



PATH OF RESILIENCE



LANKA INDUSTRIAL ESTATES LTD
ANNUAL REPORT 2022/23

PATH OF RESILIENCE

TRAVERSING THROUGH UNPRECEDENTED CHALLENGES, LINDEL WAS SUCCESSFUL IN ACHIEVING A RESILIENT GROWTH TRAJECTORY. OUR FOCUS ON EXCEPTIONAL CUSTOMER SERVICE ALONG WITH THE STRONG BUSINESS RELATIONSHIPS DEVELOPED AND NURTURED OVER THE YEARS HAS ENABLED US TO ACHIEVE SIGNIFICANT PROGRESS TO BUILD A CORE OF STRENGTH.

THIS ENABLED US TO CREATE A SUSTAINABLE BUSINESS MODEL WHILE MOVING AHEAD WITH A FLOURISHING PLATFORM FOR OUR TENANTS ACROSS MANY BUSINESSES TO PROSPER. MOVING AHEAD WITH RESILIENCE LINDEL IS AT THE CUSP OF ACHIEVING YET ANOTHER HISTORIC PROFITABILITY MILESTONE OF RS 1.7 BN PAVING THE WAY FOR A PATH OF RESILIENCE IN THE YEARS AHEAD.

VISION

To be the most admired company in the country in providing industrial space and infrastructure.

MISSION

To assist in Sri Lanka's economic progress by providing industries with excellent infrastructure facilities within an enclave that protects both the industry and the environment.

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CHAIRMAN'S MESSAGE

"We further continued to invest in responsible resource consumption across our operations, while contributing towards the national grid through the contribution of 544kWh of renewable energy during the year 2022."



CEO'S REVIEW

"The LINDEL Group stands on the verge of crossing another significant milestone, with its profit close to surpassing Rs. 1.7 billion, an achievement that highlights the company's consistent growth and financial stability, which is particularly noteworthy given the uncertainties and macroeconomic pressures prevalent in Sri Lanka during the year."

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OUR VALUES

INTEGRITY

We are open and honest in all areas of work

LEARNING

We invest in continuous learning to be competent as a corporate citizen

QUALITY

We take pride in maintaining rigorous standards for all our services

TEAMWORK

We believe our best performance produced not by individuals but by a team who trust each other

ACCOUNTABILITY

At LINDEL, we are individually and collectively responsible for our work, our words and our results

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ABOUT THIS REPORT



WE WELCOME YOU TO THE **FOURTH** **INTEGRATED ANNUAL** **REPORT OF LANKA** **INDUSTRIAL ESTATES LTD** **(LINDEL)**

An integrated report explains how an organisation creates value over time to benefit its stakeholders and how its business model interacts with its operating environment and capitals. Financial, manufactured, human, social, intellectual and natural capital.

This integrated report serves as a means for LINDEL to disclose a holistic overview of the company's operations to its stakeholders that includes strategy, governance, performance and prospects within the context of operating environment and how we create value in the short term, medium term and long term. We provide a detailed account of the strategy, governance and capital management along with detailed information on the financial performance of the Company.

REPORTING PERIOD

We follow through a 12 month reporting cycle. Our Annual Report herein corresponds to the financial reporting year ended 31st March 2023. We draw comparisons and references from the information published in our last annual report, for the year ended 31st March 2022.

MATERIALITY

LINDEL applies the principles of materiality in determining which information should be included in the Integrated Report. Accordingly, the Report focuses on the issues, opportunities and challenges that have a material impact on the Company's operations.

REPORTING GUIDELINES AND FRAMEWORK

- ◆ Integrated Reporting Framework - Integrated Reporting Council
- ◆ Company's Act No. 07 of 2007
- ◆ Sri Lanka Accounting Standards - Institute of Chartered Accountants of Sri Lanka
- ◆ International Financial Reporting Standards IFRS Foundation
- ◆ Code of Best Practice on Corporate Governance, 2017
- ◆ Continuous Listing Rules Colombo Stock Exchange Reporting Frameworks, Standards and Guidelines

The report content is developed on material matters focusing on economic, environmental and social aspects, as discussed on pages 27 to 28. Accordingly, we set out our business model, highlighting how we pitch our strategy against the evolving business environment optimising our core capitals to create value in the short, medium and long term for our stakeholders. We elaborate on our capital management approach, performance for the year under review and our future plans.

We have not restated any information and data published in the previous reports. The information and data for the report are collected and compiled by respective departments, including the subsidiary operations.

TARGETED AUDIENCE

Our Annual Report is mainly aimed at supporting our shareholders and potential investors to make informed decisions on our organisation's growth, strength, stability and sustainability aspects. We also look to support information requirements of other stakeholders, including customers, employees, suppliers, other business partners and local communities. We are responsible in meeting mandatory disclosures as voluntary information as may be deemed necessary and important by relevant regulatory and statutory bodies.

COMBINED ASSURANCE

We follow a combined assurance approach to establish the credibility of this report, ensuring that there are no material misstatements. Accordingly, the overall reporting process and the reliability and quality of the content are assured internally, by the senior management and the Board of Directors. The financial reporting including the financial statements and related notes as well as sustainability reporting have been assured by external and independent auditors, Messrs. KPMG, Chartered Accountants, as set out in page 97-131 respectively.

External assurance for sustainability reporting has not been obtained for this year.

FORWARD LOOKING STATEMENTS

The report herein entails forward-looking statements and information on our outlook, plans, forecasts and targets. Although we are realistic in our reporting, we urge our readers to be cautious in relying on such statements as reality may differ. LINDEL is not liable to publicly update forward looking statements to reflect the real time developments after the publication date of this report, unless mandated by relevant statutory and regulatory authorities.

Available format



Printed format
is available on
request.



PDF
is available on request at
www.lindel.lk

FEEDBACK

We understand that integrated reporting is an ongoing learning process. Hence, we welcome your feedback and suggestions to improve our 2022/23 Annual Report along with any queries and clarifications. Please contact:

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e-mail: linde@tmin.net
www.lindel.lk
Tel: +94 11 2400318

ABOUT US



Lanka Industrial Estates Ltd (LINDEL), is a subsidiary Company of DFCC Bank PLC. As a private sector owned industrial estate developer and operator, LINDEL is equipped with a fully fledged range of infrastructure and utilities, and invests regularly in maintaining and upgrading its services to extend best in class standards to its tenants.

Situated in Sapugaskanda and spanning an extent of over 100 acres of land held on a freehold basis, the fully developed premises is occupied by 38 tenants across diverse business disciplines including Agriculture, Chemicals, FMCG, Logistics, Lubricants, Metal Fabrication, Packaging, and Power Generation.

Lindel Industrial Laboratories Ltd

LINDEL's 100% owned subsidiary - Lindel Industrial Laboratories Limited (LILL) was established in 1997 with the initial purpose of monitoring the quality of effluents and water for LINDEL's tenants.

Over the years, the scope of LILL has expanded, and the Company is now recognised by the Accreditation Scheme for Testing Laboratories (ASTEL) for the testing of other materials and parameters. LILL is also recognised by the Central Environmental Authority for the testing of certain environment protection license related parameters.

Today, LILL's client base has expanded to include several industries outside the confines of the industrial estate. As testament to its commitment to the highest quality and precision, in 2006, the Company became one of the first industrial laboratories to obtain the ISO 17025 Standard.

History

The Company was incorporated in 1992 via an alliance between DFCC Bank PLC and the Government of Sri Lanka, with the aim of developing the site of the State Fertilizer Manufacturing Corporation at Sapugaskanda into an industrial estate.

OUR PARENT COMPANY



DFCC BANK PLC

Established in 1955 as Sri Lanka's first development bank and one of the oldest entities of its kind in the region, DFCC Bank has served as the lender of choice for trailblazing Sri Lankan entrepreneurs and continues to hold a position as the preferred lender for "Green" development initiatives including waste to energy, the hydro, wind, and solar energy projects.

Strengthened by time tested insights and expertise in project lending for over six decades, the Bank turned to commercial banking in 2015. Today, DFCC Bank provides a comprehensive range of development and commercial banking services is a pioneering force in digitally enabled products and services, while offering customers unparalleled service, convenience, and value.

Reach

Customer accessibility is supported via a combined physical and digital network, comprising:

139 Branches	216 ATMs	36 Chq Deposit Machines
7% Online Users	21% Mobile banking users	51 DFCC MySpace Locations

Digital Banking Transaction vs Non Digital **85%**

Portfolio

DFCC Bank's primary lines of business include Consumer Banking, Corporate Banking, Treasury and Resource Mobilisation, Branch Banking, International Banking, Card Operations, and Bancassurance.

Sustainability at LINDEL

LINDEL holds sustainability at the core of its operations, aligned with a three pronged commitment spanning environmental, social and governance aspects which are integrated into its decision making processes and overarching strategy. The Company contributes towards 14 of the 17 United Nations Sustainable Development Goals and strives to improve its commitment year on year.

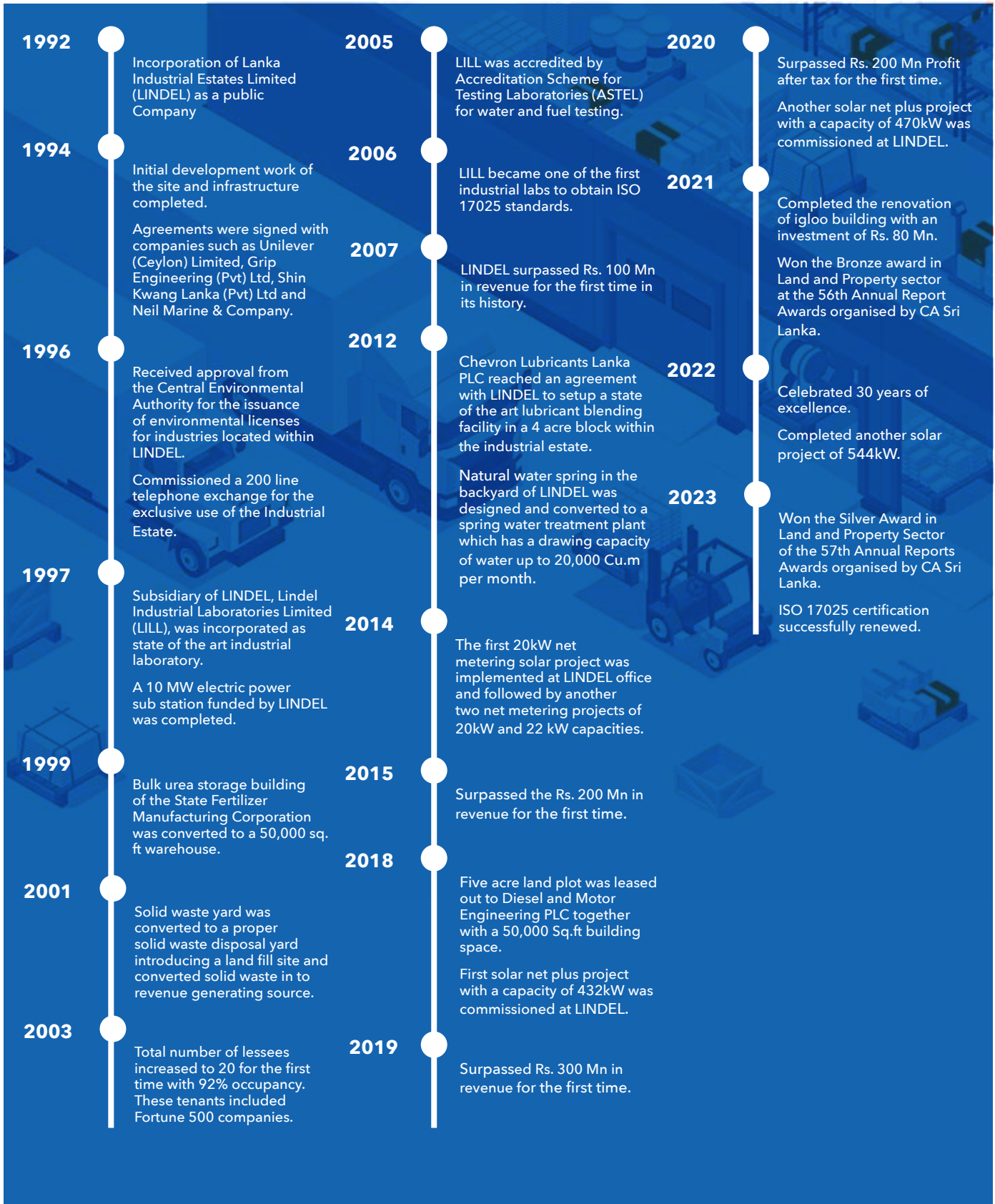
LINDEL’s holistic strategy enables the company to generate long term value towards its stakeholders, while supporting business continuity and building an undeniable reputation for excellence and trust.

