the Group on a regular basis. The intention of the Board of Directors is to maintain an optimum capital structure while minimising cost of financing and safeguarding key stakeholders' interests.

30. RECLASSIFICATION OF COMPARATIVES

Exchanage Gain/Loss which was included under administration has been reclassified under other operating income/ expense for better presentation Purpose.

30.1		Group			Company		
	Impact on the Financial Statements as at 31 March 2022	**Previously Reported**	**Impact Adjustment**	**Reclassified Amount**	**Previously Reported**	**Impact Adjustment**	**Reclassified Amount**
	Administrative Expenses	194,661,263	848,806,618	1,043,467,881	203,492,878	(16,653,543)	186,839,335
	Other Operating Income	(59,469,716)	(871,402,105)	(930,871,821)	(24,165,436)	-	(24,165,436)
	Other Operating Expenses	-	22,595,487	22,595,487	-	16,653,543	16,653,543
		-	-	-	-	-	-
		135,191,547	-	135,191,547	179,327,442	-	179,327,442

Decade at a Glance

Year ended 31st March

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
TRADING RESULTS (Rs. '000)										
Turnover	14,138,738	7,626,233	6,019,906	4,981,110	4,901,156	4,703,203	4,889,545	5,165,086	5,051,312	4,344,403
Profits before Interest and Income Tax	2,780,779	2,597,014	670,518	137,027	(79,472)	157,031	376,737	481,962	450,508	414,017
Profits before Income Tax	1,957,380	2,336,166	519,307	(29,067)	(235,019)	18,650	309,156	424,994	376,294	358,143
Profits attributable to equity shareholders of the Parent	1,489,392	2,236,812	574,956	(70,583)	(180,217)	(131,932)	213,474	313,993	241,042	312,970
Ordinary Dividend - Gross	515,800	435,604	92,206	2,612	1,832	2,748	157,597	107,707	86,588	78,845
Cash from Operations	1,375,830	568,268	656,217	164,533	526,943	158,601	397,029	739,997	287,140	571,157
SHAREHOLDERS' FUNDS (Rs. '000)										
Share Capital	271,893	271,893	271,893	271,893	271,893	271,893	271,893	271,893	271,893	271,893
Reserves	6,322,568*	4,568,507	2,750,288	2,268,996	2,338,718	2,502,081	2,618,175	2,544,237	2,325,952	2,161,449
	6,594,461	4,840,400	3,022,181	2,540,889	2,610,611	2,773,974	2,890,068	2,816,130	2,597,845	2,433,342
Non Controlling Interest	240,743	214,193	190,112	155,494	151,216	154,302	141,892	129,955	105,625	78,619
TOTAL EQUITY	6,835,204	5,054,593	3,212,293	2,696,383	2,761,827	2,928,276	3,031,960	2,946,085	2,703,470	2,511,961
ASSETS (Rs. '000)										
Property, Plant & Equipment	4,823,190	3,764,777	3,268,535	3,026,315	3,229,419	3,360,486	2,656,079	2,608,322	2,712,101	2,219,948
Intangible Assets	69,052	66,838	68,306	66,013	63,007	58,720	56,763	56,649	47,168	39,512
Fair Value through Other Comprehensive income investments	2,708	2,065	3,054	2,248	72,254	54,964	43,399	40,616	37,337	32,778
Investment in Associates	-	-	131,903	68,679	56,483	46,960	10,480	3,384	5,520	-
Deferred Tax Asset	194,845	46,521	58,624	33,343	13,994	1,519	1,494	1,578	2,140	3,756
Right-of-Use Asset	73,365	93,727	114,507	39,779	-	-	-	-	-	-
Current Assets	9,207,775	7,615,807	3,903,573	3,002,269	2,494,448	2,852,917	2,720,958	2,313,792	2,227,436	2,064,861