SUSTAINABLE DEVELOPMENT GOALS



Pillar	SDGs	Contribution	Reference
Environment		1,580,722 KWH of renewable energy supplied to the national grid 9,000 m3 of water treated per day 212,960 kg of waste disposed responsibly	Natural Capital
Social		Rs. 70 Mn payments to suppliers 100 suppliers supported Rs. 400,000 invested in community initiatives 38 customers served Rs 11.84 Mn invested in infrastructure development Female workforce increasing from 5% to 32% since 2021	Social and Relationship Capital Natural Capital Intellectual Capital Manufactured Capital Human Capital
Governance		Rs. 81.5 Mn paid to the government No incidents of non compliance with laws and regulations No breaches in cybersecurity and data privacy Strong policy frameworks to ensure transparency, zero discrimination and accountability	Financial Capital Human Capital Corporate Governance pages 70-84

MILESTONES



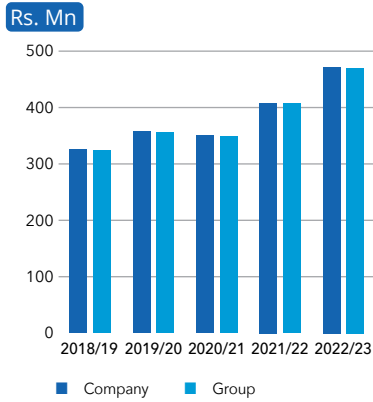
PERFORMANCE HIGHLIGHTS

As at	Group			Company		
	31-Mar-23	31-Mar-22	Change %	31-Mar-23	31-Mar-22	Change %
Financial Performance						
Revenue (Rs.'000)	470,447	407,019	15.58	472,073	408,186	15.65
Other operating income (Rs.'000)	19,464	20,510	(5.10)	2,651	2,313	14.62
Revaluation gain from investment properties (Rs.'000)	1,475,497	1,030,142	43.23	1,475,497	1,030,142	43.23
Operating profit (Rs.'000)	1,703,334	1,248,936	36.30	1,702,190	1,247,174	36.72
Profit before tax (Rs.'000)	1,769,676	1,271,441	39.11	1,766,157	1,268,967	39.42
Income tax expense (Rs.'000)	(1,017,527)	(342,550)	197.04	(1,015,941)	(341,541)	197.46
Profit after tax (Rs.'000)	752,149	928,891	(19.13)	750,216	927,426	(18.79)
Financial Position Highlights						
Stated capital (Rs.'000)	159,692	159,692	-	159,692	159,692	-
Issued shares ('000)	399,225	399,225	-	399,225	399,225	-
Reserves and retained earnings (Rs.'000)	6,843,162	6,338,607	7.96	6,833,059	6,329,271	7.96
Current liabilities (Rs.'000)	184,176	208,650	(11.73)	181,119	206,075	(12.11)
Total liabilities (Rs.'000)	3,139,586	2,235,156	40.46	3,135,962	2,231,741	40.52
Current assets (Rs.'000)	533,226	487,388	9.40	514,885	470,617	9.41
Total assets (Rs.'000)	10,142,440	8,733,455	16.13	10,128,713	8,720,704	16.15
Financial Ratios						
Earnings per share (Rs.)	1.88	2.33	(19.31)	1.88	2.32	(18.64)
Dividend per share (Rs.)	-	-	-	0.45**	0.44	2.27
Operating profit margin (%)	361.86	306.85	17.93	361.21	305.54	18.22
Net profit margin (%)	159.67	228.22	(30.04)	159.55	227.21	(29.78)
Return on shareholder funds (%)	10.73	14.29	(24.96)	10.77	14.29	(24.64)
Return on assets (%)	7.41	10.64	(30.37)	7.44	10.63	(30.08)
Net assets per share (Rs.)	17.54	16.28	7.76	17.52	16.25	7.76
Total asset turnover (Times)	0.05	0.05	(0.47)	0.05	0.05	(0.43)
Current ratio (Times)	2.90	2.34	23.94	2.84	2.28	24.48
Quick asset ratio (Times)	2.86	2.32	23.47		2.27	(100.00)
Dividend payout Ratio (%)	-	-	-	24	18.94	25.71
Dividend cover (Times)	-	-	-	4.2	5.3	(20.59)

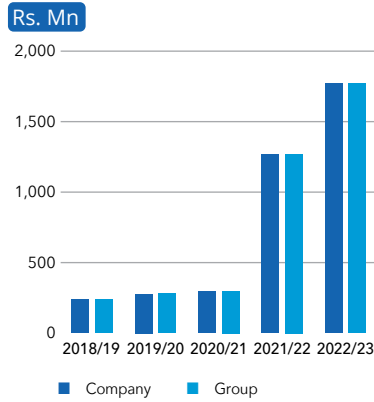
** Proposed Dividend

PERFORMANCE HIGHLIGHTS

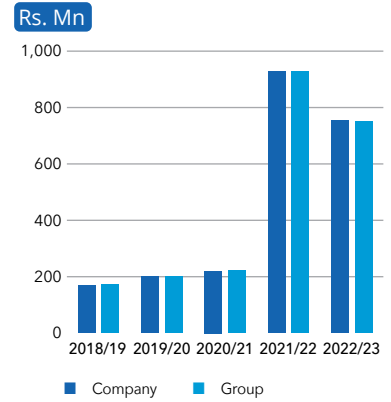
TOTAL REVENUE



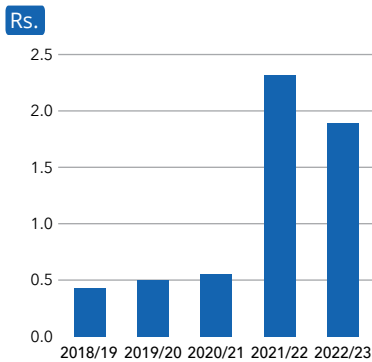
PROFIT BEFORE TAX



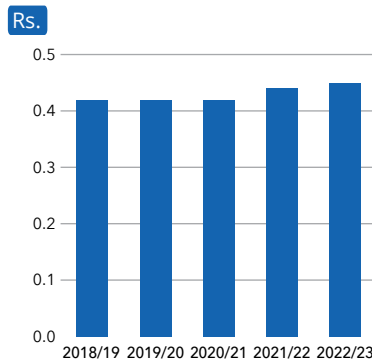
PROFIT AFTER TAX



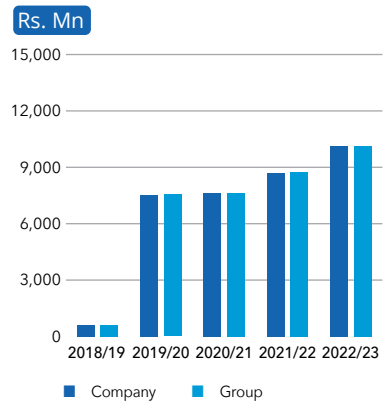
EARNINGS PER SHARE



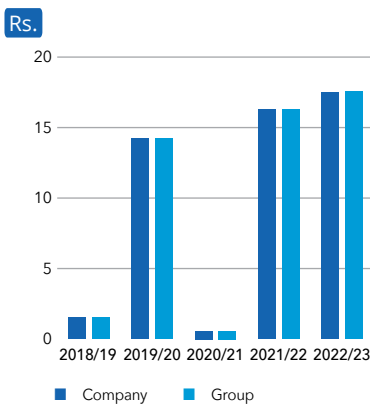
DIVIDEND PER SHARE



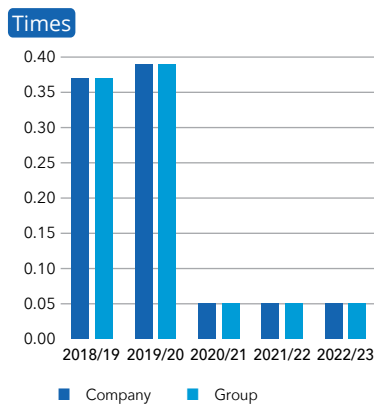
TOTAL SHAREHOLDER FUNDS



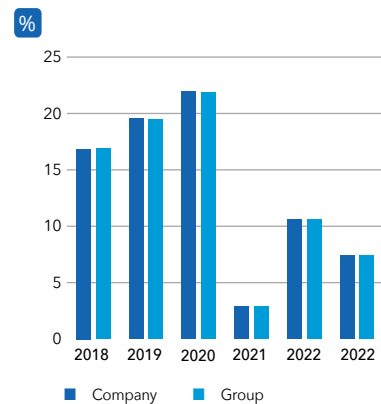
NET ASSETS PER SHARE



TOTAL ASSET TURNOVER



RETURN ON ASSETS



*Company shares were subdivided 1:25 ratio in December 2021

** 2019/20 and 2020/21 figures were restated to reflect the account policy change of Investment properties.

OPERATIONAL HIGHLIGHTS



First woman in Senior Management position and female work force increased from **5%** to **32%** over the period of 2 years.

LILL successfully completed the ADRA project withing the due dates, which was highly appreciated by UNAID

- Tested more than 250 tube wells.
- Area covered Buttala, Wellawaya and Wilgamuwa.
- Test analysed under SLS 614:2013.



Total Assets exceed **10 Billion**

Achieved 95% Occupancy ratio towards the end of the year on Leasable Land & Building.

AWARDS

Lanka Industrial Estates Ltd bags the TAGS

SILVER AWARD

**in its second year in the
Annual Report Awards competition.**

LINDEL's Annual Report for 2021/22, themed "Sustainable Infrastructure", won the 'Silver Award' in the Land and Property sector at the 57th Annual Report Awards Competition organised by the Institute of Chartered Accountants of Sri Lanka. This award received by LINDEL for the second year affirms the Company's ability to continue creating intellectual capital value for its stakeholders.



An isometric illustration of a warehouse and trucks, rendered in shades of blue. The scene includes a large warehouse building with multiple loading docks, several semi-trailers and box trucks parked outside, a forklift moving a pallet of goods, and various stacks of boxes and pallets. The word "LEADERSHIP" is prominently displayed in the center in a white, bold, sans-serif font, enclosed within a thin white rectangular border.

LEADERSHIP

CHAIRMAN'S MESSAGE



"We continued to invest in responsible resource consumption across our operations while contributing towards the national grid by contributing 544kWh of renewable energy during 2022."

Dear Stakeholder,

It gives me great pleasure to welcome you to the 31st Annual General Meeting of Lanka Industrial Estates Limited (LINDEL) and present to you the Group's fourth integrated Annual Report, which outlines the overarching strategy and performance of the Lindel Group against the backdrop of a particularly challenging year.

The pages that follow contain a comprehensive account of activities pertaining to LINDEL and its fully owned laboratory services provider Lindel Industrial Laboratories Limited, for the financial year 2022/23.

OPERATING CONTEXT

Despite expectations of a post COVID growth environment, Sri Lanka faced unprecedented economic hardship during the year under review, leading to a contraction in the macro economy to record a 7.8% decline in GDP in 2022. The impacts of this downturn were witnessed across all major sectors, including agriculture, industry, and services, underpinned by wide ranging challenges, including severe fuel shortages, scarcity of essential commodities, disruptions to the power supply, a high inflationary environment, and escalating interest rates which collectively contributed towards an economic turmoil that created public concern and political unrest.

However, it is heartening to note that owing to the implementation of timely interventions, stringent policy initiatives and appropriate reforms, Sri Lanka is well on the road to recovery. These measures to improve the nation's economic stance and restore socioeconomic stability were further reinforced by securing a USD 3 billion bailout package from the International Monetary Fund (IMF).

The property industry recorded a mixed performance in the past year, with certain sectors exhibiting growth

while others experienced challenging conditions. The underlying dynamics were largely attributable to a wide range of factors, including the socioeconomic implications of the economic crisis on people and businesses, post pandemic trends and shifts in demand, and the burgeoning impacts of climate change.

Owing to political instability and anticipated import constraints, certain goods and materials were imported in excess capacity, leading to a surge in demand for storage facilities. This trend was in effect until the end of 2022. However, conversely, the property rent market experienced a significant decline in both sales and rentals after December 2022, attributable to the combined impact of the economic downturn, import restrictions, and the decline in foreign exchange reserves, which caused many individuals and businesses to record a notable hesitancy towards investing in or renting properties, leading to reduced demand and decreased prices within the market. Furthermore, the cost of doing business continued to place increasing pressure on businesses, particularly owing to escalating operational expenses arising from the high cost of goods and raw materials, increased taxation and policy restrictions.

The long term impacts of the pandemic continue to characterise industry trends, with many businesses compelled to downsize or face closure, thereby decreasing commercial real estate demand. However, the residential sector has witnessed a spike in demand, with individuals either seeking larger homes or relocating to suburban areas.

A greater focus on sustainability and green building practices has continued to make its presence known within the industry, with developers and investors placing increasing emphasis on energy-efficient buildings and sustainable practices owing to increasing concerns surrounding climate change and environmental impacts.

Against these conditions, developers and investors who have integrated sustainability and value added services into their proposition may benefit from increased demand and higher rental values. However, companies that have not embraced these trends may be challenged in attracting tenants.

OUR STRATEGY AND PERFORMANCE

Against the continued onslaught of the challenges faced during the year, we remained steadfastly committed towards upholding our vision to be the most admired company in the country in providing industrial space and infrastructure' and focused on safeguarding the needs of its stakeholders at every stage. Our primary objective lies in sustaining our tenants and service providers in order to build collective resilience in the long term. Despite considerable disruptions within the operating environment, LINDEL focused on maintaining seamless operations and business continuity throughout the year, thereby enabling economic progress across a range of industries. Additionally, we continued to prioritise the security of our tenants' assets and businesses during the period under review.

While the demand for facilities of our nature witnessed a decline during the period in question owing to import restrictions, the near complete occupancy of our premises ensured our continued resilience. The long term relationships fostered with our tenants and the exceptional service for which we are renowned continued to hold us in good stead, and the Company was able to record a commendable performance during the year.

Overall, the LINDEL Group recorded a 16% year on year revenue growth to reach Rs. 470.4 Mn during the year under review. This performance was primarily attributable towards the additional income received from floor rent and lease rent, which contributed

CHAIRMAN'S MESSAGE

to 84% of the total increase. A 40% increase in profitability was witnessed, with the Group recording Rs. 1,770 Mn against the Rs. 1,271 Mn achieved in the previous year. Despite the constrained environment, the Group further recorded a 16% growth in assets during the year to reach Rs. 10.142 Mn during the period under review.

STEWARDSHIP AND RESPONSIBLE OPERATIONS

The LINDEL Group has long maintained strong sustainability and governance principles at the core of its operations. Our holistic focus on economic, social and environmental aspects ensures that our growth is sustainable and mutually shared across all our wide ranging stakeholder groups.

As an industrial organisation, we are increasingly conscious of our impact on our surrounding environment. We believe that we serve as custodians of the resources entrusted to our care and therefore strive to safeguard the integrity of our surroundings in all we do while consistently working towards mitigating the potentially devastating impacts of the energy and climate crisis on both people and planet. Our efforts to establish resource efficiencies supported the organisation amid the severe resource shortages experienced during the year and are described in greater detail throughout this report. We continued to invest in responsible resource consumption across our operations while contributing towards the national grid by contributing 544kWh of renewable energy during 2022.

Amid a high inflationary environment characterised by high degrees of Socioeconomic constraints, we continued to safeguard the welfare of our employees and the surrounding community during the year and focused on uplifting their quality of life during this particularly challenging period. Our strong structures and underlying frameworks continued to support good

governance during the year, and I am pleased to announce that LINDEL received the TAGS Silver Award for the Best Annual Report in the Land and Property Sector in recognition of its efforts to uphold transparency, accountability, good governance and sustainable principles within its sector.

OUTLOOK

The continued implications of the economic crisis on the property industry in Sri Lanka are both long term and multifaceted in nature. At present, the sector is witnessing reduced purchasing power and increased uncertainty among potential buyers and investors, which has resulted in decreased demand for properties, and a subsequent slowdown in the industry. Many developers and property owners are facing financial constraints, with a number of projects delayed or deferred due to limited access to funding.

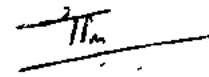
Property prices may see a downward adjustment stemming from reduced demand, with sellers demonstrating an increasing inclination to drive down prices in order to attract buyers, thereby impacting the overall value of the property market in Sri Lanka. Furthermore, a shift in consumer preferences towards more affordable properties could impact demand and pricing across different segments of the property market.

However, despite the negative connotations of the crisis at present, the future remains positive. As the nation enters a period of recovery, it is imperative that we build the necessary infrastructure and capacity to attract investors and drive economic growth. In this regard, we anticipate a positive trend for industrial land and building and are taking concrete steps towards expanding our facilities and infrastructure to address the future needs of our nation and contribute towards its economic growth in a sustainable manner.

ACKNOWLEDGEMENTS

In closing I would like to thank my fellow members of the Board for their invaluable guidance and support amid these unprecedented times, and for enabling a seamless transition as I take on my new role within the organisation. I thank the outgoing Chairman Mr. Lakshman Silva for his tireless efforts towards strengthening the LINDEL Group over the past five years, and I wish him all the best in his future endeavors.

I also sincerely thank all the LINDEL employees for their dedication and steadfast commitment, which enabled us to forge onward against all odds. Finally, I thank our valued stakeholders for placing their continued trust in our organisation and look forward to a future of mutually assured growth and value creation in the years ahead.



Thimal Perera
Chairman

CEO'S REVIEW



"The LINDEL Group stands on the verge of crossing another significant milestone, with its profit close to surpassing Rs. 1.7 billion, an achievement highlighting the company's consistent growth and financial stability, is particularly noteworthy given the uncertainties and macroeconomic pressures prevalent in Sri Lanka during the year."

CEO'S REVIEW

Dear Stakeholder,

It gives me great pleasure to present a summary of the LINDEL Group's performance for the financial year 2022/23 a year in which we demonstrated the strength of our core values and carved out a path of resilience amid a climate of uncertainty. The integrated Annual Report you now hold provides a detailed account of our holistic approach towards addressing rapidly evolving stakeholder needs and our farsighted strategies to face present and future challenges.

OPERATING ENVIRONMENT

The year under review was characterised by various macroeconomic constraints and challenges, with people and businesses alike combating the impact of Sri Lanka's biggest economic crisis in its post independence history.

Resultantly, many organisations and individuals were compelled to face a volatile, uncertain, complex and ambiguous environment underpinned by wide ranging factors including the scarcity of essential commodities, fuel and electricity shortages, record high inflation and escalating interest rates. The aforementioned dynamics collectively contributed towards a contraction in the nation's economy, while placing pressures on discretionary spending and causing conditions of sociopolitical unrest.

Consequently, Sri Lanka's real GDP declined by 7.8% in 2022, compared to the marginal growth of 3.5% recorded in the previous year, impacting the agriculture, industry and service sectors. Headline inflation as measured by the CCPI reached an all time high of 69.8% in September 2022, while a sharp depreciation was witnessed in the Sri Lankan rupee.

In order to address these underlying factors and curb the unprecedented inflationary growth that came into effect during the year, the Central Bank of

Sri Lanka implemented stringent, yet timely reforms and policy initiatives which enabled the nation to secure a USD 3 billion bailout package from the International Monetary Fund (IMF) and take the first steps towards restoring socioeconomic stability.

COMPANY PERFORMANCE

Amid the challenging economic environment described previously, LINDEL demonstrated remarkable adaptability, resilience and strength, to achieve an impressive 39% growth in profit before tax (PBT), to reach a profitability of Rs. 1.7 billion during the year under review. This performance marked a significant increase against the previous year, with a component of the growth attributable to the profit generated from the revaluation of assets.

Furthermore, LINDEL's turnover experienced a healthy growth rate of 16%, reaching a performance of Rs. 472 million during the year, indicating the company's inherent strength and ability to increase sales and generate greater revenue amid a constrained environment. Our fully owned subsidiary Lindel Industrial Laboratories Limited too demonstrated a robust performance during the year.

The LINDEL Group stands on the verge of crossing another significant milestone, with its profit close to surpassing Rs. 1.7 billion, an achievement highlighting the company's consistent growth and financial stability, is particularly noteworthy given the uncertainties and macroeconomic pressures prevalent in Sri Lanka during the year.

Overall, LINDEL's performance demonstrates its resilience and ability to adapt to evolving economic conditions. By achieving substantial growth in both profit and turnover, the Company has showcased its capacity to navigate challenges and capitalise on opportunities, ultimately positioning itself for further success in the future.

OUR STRATEGY

Over the years, LINDEL has prioritised the welfare of its stakeholders through every eventuality, and therefore our primary focus lay in supplying seamless, uninterrupted services to our tenants, even amid the socio political upheaval and mobility restrictions that were in effect during the year. We continued to remain vigilant and uphold the needs of our customers, while maintaining zero incidents within the industrial zone during the year.

Our longstanding success is attributable to a multifaceted strategy that focuses on providing an unmatched proposition to every stakeholder. Our strategic location provides convenience, accessibility to key markets and efficient logistics, while the continued development of high quality infrastructure within our estate helps us meet the needs of modern businesses, while providing reliable services and utilities to our valued tenants.

Furthermore, encouraging diverse industries to establish their operations within our industrial estate has enabled us to mitigate risks, and create a vibrant ecosystem that fosters collaboration and synergy among businesses. Our strong partnerships with the state and regulatory authorities have enabled us to maintain compliance and leverage their support to aid economic growth and progress.

We continue emphasising sustainable practices within our premises, contributing to a positive brand image and attracting environmentally conscious businesses. We believe that implementing green initiatives, including renewable energy generation, responsible waste management systems, and eco friendly infrastructure, will position LINDEL as a responsible, forward thinking organisation contributing to the resilience of both people and the planet. In line with our commitment towards the community, we provided essential support

towards students from neighbouring communities, in order to facilitate their continued education during the year.

The Company strives to stay ahead of the competition by committing to continuous improvement and innovation upgrade our infrastructure, services and processes to meet the evolving needs of our tenants while embracing emerging technologies to remain relevant amid the changing times.

Therefore, we continue to keep pace with market trends while understanding customer needs, consistently engaging with existing and potential tenants to derive invaluable insights that would enable us to customise and build a plethora of services and offerings to remain competitive and align ourselves with industry demands.

OUTLOOK

Going forward, Sri Lanka now faces the prospect of negotiating with its creditors in order to establish an equitable debt treatment plan. The nation's debt burden remains a significant concern, and reaching the right agreements with creditors is an imperative towards effectively managing and restructuring the same, in order to achieve financial stability and improve Sri Lanka's long term economic prospects. In doing so, the country will be able to alleviate the burden of debt, provide fiscal breathing space and formulate a path to achieving sustainable economic growth.

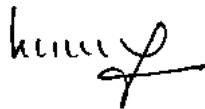
As we emerge from a period of unprecedented hardship and turmoil, we believe there will be many challenges in store. However, we believe these conditions to be short lived, and therefore anticipate businesses to exhibit growth in the years ahead. In this vein, our short term strategy includes developing unutilised land areas, acquiring nearby premises to develop infrastructure, and investing in vertical buildings to further enhance our existing offering. In the longer run, we are exploring new avenues of growth

by seeking to partner into a second industrial zone and acquire more feasible properties for development, thereby expanding our capacity for growth, and enabling economic progress.

ACKNOWLEDGEMENTS

In closing, I would like to thank the Board of Directors for their foresight and guidance over the years, and particularly through the challenging climate of the year under review. I extend my heartfelt gratitude towards the outgoing Chairman, Mr. Lakshman Silva for his leadership, dedication and unwavering service towards the LINDEL Group in the past. I warmly welcome Mr. Thimal Perera, our new Chairman, and look forward to partnering towards the growth of this dynamic organisation in the years to come.

I would also like to thank the employees at LINDEL for their steadfast work ethic and dedication during these challenging times, and for empowering the organisation's continuity at every stage. Last, but not least, I would like to thank our tenants, suppliers and shareholders for their longstanding support and loyalty, which have enabled us to deliver a resilient performance year after year, and will continue to hold us in good stead in the years to come.



B R C Cooray
Chief Executive Officer

BOARD OF DIRECTORS



Left to right

Dr. R.M.K. Ratnayake | Ms. Deepa Seneviratne | Mr. A.D. Tudawe | Mr. T.W. de Silva | Mr. Thimal Perera
Chairman



Left to right

Mr. R. A. Dassanayake | Dr. K.A.S. Keeragala | Mr. T. Dharmarajah | Mr. W.D.R. Crishantha

BOARD OF DIRECTORS

MR. THIMAL PERERA

Chairman/Non-Independent Non-Executive Director

Mr N H T I Perera was appointed to the Board of Lanka Industrial Estates Ltd in 24th August 2022.

Mr. Thimal Perera is the Executive Director and Chief Executive Officer (CEO) of DFCC Bank PLC.

He is also the Chairman of DFCC Consulting (Pvt) Ltd, Synapsys Limited and Acuity Partners Limited and he serves as a Director of LankaPay (Pvt) Ltd, Lanka Ventures PLC and LVL Energy Fund PLC and is also a Director of the Association of Development Financing Institutions in Asia and the Pacific (ADFIAP).

He has held several senior positions in banking and has over three decades of experience in the financial services sector, both locally and internationally having been with the HSBC Group, Commercial Bank of Qatar, Barclays Bank PLC and was at HNB prior to joining DFCC.

He is a Member of The Institute of Chartered Accountants of Sri Lanka and a finalist of the Chartered Institute of Management Accountants (CIMA), UK.

MR. AMAL TUDAWE

Non-Independent Non-Executive Director

Mr Amal Tudawe was appointed to the Board of Lanka Industrial Estates Ltd., in 1992. Mr. Tudawe has over 40 years of experience in the field of Mechanical and Electrical Engineering inclusive of 5 years in the UK and 3 Years in Australia. He has served Tudawe Brothers (Pvt) Ltd as Director of Engineering for over 35 years. The key strategic Business Unit responsible for the Mechanical (Heat, Ventilation, Air Conditioning, Fire Detection and Protection Systems) and Electrical Engineering of the Tudawe Group, Tudawe Engineering Services (Pvt) Ltd was established under his stewardship and he heads it currently as its Managing Director.

He has served as an Electrical Engineering Consultant for Norman

Disney & Young and Barry Webb & Associates of NSW, Sydney, Australia during the period 1994 to 1996.

His qualifications include BSc (Hons) Lond, MSc (Elect.Eng.) Lond, MIEE (UK) CP Eng (Aust), MIE (Aust), MIESL, and C.Eng.

MR. T. W. DE SILVA

Mr. T. W de Silva was appointed to the Board of Lanka Industrial Estates Limited in 2005. He has a professional background in finance spanning over 35 years with experience in Financial Intermediation, Investment Banking, Project Financing, Corporate Banking, and Strategic Planning.