Decade at a Glance

Year ended 31st March

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
LIABILITIES (Rs. '000)	7,535,732	6,535,141	4,336,209	3,542,263	3,167,778	3,447,290	2,457,212	2,078,256	2,328,231	1,848,894
Non Current Liabilities	2,539,255	2,432,036	1,832,886	913,018	818,837	1,005,952	701,175	715,619	819,632	484,786
Current Liabilities	4,996,476	4,103,105	2,503,323	2,629,246	2,348,941	2,441,338	1,756,037	1,362,638	1,508,599	1,364,107
NET ASSETS	6,835,204	5,054,593	3,212,293	2,696,383	2,761,827	2,928,276	3,031,960	2,946,085	2,703,470	2,511,961
KEY RATIOS										
Return on Average Total Capital (%)	27.0%*	33.5%	12.1%	2.7%	-1.6%	3.2%	9.0%	12.2%	12.5%	13.4%
Return on Average Shareholders Funds (%)	26.1%*	56.9%	20.7%	-2.7%	-6.7%	-4.7%	7.5%	11.6%	9.6%	13.5%
Gearing	38.2%	47.1%	46.0%	47.3%	43.3%	44.8%	31.8%	25.2%	31.7%	23.4%
Gross Profit Margin (%)	28.8%	24.4%	23.3%	19.2%	17.6%	19.0%	23.3%	24.2%	22.5%	22.9%
PBIT Margin (%)	19.7%	34.1%	11.1%	2.8%	-1.6%	3.3%	7.7%	9.3%	8.9%	9.5%
PAT Margin (%)	10.6%	29.7%	9.9%	-1.3%	-3.7%	-2.5%	4.9%	6.7%	5.4%	7.5%
MARKET INFORMATION										
Market Price Per Share at the year end (Rs.)	48.9	27.00	27.30	22.00	33.00	31.00	34.60	38.40	37.00	29.20
No. of Shares	85,967	85,967	85,967	85,967	85,967	85,967	85,967	85,967	85,967	85,967
Dividend Payments Rs. ' 000s (Gross)	515,800	429,833	85,967	-	-	-	141,845	98,862	81,668	77,370
Market Capitalisation (Rs.'000)	4,203,770	2,321,100	2,346,890	1,891,267	2,836,900	2,664,967	2,974,447	3,301,120	3,180,767	2,510,227
Earnings Per Share (Rs)	17.33	26.02	6.69	(0.82)	(2.10)	(1.53)	2.48	3.68	2.85	3.70
Dividends Per Share (Rs)	6.00	5.00	1.00	-	-	-	1.65	1.15	0.95	0.90
NAV Per Share (Rs)	76.71*	56.31	35.16	29.56	30.37	32.27	33.62	33.01	30.69	28.75

* Group has revalued lands during the year. Refer note 07 for details.

Information to Shareholders and Investors

Analysis of Shareholders According to the No of Shares [Local/Foreign] as at 31.03.2023

Description	Local Holders	Foreign Holders	Local shares	Foreign Shares	Local%	Foreign %
1 To 1000 Shares	1484	5	568,595	1,070	0.66	0.00
1001 To 10000 Shares	478	3	1,808,002	11,750	2.10	0.01
10001 To 100000 Shares	161	7	4,748,760	200,597	5.52	0.23
100001 To 1000000 Shares	15	1	4,877,141	417,200	5.67	0.49
OVER 1000000 Shares	13	-	73,333,555	-	85.30	0.00
	2,151	**16**	**85,336,053**	**630,617**	**99.27**	**0.73**

Analysis of Shareholders According to the No of Shares [Local/Foreign] as at 31.03.2022

Description	Local Holders	Foreign Holders	Local shares	Foreign Shares	Local%	Foreign %
1 To 1000 Shares	1305	3	530,333	605	0.62	0.00
1001 To 10000 Shares	408	2	1,507,867	8,050	1.75	0.01
10001 To 100000 Shares	111	7	3,813,198	209,957	4.44	0.24
100001 To 1000000 Shares	22	2	5,514,205	437,400	6.41	0.51
OVER 1000000 Shares	14	-	73,945,055	-	86.02	0.00
	1860	**14**	**85,310,658**	**656,012**	**99.24**	**0.76**

Information to Shareholders and Investors

Top 20 Shareholders

		Top 20 Shareholders as at 31st March 2023		Shareholdings as at 31st March 2022	
		Shares	Percentage	Shares	Percentage
1	M J F Holdings Ltd	23,100,080	26.87	23,100,080	26.87
2	Mr. K. R. Ravindran	17,321,690	20.15	18,121,690	21.08
3	Mr. Krishna R. Ravindran	6,032,000	7.02	4,874,500	5.67
4	Mr. A. N. Esufally	4,675,830	5.44	4,515,830	5.25
5	Carlos Embellishers (Pvt) Ltd	4,535,954	5.28	-	-
6	Mr. S. Nadesan	3,600,000	4.19	3,600,000	4.19
7	Mr. E. Chatoor	3,497,500	4.07	3,247,500	3.78
8	M J F Exports Ltd	2,615,160	3.04	2,615,160	3.04
9	Saboor Chatoor (Pvt) Ltd	2,156,000	2.51	2,156,000	2.51
10	Mr. M. F. Hashim	1,817,610	2.11	1,837,874	2.14
11	Mr. C. P. Thumbawila	1,803,971	2.10	-	-
12	Mr. D. Warnakulasooriya	1,167,260	1.36	1,167,260	1.36
13	Mr M. G. Jayawardena	1,010,500	1.18	1,010,500	1.18
14	Mr. R. P. Sugathadasa	802,215	0.93	1,086,343	1.26
15	Ms. P. Ravindran	798,000	0.93	648,000	0.75
16	D P J Holdings (Pvt) Ltd	721,045	0.84	660,968	0.77
17	Lloyd and Lloyd Ltd	630,303	0.73	541,600	0.63
18	Mr. J. W. Burton	417,200	0.49	321,900	0.37
19	Mr. K. S. R. Nissanka	350,000	0.41	-	-
20	Sanasa Life Insurance Co. PLC	325,500	0.38	-	-
		77,377,818	**90.03**	**69,505,205**	**80.85**