Mr. de Silva began his career at George Steuart & Co. Ltd. where from 1982, he served for seven years as a Foreign Exchange & Money Broker intermediating in domestic and foreign currency markets. In 1989, he commenced a 30 year career at DFCC Bank during which he attained the position of Executive Vice President. He worked in Investment Banking and participated capital market and corporate finance activities. These included financial advisory services to Government entities and collaborating with leading international investment banks. He was also involved in acquiring, founding and operating companies in the DFCC Group. Following on, Mr. de Silva assumed responsibility for Corporate Banking & Project Finance. He subsequently served as Head of Lending for DFCC and was Chairman of the Bank's Credit Committee. In the latter part of his career, he worked on the consolidation of DFCC Group and was placed in charge of Strategic Planning, Investments, and Subsidiaries.

Mr. de Silva is also a Director of Lindel Industrial Laboratories Ltd., the subsidiary that provides analytical testing services to LINDEL tenants and other clients. He was also a Director of Acuity Partners (Pvt) Ltd., Acuity Securities Ltd., Acuity Stockbrokers (Pvt) Ltd., DFCC Consulting (Pvt) Ltd., E-Channelling PLC, Guardian Acuity Asset Management Ltd., Lanka Ventures PLC, LVL Energy Fund PLC, National Asset Management Ltd., and Synapsys Ltd.

Mr. de Silva holds a Master of Business Administration degree from the University of Warwick (UK). He is a Graduate Member of the Institute of Mechanical Engineers (UK) and is an alumnus of the Indian Institute of Management, Ahmedabad.

DR. R. M. K. RATNAYAKE

Non-Independent Non-Executive director

Dr. R. M. K Ratnayake was appointed to the Board of Lanka Industrial Estates Limited in 2002. He is a Fellow of the United Nations University, Tokyo. He served as an Assistant Lecturer, at Colombo University, before joining the public service in 1972. He served as Director of Nutrition Policy, Ministry of Policy Planning, and concurrently Senior Assistant He also served as Additional Secretary Ministry of Finance and Planning, Secretary to several Cabinet Ministers since 1994. Immediately before his retirement in 2008, he served as Secretary to the Ministry of Trade, Commerce, Consumer Affairs, Marketing Development, and Cooperatives.

Dr. Ratnayake was appointed as a member of the Presidential Commission on Cooperatives. He was a Commissioner of the Commission. He served as a Director on the Boards of the Peoples Bank, National Savings Bank, and Sanasa Development Bank. He also served as the Chairman of Strike, Riot and Civil Commotion and Terrorism (SRCC&T) Fund and National Wealth Corporation. He was the Chairman of CWE, Lanka Sathosa, and the Consumer Affairs Authority. He is also a Director of SANASA Campus and SANASA International Ltd.

MR. R. A. DASSANAYAKE

Non-Independent Non-Executive Director

Mr. R A Dassanayake was appointed to the Board of Lanka Industrial Estates Limited in 2019. Mr. R A Dassanayake is the Vice President of Strategic Planning and Subsidiaries of DFCC Bank PLC. He counts over 28 years of experience in banking, accounting, auditing, consulting, and advisory services. He is a director of several subsidiaries and associate companies of DFCC and is

also a member of several management committees.

He has held positions as the Head of Budgeting and Planning of DFCC Vardhana Bank PLC, Chief Executive Officer and Chief Risk and Operations Officer of Lankaputhra Development Bank, and Partner, Audit Assurance and Consulting of BDO Partners Sri Lanka. He holds his Masters from PIM, University of Sri Jayewardenepura, and his first degree in Accountancy from the same university. He is also a Fellow member of CA Sri Lanka and an Associate of CIMA UK.

He holds Director positions at National Asset Management Ltd, Lanka Ventures PLC, Lindel Industrial Laboratories Ltd, LVL Energy Fund Limited, DFCC Consulting (Pvt) Limited, and Acuity Securities Ltd.

DR. K.A.S KEERAGALA

Independent Non-Executive Director

Dr. K.A.S Keeragala was appointed to the Board of Lanka Industrial Estates Ltd., in February 2022. Dr. Keeragala has served in all parts of Sri Lanka in the capacities of assistant divisional secretary, divisional secretary, provincial secretary, additional secretary of line ministries such as health, and secretary of the State Ministry of Finance. The last position held by Dr. K A S Keeragala was as state secretary, Ministry of National Policies & Economics affairs secretary in 2019, and the State Ministry of Finance in 2018.

Dr. K A S Keeragala holds a Ph.D. in Management from the Global University, California USA, and a Master of Arts (Economics) Specialized in Financial Markets, at the University of Colombo Sri Lanka. Dr K A S Keeragala has also followed an MBA Program at PGIA, University of Peradeniya, and an M.Sc. (Management) Program at the University of Sri Jayewardenepura. Dr. K A S Keeragala also holds a Bachelor of Science (Public Administration) special Degree from the University of Sri Jayewardenepura and is an Attorney at Law of the Supreme Court of Sri Lanka.

MR. T. DHARAMARAJAH

Independent Non-Executive Director

Mr.T. Dharamaraja was appointed to the Board of Lanka Industrial Estates Ltd., in December 2021. Mr. Dharamaraja is the Senior Partner (Audit & Assurance) of M/S Amerasekera & Company and serves as a Director of Renuka City Hotels PLC, Cargo Boat Development Company PLC, Raigam Wayamba Salterns PLC, Raigam Southern Salterns (Private) Limited, Hapugastenne Plantations PLC & Udapussellawa Plantations PLC, Management Applications (Pvt) Limited, and DHS Medical Group (Private) Limited.

He is a Member of the Council of the University of the Visual and Performing Arts, the Postgraduate Institute of Indigenous Medicine, and the Standing Committee on Management Studies of the University Grant Commission. He was a director of DFCC Bank PLC and DFCC Vardhana Bank, a Member of the Board of Management Postgraduate Institute of Management and Curriculum Development Committee of the National Institute of Education. He was also a Member of the Council of the Institute of Chartered Accountants of Sri Lanka and University of Sri Jayewardenepura. He is also a former president of the Association of Accounting Technicians of Sri Lanka.

Mr. T Dharamarajah holds a BSc. Management (Sp) Degree of the University of Sri Jayewardenepura and a Fellow Member of the Institute of Chartered Accountants of Sri Lanka, Association of Accounting Technicians of Sri Lanka, and Institute of Public Finance & Development .

MR. W. D. R. CRISHANTHA

Non-Independent Non-Executive Director

Mr. W D R Crishantha was appointed to the Board of Lanka Industrial Estates Ltd., in July, 2021. He is currently working as the Acting Additional Director General of the Department of External Resources of the Ministry of Finance. Prior to his current position, he has worked as Deputy Director in

Debt Management Division in the same Department and as an Assistant Director at the Department of National Planning of the Ministry of Finance and Planning.

Mr. W D R Crishantha has obtained his Bachelor's degree from the University of Sri Jayewardenepura in Business Statistics. He also has a Post Graduate Diploma in Computer Technology from the University of Colombo School of Computing and a Graduate Diploma in International and Development Economics from Australian National University. Mr. Crishantha has completed his Master's Degree in Financial Economics from the University of Colombo.

He has also served as Director at Manthal Salt Ltd, National Transport Commission, Lanka Transformers Holdings (Pvt) Ltd., and the Institute of Indigenous Medicine. He currently serves as Director at Milco (Pvt) Ltd representing the General Treasury.

MRS. DEEPA SENEVIRATNE

Independent Non-Executive Director

Mrs. Deepa Seneviratne was appointed to the Board of Lanka Industrial Estates Ltd., in December 2021. Mrs. Seneviratne is a retired director of the Central Bank of Sri Lanka and a member of Tax Default Advisory Commission - Inland Revenue Department.

Mrs. D Seneviratne has 32 years at the Central Bank of Sri Lanka in various capacities and under numerous departments holding diversified responsibilities as Deputy Director of Statistics, Additional Superintendent of Employees Provident Fund, Superintendent of Public Debt, Director of Information Technology, and Superintendent of Currency. She was also a Director of Sri Lanka Export Credit Insurance Cooperation and Canwill Holding (Pvt) Limited.

Mrs. C M D N K Seneviratne holds a BSc. of Arts degree in Statistics and Development Studies from the University of Sri Jayewardenepura and a Master in Economics from Ohio University, (USA).

SENIOR MANAGEMENT



MR. B. R. C. COORAY
CEO



MR. U. J. SENANAYAKE
Senior Operations Manager



MS. W. P. C. WITHANAGE
Senior Accountant



MR. S. D. JAYASURIYA
Technical and Quality Manager

MR. B R C COORAY

CEO

Mr. B R C Cooray is a highly experienced and accomplished professional with a career spanning over 29 years, during which he has held key leadership roles in diverse industries. He earned his MBA from the prestigious Cardiff Metropolitan University in the UK and is a distinguished member of the Certified Management Accountant (CMA) Australia, where he also serves as an executive committee member of the local institute. Additionally, he holds certifications from the Sri Lanka Institute of Marketing and the Asian Institute of Marketing, further showcasing his expertise and commitment to excellence.

Mr. Cooray's career journey began in 1994 as a trainee at HLB Edirisinghe & Co. and then moved to Hemas Garment (Pvt) Ltd, where he laid the foundation of his professional success. Subsequently, he joined the National Prawn Company (NPC) in Saudi Arabia, a significant player in the desert coastal shrimp cultured project and the world's largest vertically integrated venture of its kind. In 2000, he moved to MacBertan (Private) Limited, a prominent conglomerate in Sri Lanka and the pioneer in heat insulation manufacturing in the country. There, he contributed significantly to the company's growth and achievements during his successful eight year tenure. Following his impactful stint at MacBertan, he assumed the role of Head of Finance at McLarens Lubricants cluster, where he had the opportunity to work with renowned global entities like Exxon Mobil and Sinopec Corporation. During this period, Mr. Cooray played a vital role in several turnaround initiatives and garnered multiple accolades for the McLarens Lubricants Cluster.

Before becoming the CEO of LINDEL, he served as the General Manager at McLarens Property cluster, showcasing his adaptability and proficiency in diverse business domains.

As the current CEO of LINDEL Group, Mr. Cooray continues to leverage his wealth of experience, strategic acumen, and dynamic leadership to steer the company toward unprecedented growth and success.

MR. U. J. SENANAYAKE

Senior Operations Manager

Mr. Upul Senanayake started his professional career as an Assistant Engineer at the National Water Supply and Drainage Board and also worked as a civil/site engineer at several engineering companies before joining LINDEL in 1999. As the Senior Operations Manager with more than 22 years of experience working at LINDEL, Mr. Senanayake handles engineering related operational and management functions, infrastructure development and maintenance, project implementation and management, marketing of lands and buildings, and other related corporate management functions.

Mr. Senanayake has a bachelor's degree in Mechanical Engineering from the University of Peradeniya and a National Diploma in Technology in Civil Engineering from the University of Moratuwa.

He completed his MBA in Business Administration from the University of Colombo and is a lifetime member of the MBA Alumni of Colombo University. He is currently reading for his Ph.D. in Business Administration and is an associate member of the Doctor of Business Administration Alumni of Kelaniya University (DBAAKU).

MS. W. P. C. WITHANAGE

Senior Accountant

Ms Chandani Withanage is heading the Finance Division of Lanka Industrial Estates Ltd from October 2022. Ms Withanage is an Associate Member of The Institute of Chartered Accountants of Sri Lanka and she has obtained her first degree in BSc Business Administration (Special) from the University of Sri Jayewardenepura and

currently reading for her MBA from the same university.

She started her career in 2005 at Ceylon Cold Stores PLC which is a fully owned subsidiary of a most respected diversified Group of Company of John Keells. She served 10 years in different subsidiaries of John Keells Group in Accounting and Finance. She moved to Lanka Canneries Pvt Ltd in 2015 and has served as Financial Accountant till 2021. Before joining Lanka Industrial Estates Ltd Ms Withanage has served as Manager-Internal Audit in Cantec Printing and Packaging Pvt Ltd.

Ms Withanage has over 18 years of extensive experience in the field of Financial Accounting, Management Accounting, Financial Management, Taxation, Auditing and Management in both reputed manufacturing and service organisations in the country. Moreover she has immensely contributed for the success of ERP Implementations and Applications and Automation of critical processors of the organisations while serving at John Keells Group, Lanka Canneries and Cantec Printing and Packaging.

MR. S. D. JAYASURIYA

Technical and Quality Manager-Lindel Industrial Laboratories Limited

Mr. Sulakshana Jayasuriya is Heading the operations in Lindel Industrial Laboratories Limited. He has over 12 years of experience in the industry. Mr. Jayasuriya joined LILL in 2008 and was promoted to his current position in 2018.

He holds a Bachelor's degree in Chemistry from the College of Chemical Science (Ceylon) and Post Graduate Diploma in Analytical Chemistry from the University of Colombo. He is the current Vice president of the Sri Lanka Association of Testing Laboratories (SLATL).

Mr Jayasuriya is a Qualified Technical Assessor in ISO 17025 and ISO 17043 in Sri Lanka Accreditation Board (SLAB).

An isometric illustration of a warehouse and logistics scene. It features several semi-trailers and box trucks parked outside a large warehouse building. Inside the warehouse, there are stacks of goods, a forklift, and various pieces of equipment. The entire scene is rendered in shades of blue, creating a monochromatic, industrial aesthetic. The text 'VALUE CREATION REPORT' is centered in the middle of the image, enclosed in a thin white rectangular border.

VALUE CREATION REPORT

OPERATING ENVIRONMENT

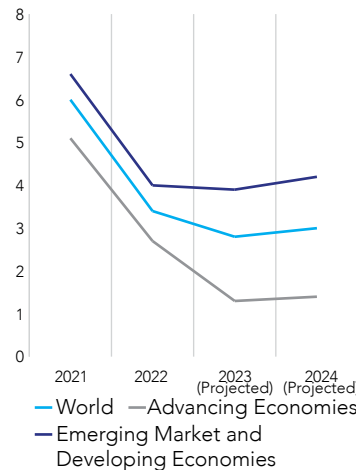
GLOBAL ECONOMY

The year 2022 was marked by a significant slowdown in the global economy, with GDP growth reaching 3.4%, against the preceding year's 6.0%. Most emerging and developing economies experienced a decline, exhibiting a GDP growth of 4.0% in 2022, in comparison to the 6.6% recorded in 2021. The post COVID-19 pandemic's effects resonated worldwide, while the war in Ukraine and the geopolitical disequilibrium across the world created a high inflationary environment with food and energy prices increasing at unprecedented levels which further exacerbated food instability and hunger in many developing nations. This prompted a global cost of living crisis that plunged millions into poverty and led to the rise of other economic hardships while also causing real incomes to recede. The climate crisis continued to pose implications across the world, triggering natural disasters that inflicted severe consequences on economies, societies and the planet.

China is making a strong return after reopening its economy, which will in turn relieve strain on the global supply chain. Additionally, supply chain disruptions appear to be diminishing as the restrictions prevailing within the energy and food sectors subside. Parallel to this, the widespread and coordinated tightening of monetary policy by the majority of central banks through interest rate interventions will help create positive outcomes, with inflation levels stabilizing in the future.

Owing to the aforementioned dynamics, the IMF projects the world economy to record a GDP growth of 2.8%, followed by a marginal recovery in 2024 to reach 3.0%. Notably, the prospects of emerging markets and developing economies seem promising, with a projected 3.9% GDP growth in 2023, and a subsequent growth of 4.2% in 2024.

Global Economic Growth



Source: IMF, April 2023 World Economic Outlook

SRI LANKAN CONTEXT

In 2022, Sri Lanka witnessed its worst post independence economic crisis which resulted in the economy contracting significantly by 7.8% year over year, marking the nation's greatest annual GDP decrease in its post independence history. The country paused the servicing of external debt in early 2022, which resulted in the downgrading of the country's rating by international rating agencies.

As a result of the crisis, acute shortages of essential items were experienced due to import restrictions due the lack of foreign currency liquidity. This impacted many local industries which needed imported components in their production process. These dynamics were principally caused by a significant increase in price due to a dramatic drop in market liquidity for foreign exchange. However, timely and prudent policy measures served to curb the trajectory of high inflation and prevent the impacts of the crisis from intensifying further.

Policy interest rates were raised to historic highs by the Central Bank of Sri Lanka in a bid to curb inflation levels, and the importation of non essential goods and services were restricted, in order to stem outflows

of foreign currency. By reducing demand pressures, easing supply side constraints, and improving access to essential imports including fuel and industrial supplies, these efforts helped the economy gradually stabilise. As a strong indicator of the intensity of the consequences of the economic difficulties faced during the year, all three of the nation's major economic sectors, namely, Industry, Services, and Agriculture witnessed downturns in 2022.

Headline inflation as measured by the Colombo Consumer Price Index (CCPI), rose from 12.1% at the close of 2021 to reach a figure of 69.8% in September 2022. The rate then fell to 57.2% by the end of 2022. The National Consumer Price Index (NCPI, 2013=100) followed a similar trend; commencing at a rate of 14.0% at the end of 2021, the index rose significantly to peak at 73.7% in September 2022, and declined to reach a moderate performance of 59.2%.

MONETARY AND FISCAL POLICY

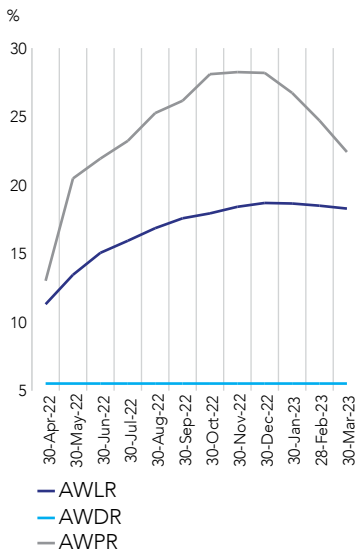
The Central Bank maintained its tight monetary policy stance from August 2021 through August 2022 to manage inflationary pressures and restrict its potential. The Standing Deposit Facility Rate (SDFR) and the Standing Lending Facility Rate (SLFR), which serve as the Central Bank's two main policy interest rates, were each increased by 10 percentage points during the period. This strategy was primarily to address the significant increase in the country's inflation, and the notable disparity that was evident between the policy interest rate and the market interest rate due to imbalances in the external and fiscal sectors.

Since the COVID-19 pandemic broke out in early 2020, a prolonged period of monetary accommodation was in effect, which led to significant risks to the inflation outlook. This prompted the Central Bank to raise policy interest rates by 7 percentage points in April

OPERATING ENVIRONMENT

2022, followed by an increase in 100 basis points in July of that year. This tightening of monetary conditions helped to correct the anomaly in the interest rate structure and restrain the development of demand driven inflationary pressures in addition to relieving pressure on the external sector and preventing the expansion of adverse inflationary expectations.

Interest Rate Movement



Source: Source: Annual Report 2022, Central Bank of Sri Lanka

in 2023. This demonstrates the uptick in confidence levels of international investors in the potential of Sri Lanka. While Sri Lanka’s property market faces immense potential it also faces a plethora of challenges that need to be addressed for sustainable growth. Land scarcity, regulatory complexities and bureaucratic procedures can present obstacles to investors and developers. These changes can be overcome with policy reforms and improvement of the ease of doing business variables whilst creating an investor friendly.

However, on March 20, 2023, the IMF Board authorised a 48 month extension of the Extended Fund Facility (EFF) of SDR 2.286 billion (approximately \$3 billion) to facilitate Sri Lanka’s economic policies and reforms, thereby reinforcing the road to recovery.

INDUSTRY AND PROPERTY DEVELOPMENT MARKET IN SRI LANKA

Sri Lanka’s property market has emerged as a dynamic sector with multiple opportunities for investors and developers. With a strategic location, growth potential and infrastructure development. Foreign Direct Investment (FDIs) plays a pivotal part in shaping the property market. According to the Board of Investment the country has received USD 600 Mn FDI so far

RISK MANAGEMENT

OVERVIEW

Risk is associated with the overall operation of a business entity. These things impair its ability to provide investors and stakeholders with adequate returns. Therefore, risk management is vital for any entity, irrespective of the industry in which it operates. As per the Corporate Governance Framework, the Board is responsible for ensuring an effective risk management process and a sound system of internal controls to safeguard shareholders’ investments and the Company’s assets. LINDEL is committed to continuously rectifying and strengthening the risk management framework to reflect changing elements in the operating environment and to ensure alignment with the Company’s business strategy.

As a property management Company, LINDEL saw a significant rise in risks over the last year and adapted to the changes in the environment. LINDEL always believed that managing risk is an evolving process that needs to be relooked with the changes in the operating environment. The success of the entity depends on how fast it can adapt to the changes by mitigating the new risks evolving from time to time.

Key risks identified during the year

1. Price Risk

- Price increase of maintenance and construction materials
- Price increases in service providers

2. Default risk

- Tenants may default their payments due to adverse economic conditions

3. Economic Recession

During the year economy of the country struggled as many industries were affected significantly. The Sri Lankan rupee depreciated vastly due to the lack of USD reserves as income from the tourism industry and foreign remittances were subdued throughout the year.

Post covid 19 impact and Economic crisis due to unsustainable debt, severe balance of payment crisis, and negative reserve position had a negative impact on GDP growth and increasing poverty in the country.

4. Political Instability

- Unrest among the general public
- Changes in Political Leadership
- Changes in policy decisions

RISK MANAGEMENT PROCESS

The Risk Management Process of LINDEL has been designed to ensure the identification of any incident or circumstance that would negatively affect the accomplishment of the Company’s objectives. Further Risk Management Process provides reasonable assurance regarding the achievement of financial and non

financial strategic objectives of the Company. Fanatical and adequate identification, evaluation, and management of risks are crucial in the sustainable value creation process of the Group which assures continuity of operations and achievement of financial, operational, and social objectives of the entity.



RISK MANAGEMENT

1. Identification of Risks

Identifying possible issues before they occur assures that risk mitigation activities are planned and initiated when essential to mitigate negative impacts that hamper the continuity of a business and prevent it from achieving its objectives. Hence Identifying the correct risks is the fundamental requirement of the Risk Management Process.

2. Risk Assessment

After identifying the risks, Company assesses the entity's exposure to those risks that could impact its day to day operations and estimates the damage those events could have on an organisation's revenue and reputation. Effectively assessing an organisation's risks help protect assets, improve decision making and optimize operational efficiency across the board to save money, time, and resources.

3. Risk Mitigation Plan

This is also referred to as Risk Response Planning. After identifying and assessing the risks LINDEL set out a plan to treat or modify these risks to achieve acceptable risk levels. To do this LINDEL creates risk mitigation strategies, preventive plans, and contingency plans in this step. And also add risk treatment measures for the highest ranking or most serious risks to the Project Risk Register.

4. Implementation and Monitoring

Selected plans and actions are then implemented within the Company. Senior Management will be responsible for ensuring that resources are provided, that the proposed actions are taken, and that they are having the desired effect.

5. Review And Update Risk Plan

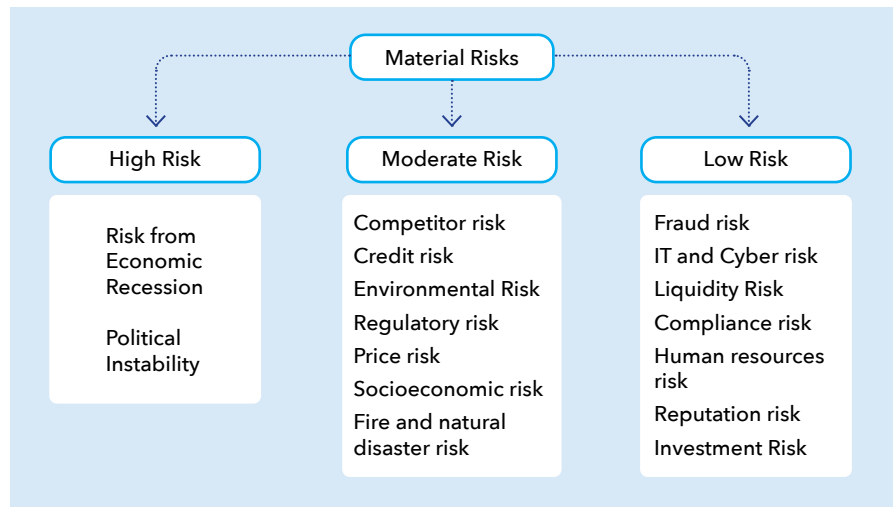
As the final step, the Company follow up review and update the Risk Plan. Risk analysis results and management plans are updated periodically to check the previously selected security controls are still applicable and effective and to evaluate the possible risk level changes in the business environment.

RISK GOVERNANCE

The Board is responsible for risk management of the Group and is assisted by internal auditors of DFCC Bank PLC who conduct risk based audits annually and submit reports which include risk assessments and an evaluation of the strategies implemented to identify, measure, and monitor, manage and mitigate risks. Additionally, the Senior Management team monitors the risk landscape for emerging risks and communicates the same to the board of directors.

Internal and external audits are pivotal in the Risk Management Process. Reports

of these audits are reviewed by the Board of Directors and action is taken to manage and mitigate any risks that have been identified. Significant audit findings by the Auditors are immediately reviewed by the Board of Directors. The Company's system of internal controls covers all policies and procedures, enabling significant strategic and operational risks to be managed. The Internal Audit team communicates with the finance department regularly to exchange information and perspectives. Issues identified at these discussions as being a potential risk are immediately subjected to a fuller investigation.