Minimum Public Holding Requirement as per Listing Rule 7.13.1

- Number of Public Shareholders as at 31 March 2023 - 2157 (2022 - 1874))
- Percentage of Shares held by Public as at 31 March 2023 35.06% (2022 - 35.97%)
- Float adjusted Market Capitilisation - Less than 2.5 Bn.
- Option in compliance - Option 5

NOTICE OF MEETING

Notice is hereby given that the Forty Second Annual General Meeting of Printcare PLC will be held on 26 September 2023 at 3.00 p.m at the registered office of the Company, Printcare PLC No. 77, Nungamugoda Road, Kelaniya via Zoom (Audio / Video - Virtual AGM) to transact the following businesses.

1. To receive and consider the Report of the Directors and the Statement of Accounts for the year ended 31 March 2023 and Report of the Auditors thereon.

2. Re-appointment of Directors in terms of Article 83 (i) of the Articles of Association of the Company.
   - Mr. E. Chatoor, who retires by rotation as a Director being eligible has offered himself for re-appointment.

3. Appointment of Director since the Last Annual General Meeting in terms of Article 89 of the Articles of Association of the Company.
   - Mr. Malik Joseph Fernando appointed to the Board on 31st July 2023 being eligible re-appointed as a Director.

4. Re-appointment of Directors in terms of section 211 of the Companies Act no 7 of 2007. Accordingly, the following resolutions to be passed for this purpose, if thought fit.

   - Mr. D. Warnakulasooriya, who is 84 years of age as a Director in terms of Section 211 of the Companies Act No. 07 of 2007.

   IT IS HEREBY RESOLVED to re-appoint Mr. D. Warnakulasooriya, as a Director in terms of Section 211 of the Companies Act No. 7 of 2007 and it is specifically declared that the age limit referred to in Section 210 of the Companies Act No. 7 of 2007 shall not apply to the said Mr. D. Warnakulasooriya.

   - Mr. K R Ravindran, who is 71 years of age as a Director in terms of Section 211 of the Companies Act No. 07 of 2007.

   IT IS HEREBY RESOLVED to re-appoint Mr. K R Ravindran, as a Director in terms of Section 211 of the Companies Act No. 7 of 2007 and it is specifically declared that the age limit referred to in Section 210 of the Companies Act No. 7 of 2007 shall not apply to the said Mr. K R Ravindran.

   - Mr. A N Esufally, who is 71 years of age as a Director in terms of Section 211 of the Companies Act No. 07 of 2007.

   IT IS HEREBY RESOLVED to re-appoint Mr. A N Esufally, as a Director in terms of Section 211 of the Companies Act No. 7 of 2007 and it is specifically declared that the age limit referred to in Section 210 of the Companies Act No. 7 of 2007 shall not apply to the said Mr. A N Esufally.

   - Ms. A Coomaraswamy, who will reach the age of 70 during the year as a Director in terms of Section 211 of the Companies Act No. 07 of 2007.

   IT IS HEREBY RESOLVED to re-appoint Ms. A Coomaraswamy, as a Director in terms of Section 211 of the Companies Act No. 7 of 2007 and it is specifically declared that the age limit referred to in Section 210 of the Companies Act No. 7 of 2007 shall not apply to the said Ms. A Coomaraswamy.

5. To re-appoint Messrs. Ernst & Young, Chartered Accountants as the Auditors of the Company for the ensuing year and to authorise the Directors to determine their remuneration.

6. To transact any other business of which due notice has been given.

By Order of the Board
MANAGERS & SECRETARIES (PRIVATE) LIMITED

Secretaries
Colombo
15 August 2023

NOTICE OF MEETING

Notes:

1. A member entitled to attend and vote at the above meeting is required to complete and submit a pre-registration form in order to ensure participation at the AGM of the Company.
2. Only members of Printcare PLC are entitled to take part at the AGM of Printcare PLC.
3. A member entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote in his/her behalf. A proxy need not be a member of the Company.
4. A Pre-registration form and a form of Proxy are enclosed for this purpose to be completed by Printcare PLC Shareholders only.
5. The Pre-registration Form and Form of proxy must be completed and deposited at the Registered Office of the Company Secretaries, Managers & Secretaries (Private) Limited, No. 8, Tickell Road, Colombo 08, or e-mailed to samanga@msl.lk not less than forty eight hours prior to the time appointed for holding the meeting.

Annexure I

PRINTCARE PLC

42ND ANNUAL GENERAL MEETING (AGM)

PRE - REGISTRATION FORM

To: Registered Office of the Company Secretaries
Managers and Secretaries (Pvt) Ltd
No. 8, Tickell Road, Colombo 08

1. Full Name of the Shareholder: ....

   ....

2. Membership No. / CDS Account No : ....

3. Address of Shareholder : ....

   ....

   ....

4. NIC No. / Passport No. / Co. Reg. No. of Shareholder : ....

5. Contact details of Shareholder

   Telephone: Residence: .... Office .... Mobile ....

   e-mail: .... (Please print clearly)

6. Names / NIC No. of Joint holder/ (s) (If any):

   i. Name : .... NIC No. : ....

   ii. Name : .... NIC No. : ....

....	....	....
Shareholder's Signature / Date	1st Joint holder's Signature / Date	2nd Joint holder's Signature / Date

INSTRUCTIONS AS TO COMPLETION

i. Shareholders are advised to complete the form legibly in order to facilitate their participation through the online platform.

ii. The "Web Link" for participation at the AGM through the online platform will be forwarded to the Shareholder's above noted email address.

iii. In the case of a Company/Corporation, the Pre-Registration Form must be under its common seal which should be affixed and attested in the manner prescribed by its Articles of Association.

iv. In the case of the Pre -Registration form signed by an Attorney, the Power of Attorney must be deposited at the Registered Office of the Company for registration.

v. The duly completed Pre-Registration Form must be deposited at the Registered Office of the Company Secretaries, Managers & Secretaries (Private) Limited, No. 8, Tickell Road, Colombo 08, or e-mailed to samanga@msl.lk , not less than forty eight hours prior to the date of the AGM.

Annexure II

NIC/Member No

FORM OF PROXY

I/We...

of ....

bearing NIC No. .... being a member/members of Printcare PLC, hereby appoint,

- Full name of proxy - ....
- NIC of Proxy - ....
- Address of Proxy - ....
- Contact Numbers - Land ...., Mobile ....
- Email address ....

or failing him / her

Mr. A.N. Esufally	or failing him
Mr. K.R. Ravindran	or failing him
Mr. E. Chatoor	or failing him
Mr. D. Warnakulasooriya	or failing him
Ms. A. Coomaraswamy	or failing her
Mr. C. V. Kulatilaka	or failing him
Mr. Krishna Ravindran	or failing him
Mr. S. M. Enderby	or failing him
Mr. Malik J. Fernando	

as my/our proxy to represent me/us, vote for me/us, and speak on my/our behalf at the 42nd Annual General Meeting of Printcare PLC to be held on 26 September 2023 at 3.00 p.m at the registered office of the Company, Printcare PLC No. 77, Nungamugoda Road, Kelaniya via Zoom (Audio / Video - Virtual AGM) and at any adjournment thereof.

Signed this .... day of .... 2023.

....

Signature of Shareholder

Please see below for Instructions for completion.
Notes: Please indicate your NIC/Member No. in the space provided on the top right corner.

Instructions for completion of Proxy

1. In order to appoint a proxy, this form shall in the case of an individual be signed by the shareholder or by his/her Attorney and in the case of a company/corporation, the form of proxy must be under its Common Seal, which should be affixed and attested in the manner prescribed by its Articles of Association.
2. The full name, NIC No. and address of the Proxy holder and of the Shareholder appointing the Proxy holder should be entered legibly in the form of proxy.
3. The duly completed form of proxy must be deposited at the Registered Office of the Company Secretaries, Managers & Secretaries (Private) Limited, No. 8, Tickell Road, Colombo 08, or e-mailed to samanga@msl.lk not later than 48 hours prior to the time appointed for holding the meeting.
4. In the case of a proxy signed by an Attorney, the relevant Power-of-Attorney or a certified copy thereof should also accompany the completed form of proxy and must be deposited at the Registered Office of the Company or email as above noted.

Produced By : PRINTCARE