Risk	Risk Assessment	Impact	Mitigation Actions
Competitor risk	Moderate	Loss of new businesses due to competition and new entrants	<ul style="list-style-type: none"> - Improving service accessibility and expanding customer reach. - Increased marketing. - Diversifying business operations to look for new income sources. - Steps were taken to build a long lasting relationship with the customers by entering into long term agreements. - Have a good rapport with the tenants and respond positively to their requests.
Credit risk	Moderate	Debtors defaulting payments	<ul style="list-style-type: none"> - Undertake comprehensive customer evaluation before taking a tenant on board. - Obtaining security deposits from tenants. - Continuous and close follow up with debtors. - Impose penal interest on late payments.
Liquidity risk	Moderate	Inability to meet financial commitments	<ul style="list-style-type: none"> - Planned capital investments to ensure working capital requirements are met. - Surplus cash is invested in Fixed deposits only with licensed commercial banks. - Maintaining a healthy rapport with banks to finance urgent funding requirements.
Fraud risk	Low	Financial frauds due to inadequate internal controls	<ul style="list-style-type: none"> - Regular review of controls and changes are being made to the processes. - Internal audits are carried out periodically and share the findings with the Board of Directors on any significant deviations of controls. - Incorporate stringent Delegation of Authority. - Follow Standard Operating Procedures.
IT and Cyber risk	Low	Potential loss of data due to a cyber attack	<ul style="list-style-type: none"> - Continuous monitoring of potential threats to the information system by a dedicated 3rd party supplier. - Deploying the latest cyber security software to prevent any cyber attack. - Making staff aware of any threats and maintaining information security.
Regulatory risk	Moderate	The risk from changes in laws and regulations can impact the business operations	<ul style="list-style-type: none"> - Maintaining a sound corporate governance practice to keep with industries best standards. - Continuous reviewing of changes in laws and regulations. - Monthly compliance report sent to Board of Directors for review.
Environmental risk	Low	Adverse impact on the environment from entity's operations	<ul style="list-style-type: none"> - Making employees aware of minimising the environmental impact. - Strictly adhering to the waste disposal guidelines imposed by relevant authorities.

High Moderate Low

RISK MANAGEMENT

Risk	Risk Assessment	Impact	Mitigation Actions
Price risk	Moderate	An increase in raw material prices will result in higher costs	<ul style="list-style-type: none"> - Securing low prices through long term relationships with suppliers. - Calling for competitive quotations.
Compliance risk	Low	Environmental and other laws disrupt operations.	<ul style="list-style-type: none"> - Complying with all the laws applicable and closely monitoring any deviations throughout the year.
Human resources risk	Low	Loss of employees for better career aspects	<ul style="list-style-type: none"> - Continuous engagement and hosting social and welfare events. - Training and development opportunities provided for the employees. - Open door policy for employees to express their concerns to their superiors. - Remuneration packages are benchmarked to ensure that they remain competitive, including incentive arrangements where appropriate. - Regular staff meetings were arranged to convey key management decisions to keep the employees informed on significant changes.
Socioeconomic risk	Moderate	Political and economic policies may hurt revenue and new businesses	<ul style="list-style-type: none"> - Continuous review of prices and negotiations with clients to ensure minimal impact on the revenue. - Pre budget any possible adverse policy changes and account for the impact on the business.
Reputation risk	Low	Negative impact on corporate image and brand which will ultimately lead to loss of business.	<ul style="list-style-type: none"> - Maintenance of highest ethical conduct in all business activities. - Maintaining a strong relationship with key stakeholders and ensuring their needs are satisfied. - Engage in various activities to develop the well being of the surrounding communities. - Application for Trade Mark Registration.
Investment risk	Moderate	Failure of major investments to give expected returns	<ul style="list-style-type: none"> - Conduct feasibility studies and obtain Board approval for all the major investments. - Making accurate project estimates using expert advice.
Fire and natural disaster risk	Moderate	Fire or natural disasters can affect the Company's properties and assets	<ul style="list-style-type: none"> - Obtaining comprehensive insurance policies covering all assets. - Fire Training and fire drill. - Follow fire evacuation plan and awareness among the employees and security staff. - Ensure Fire hydrant system is in operation 24 hours ,7 days.

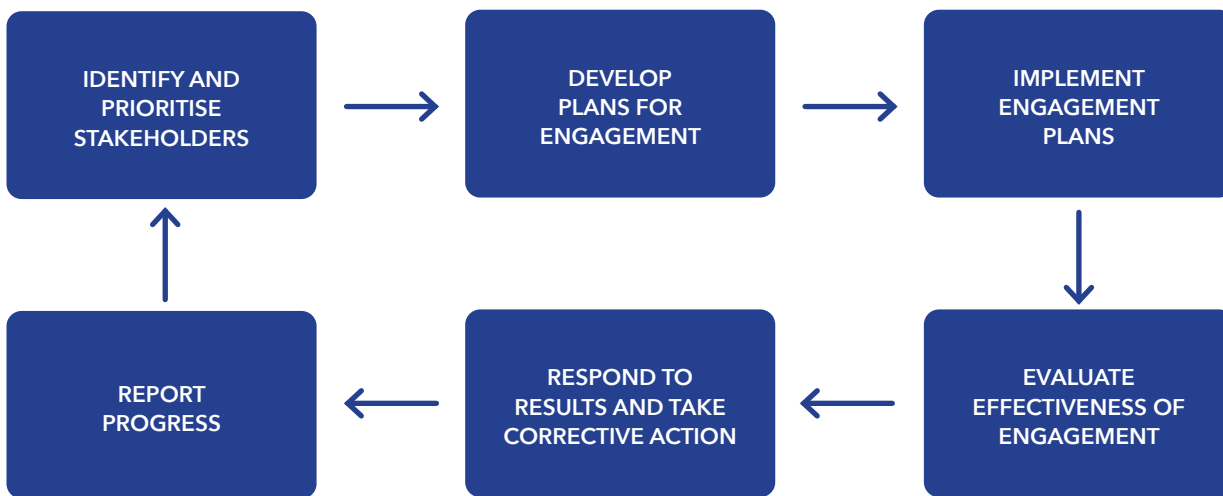
High Moderate Low

STAKEHOLDER ENGAGEMENT

LINDEL’s stakeholders are wide ranging, and are considered to be individuals and entities who are either impacted by the organisation’s operations and activities, or whose actions impact the Company’s ability to generate value over time. All stakeholder activities pertain to the Company’s economic, environmental, social and governance aspects.

In order to ensure the Company’s activities and strategy are aligned with evolving stakeholder needs, LINDEL engages in an ongoing assessment of stakeholder needs, behaviour and perceptions, which in turn support the organisation in identifying topics material towards its operations, and ensure the Company’s ability to maintain its reputation over time.

LINDEL’s stakeholder engagement mechanisms and process are reviewed regularly to ensure their effectiveness, and is outlined below:



STAKEHOLDER IDENTIFICATION AND PRIORITISATION

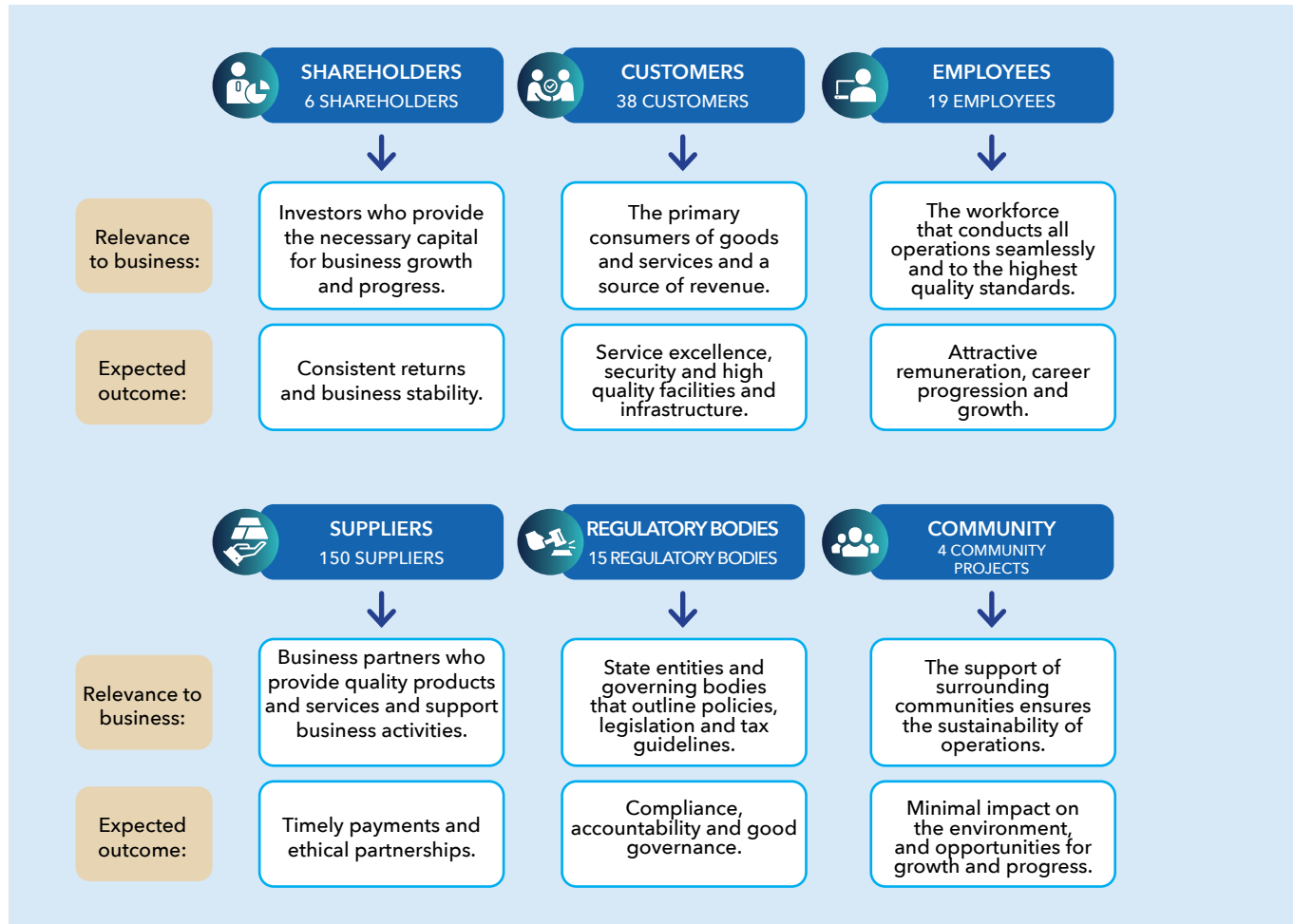
Based on their level of power and influence over the organisation’s activities and the relevant stakeholder’s level of interest and involvement, the Company ranked and prioritised its degree of engagement using the matrix below:



STAKEHOLDER ENGAGEMENT

Consult	Obtain the stakeholder’s feedback for the Group’s decision making processes.
Involve	Directly interact with the stakeholder to ensure that their concerns are considered.
Collaborate	Partner with the stakeholder in developing alternatives and solutions.
Monitor	Periodically assess and monitor trends and requirements

A detailed analysis of stakeholder needs and expectations as well as their impact on the organisation's activities is outlined below
















Stakeholder Engagement Strategy

Quality of Engagement

●○○○○	No existing relationship
●●○○○	Relationship established and its quality has not significantly improved
●●●○○	Relationship has been established and adds value to both parties, with room for improvement
●●●●○	Good quality, mutually beneficial relationship with room for improvement
●●●●●	Strong, mutually beneficial relationships

Stakeholder	Quality of Engagement	Engagement Methods	Frequency of Engagement	Focus Areas	Response and Outcomes	Impacted SDGs
Shareholders	●●●●○	<ul style="list-style-type: none"> - Annual Report - Annual General Meeting - Management Accounts - Company Website 	<ul style="list-style-type: none"> - Annually - Annually - Monthly - Ongoing 	<ul style="list-style-type: none"> - Return on investment - Ethical corporate conduct and good governance - Prudent risk management 	<ul style="list-style-type: none"> Financial Capital Pages 44-49 Corporate Governance Pages 70-84 Risk Management Pages 29-32 	   
Customers and Tenants	●●●●●	<ul style="list-style-type: none"> - Customer survey - Company Website - Meetings - Visits to monitor 	<ul style="list-style-type: none"> - Annually - Ongoing - As required - As required 	<ul style="list-style-type: none"> - High levels of security - Uninterrupted services - High quality facilities - Value for money - Improvement of facilities and upgrades 	<ul style="list-style-type: none"> Social and Relationship Capital Pages 61-65 Intellectual Capital Pages 58-60 Manufactured Capital Pages 50-52 	 
Employees	●●●●●	<ul style="list-style-type: none"> - Staff meetings - Performance Appraisals - Memos 	<ul style="list-style-type: none"> - As required - Annually - As required 	<ul style="list-style-type: none"> - Skill development and career progression - Job security - Health and safety - Attractive reward schemes 	<ul style="list-style-type: none"> Human Capital Pages 53-57 	     
Suppliers	●●●●○	<ul style="list-style-type: none"> - Meetings - Written Communications 	<ul style="list-style-type: none"> - As required - As required 	<ul style="list-style-type: none"> - Prompt settlement of payments - Maintaining longstanding partnerships 	<ul style="list-style-type: none"> Social and Relationship Capital Pages 61-65 	 

STAKEHOLDER ENGAGEMENT

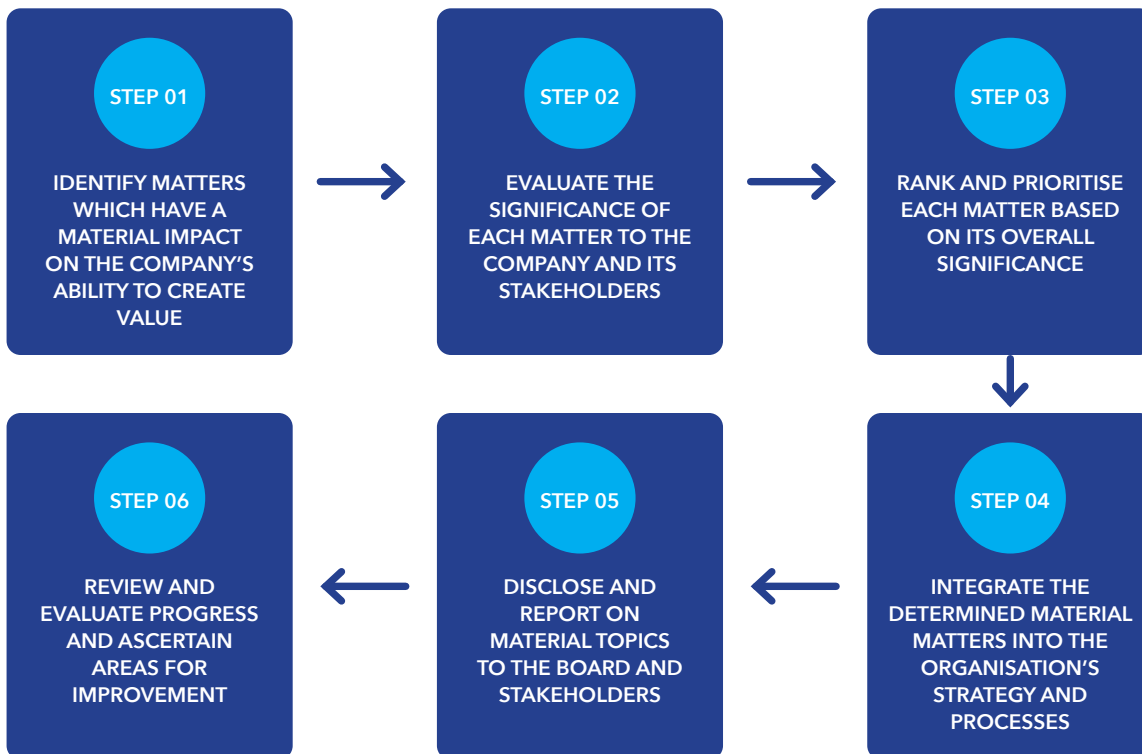
Stakeholder	Quality of Engagement	Engagement Methods	Frequency of Engagement	Focus Areas	Response and Outcomes	Impacted SDGs
Regulatory Bodies	●●●●○	- Meetings - Written Communications	- As required - As required	- Compliance with rules and regulations - Timely payment of taxes	Financial Capital Pages 44-49 Natural Capital Pages 66-69 Corporate Governance Pages 70-84	 
Community	●●●○●	- Meetings - CSR initiatives	- As required - Annually	- Minimised impact on environment - Job opportunities - Supporting growth, progress and health	Social and Relationship Capital Pages 61-65 Natural Capital Pages 66-69	          

MATERIALITY ASSESSMENT

Based on the results of a comprehensive analysis of the operating environment and the identification of stakeholder needs through its engagement process, LINDEL conducts a materiality assessment to determine the issues which have a significant impact on the Company’s ability to create value over the short, medium and long term.

Following the identification of its material topics, LINDEL engages in closely monitoring these aspects to ensure any potential threats are managed within the organisation’s risk appetites, and all strategies are derived in order to create and sustain value, both within the organisation and on behalf of its stakeholder groups.

The company’s process to identify and address its material topics is outlined below:



BASIS FOR IDENTIFYING MATERIAL TOPICS

In order to create a more focused, efficient strategy, LINDEL prioritises its material issues based on their ability to impact the organisation’s operations, reputation, commercial viability, goals, and its relationships with its stakeholders.

The following dimensions are considered in order to determine the topic’s level of materiality to the business and its stakeholders

- IMPORTANCE OR SCALE OF IMPACT**
A relatively high degree of impact to the company's daily operations
- FREQUENCY OF OCCURRENCE**
A high degree of occurrence despite a low degree of impact
- IMPLICATIONS TOWARDS COMPLIANCE AND REGULATORY REQUIREMENTS**
Relevance to good governance, regulatory mechanisms and legal frameworks
- POTENTIAL RISK TO STAKEHOLDERS**
The ability to disrupt operations and expose stakeholders to risks

MATERIALITY ASSESSMENT

MATERIAL THEMES AND TOPICS

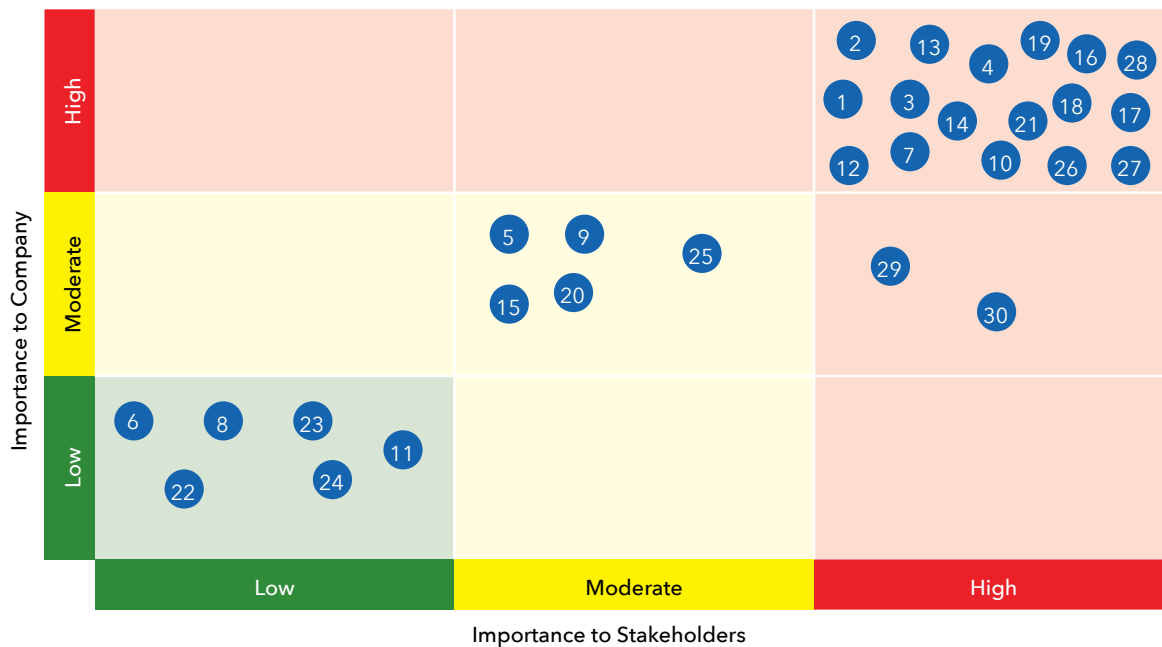
Based on the previous assessment, the following 30 material topics were derived, and ranked accordingly.

Material Topic	GRI Index Number	Impact to Company	Impact to Stakeholders	Change in Materiality	Relevant SDGs
Economic					
1 Economic Performance	201	●	●	Unchanged	
2 Market Presence	202	●	●	Unchanged	
3 Indirect Economic Impacts	203	●	●	Unchanged	
4 Procurement Practices	204	●	●	Increased	
5 Anti-Corruption	205	●	●	Unchanged	
6 Anti-Competitive Behaviour	206	●	●	Unchanged	
7 Tax	207	●	●	Increased	
Environmental					
8 Materials	301	●	●	Increased	
9 Energy	302	●	●	Increased	
10 Water and Effluents	303	●	●	Unchanged	
11 Biodiversity	304	●	●	Unchanged	
12 Emissions	305	●	●	Unchanged	
13 Waste	306	●	●	Unchanged	
14 Environmental Compliance	307	●	●	Unchanged	
15 Supplier Environmental Assessment	308	●	●	Unchanged	
Social					
16 Employment	401	●	●	Unchanged	
17 Labour/Management Relations	402	●	●	Unchanged	
18 Occupational Health and Safety	403	●	●	Unchanged	
19 Training and Education	404	●	●	Unchanged	
20 Diversity and Equal Opportunity	405	●	●	Unchanged	
21 Non-Discrimination	406	●	●	Unchanged	
22 Freedom of Association and Collective Bargaining	407	●	●	Unchanged	

	Material Topic	GRI Index Number	Impact to Company	Impact to Stakeholders	Change in Materiality	Relevant SDGs
23	Child Labour	408	●	●	Unchanged	
24	Forced or Compulsory Labour	409	●	●	Unchanged	
25	Security Practices	410	●	●	Increased	
26	Local Communities	413	●	●	Unchanged	
27	Public Policy	415	●	●	Unchanged	
28	Customer Health and Safety	416	●	●	Unchanged	
29	Customer Privacy	418	●	●	Increased	
30	Socioeconomic Compliance	419	●	●	Unchanged	

Degree of Impact	Change in Materiality
● High	▲ Increased
● Moderate	■ Unchanged
● Low	▼ Decreased

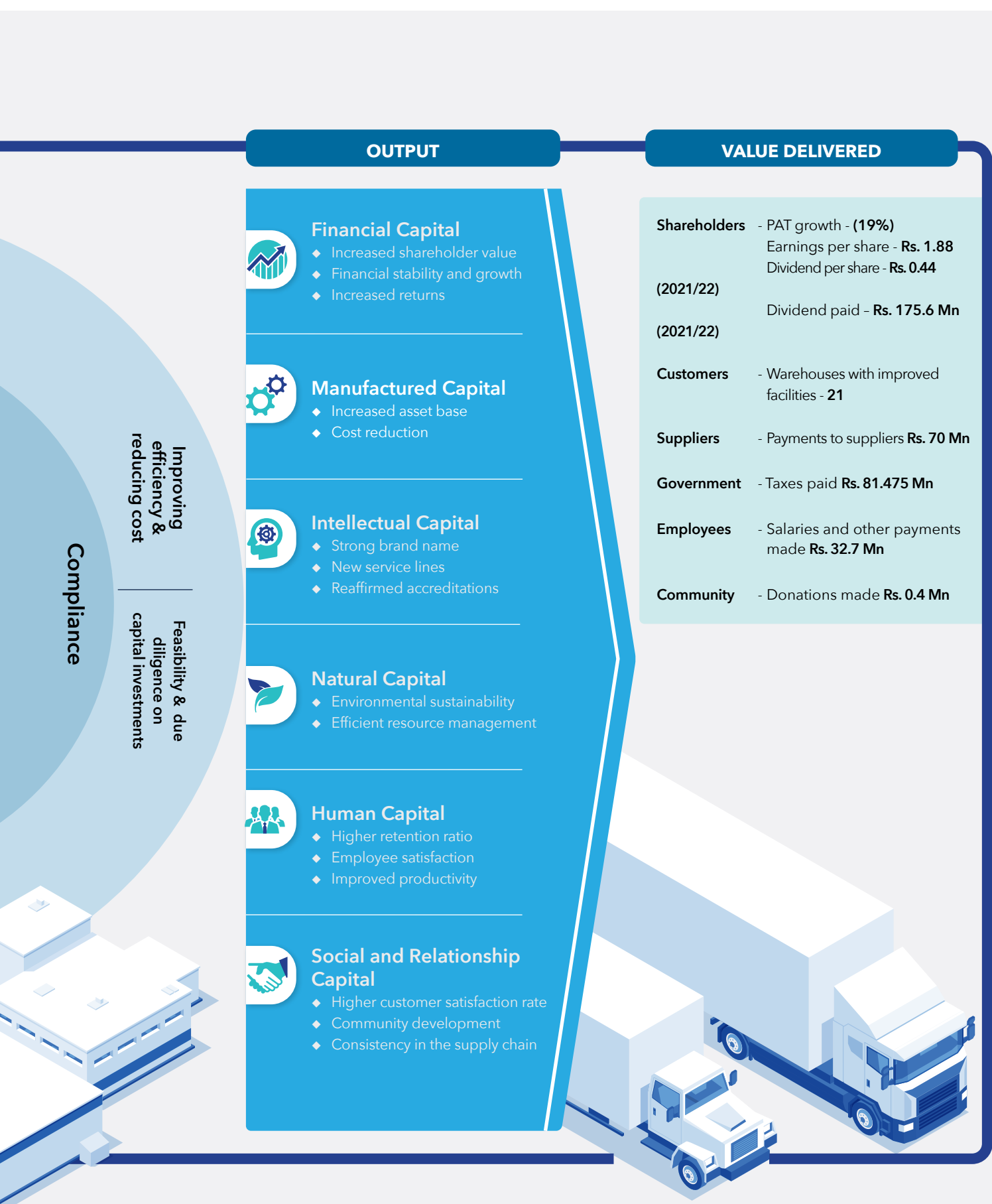
Identified material topics were ranked according to the two dimensional matrix outlined below:



VALUE CREATION AT LINDEL

Delivering its stakeholders value for their input is one of LINDEL's main goals. LINDEL use its capitals in order to create value for stakeholders. LINDEL strives to allocate its six capitals and other resources effectively and efficiently to assure that it continues to increase the value for all stakeholders.





OUTPUT

VALUE DELIVERED



Financial Capital

- ◆ Increased shareholder value
- ◆ Financial stability and growth
- ◆ Increased returns



Manufactured Capital

- ◆ Increased asset base
- ◆ Cost reduction



Intellectual Capital

- ◆ Strong brand name
- ◆ New service lines
- ◆ Reaffirmed accreditations



Natural Capital

- ◆ Environmental sustainability
- ◆ Efficient resource management



Human Capital

- ◆ Higher retention ratio
- ◆ Employee satisfaction
- ◆ Improved productivity



Social and Relationship Capital

- ◆ Higher customer satisfaction rate
- ◆ Community development
- ◆ Consistency in the supply chain

- Shareholders** - PAT growth - (19%)
Earnings per share - **Rs. 1.88**
Dividend per share - **Rs. 0.44**
(2021/22)
Dividend paid - **Rs. 175.6 Mn**
(2021/22)
- Customers** - Warehouses with improved facilities - **21**
- Suppliers** - Payments to suppliers **Rs. 70 Mn**
- Government** - Taxes paid **Rs. 81.475 Mn**
- Employees** - Salaries and other payments made **Rs. 32.7 Mn**
- Community** - Donations made **Rs. 0.4 Mn**

Compliance

Improving efficiency & reducing cost

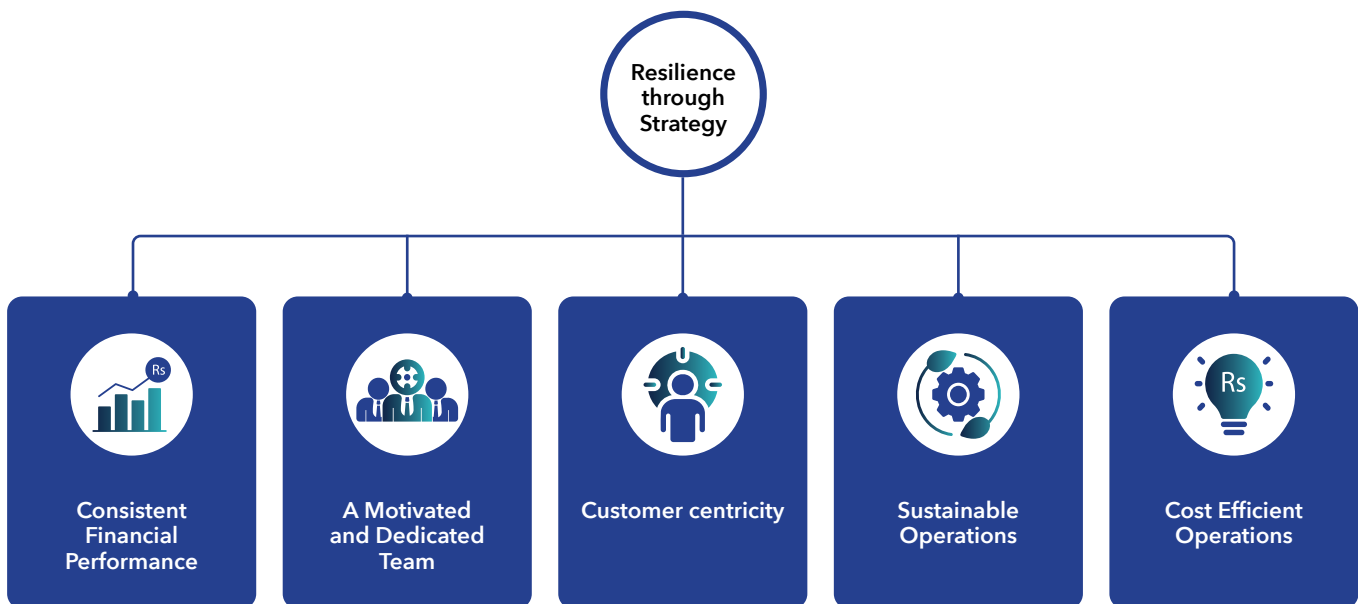
Feasibility & due diligence on capital investments

STRATEGY AND RESOURCE ALLOCATION

Amid a rapidly changing environment, identifying and articulating the right strategies is a prerequisite for consistent and sustainable value creation. The right strategies must be accompanied by their timely and rigorous execution, which can only be achieved through the prudent allocation of resources.


At LINDEL, strategy and resource allocation is led by the Board of Directors and the Senior Management, and derived in line with the Company’s material topics, found on page 27-37 of this report. These material topics are primarily based on emerging trends and prevailing environmental dynamics that are identified via a continuous assessment of stakeholder concerns and risks and opportunities.











The following strategic priorities are interdependent in nature each complementing the other, and reinforcing the Company’s ability to achieve resilience and maintain business continuity in the long term.



STRATEGIC PLAN AND RESOURCE ALLOCATION

LINDEL’s overarching strategy enables the Company to realise wide ranging benefits to its stakeholders, while resource allocation empowers the management to deploy the necessary initiatives and enable their execution. During the year, the following strategic plan was put into effect, and resources were allocated accordingly.

Strategic Priority	Anticipated Outcomes	Initiatives	Resource Allocation	Impacted Stakeholders	Reference
Consistent Financial Performance	Business continuity Shareholder value	Prioritising seamless operations amid disruptive conditions Maintaining 95% occupancy during the year Acquisition and renting of new lots to customers Generating additional income through solar power generation Investing in future oriented projects for long term growth	Capital expenditure Rs. 11.84 Mn	Shareholders Employees Suppliers Regulatory Bodies	 Financial Capital

Strategic Priority	Anticipated Outcomes	Initiatives	Resource Allocation	Impacted Stakeholders	Reference
A Motivated and Dedicated Workforce	Unmatched customer experience Business continuity A strong reputation and trust	Prioritising mental health and wellbeing Maintaining high standards of occupational health and safety A framework established to ensure fair and equitable treatment for all employees Extending opportunities to work from home and offering transport amid the fuel crisis Offering opportunities for training and development Adequately compensating staff with benefits and adjustments to salaries in the wake of the economic crisis	Remuneration and benefits Rs. 32.7Mn	Employees Customers	 Human Capital  Intellectual Capital
Customer-centricity	Unmatched customer experience Business continuity A strong reputation and trust Shareholder value	Investing in upgrading property and equipment to deliver high standards of service Acquisition and renting of new lots to customers Improving customer security through infrastructure development	Investment in technology and customer service activities Rs. 0.4 Mn	Customers Shareholders	 Social and Relationship Capital  Intellectual Capital
Sustainable Operations	Efficient resource consumption Cost optimisation Safeguarding people and planet Employment opportunities	Investments in renewable energy Engaging in raw water treatment, wastewater treatment, and spring water treatment Protection of the surrounding environment and biodiversity through the management of emissions, waste and noise A significant proportion of tenant employees are sourced from surrounding communities Investing in the education of the surrounding community Facilitating economic growth and infrastructure development Mechanisms to ensure the efficient usage of space, water, energy and paper Supporting local suppliers	Investment in environmental and community-based initiatives Rs. 0.4 Mn Supplier payments Rs. 70 MN	Shareholders Customers Community Regulatory Bodies	 Natural Capital  Manufactured Capital  Social and Relationship Capital
Cost Efficient Operations	Improved bottom line performance Efficient resource consumption	Establishing cost efficiencies through principles of circularity Investing in technology to streamline processes and minimise resource consumption	Investment in technology and process enhancements and environmental based initiatives Rs. 53.75 Mn	Shareholders	 Manufactured Capital  Intellectual Capital  Natural Capital

FINANCIAL CAPITAL

The Group’s Financial Capital comprises the funds and monetary resources obtained through debt, equity, retained earnings, assets and investments. LINDEL’s financial capital enables the organisation to develop products and services for its customers, and achieve organisational growth. The growth and enhancement of the organisation’s financial capital base ensures the generation and equitable distribution of wealth among employees, service providers and the surrounding community, while contributing towards economic growth and maximising shareholder value.



VALUE ENABLERS

- Revenue and Profitability
- Financial Position
- Subsidiary performance



VALUE DERIVED

- ◆ Consistent Returns to Shareholders through Improved Performance and Cost Management
- ◆ Stability through a Strong Financial Position and Prudent Investments
- ◆ Business continuity through prudent, farsighted strategies
- ◆ Economic value Generated through Organisational Success

RELEVANT SDGS	MATERIAL TOPICS	IMPACTED STAKEHOLDERS
      	<p>GRI 201: Economic Performance</p> <p>GRI 202: Market Presence</p> <p>GRI 203: Indirect Economic Impacts</p> <p>GRI 207: Tax</p>	<p>Shareholders, Employees, Customers</p>

MANAGEMENT APPROACH	
<p>Amid the challenging macroeconomic conditions that prevailed during the year under review, LINDEL primarily focused on cost optimisation initiatives, while focusing on</p>	<p>consistently delivering its services in order to generate revenue through its existing customer base. While prudently managing its existing resources, the Company primarily focused on expanding its renewable energy capabilities during the year, and continues to actively seek out opportunities to further expand its reach to address future demand.</p>

REVENUE AND PROFITABILITY

Revenue

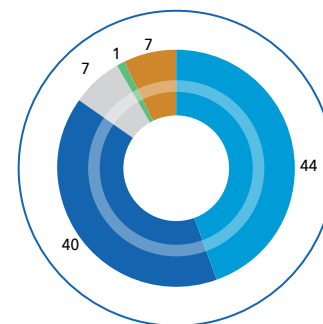
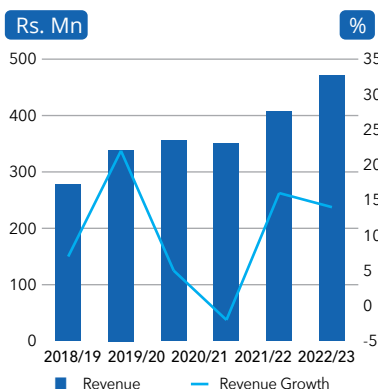
LINDEL's primary source of income arises from income generated from leasing and renting out its investment properties to its tenant base. During the year under review, the Group successfully recorded a 16% growth in revenue to reach a turnover of Rs. 470.4 Mn. At present, 95% of the properties are occupied, which served to contribute to the Group's performance during the year. The additional income received from floor and lease rent accounted for 84% of the total increase in revenue during the financial year, and contributed towards Rs. 397.53 Mn of the overall revenue.

A 17% year on year growth was evident in lease rentals, while a 14% increase in income from floor rentals was recorded during the year. Sales from treated water declined during the period in question, while growth was exhibited with respect to solid waste disposal, pressurised water and common wastewater treatment. Notably, income achieved from solar power generation displayed a year on year growth of 49% to reach an income of Rs. 34.406 Mn.

Rs. 470.4 Mn

Total Group Revenue
(Rs.407.0 Mn in 2021/22)

REVENUE GROWTH



- Lease rentals
- Floor rentals
- Treated water sales
- Solid waste disposal
- Pressurized water
- Common wastewater treatment
- Solar Power

Revenue Composition	Group			Company		
	2023	2022	Change	2023	2022	Change
	Rs.'000	Rs.'000		Rs.'000	Rs.'000	
Lease rentals	207,757	177,486	17%	207,757	177,486	17%
Floor rentals	189,773	166,262	14%	190,885	167,374	14%
Treated water sales	33,752	36,714	-8%	33,804	36,766	-8%
Solid waste disposal	3,025	2,538	19%	3,028	2,541	19%
Pressurized water	1,181	352	236%	1,181	352	235%
Common wastewater treatment	1,011	527	92%	1,011	527	92%
Solar Power	34,406	23,140	49%	34,406	23,140	49%
Total	470,447	407,019	16%	472,072	408,186	16%

OTHER OPERATING INCOME

Other operating income recorded a decline of 5% against the preceding year to reach a performance of Rs. 19.464 Mn. LINDEL Industrial Laboratories Limited achieved a revenue of Rs. 19.2Mn against the performance of Rs. 20.8 Mn achieved in the previous financial year.

EXPENSES

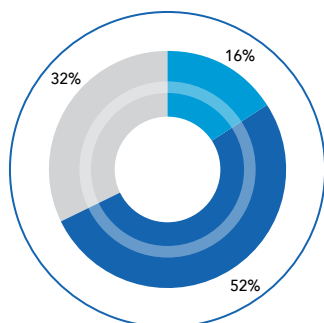
LINDEL's operating expenses recorded an increase of 26% to reach Rs. 263.06 Mn, against the previous year's Rs. 208.7 Mn. The increase in expenses was primarily attributable to the steep rise in the cost of operations owing to the high inflationary environment, the escalating cost of goods and the constrained macroeconomic conditions that were in effect during the year. However, the Group was able to sufficiently establish

FINANCIAL CAPITAL

the necessary controls and curb the impact of these factors owing to cost optimisation initiatives and prudent management strategies integrated into our operations over the years. Resultantly, a 42% increase in other operating expenses was evident during the year, while depreciation and amortisation expenses rose by 15% year on year.

Rs. 19.4 Mn

Other Income
(Rs.20.5 Mn in 2021/22)



- Staff Expenses
- Depreciation and Amortisation
- Other Operating Expenses

Rs. 263 Mn

Total Group Expenses
(Rs. 208.7 Mn in 2021/22)

OPERATING PROFIT

The Group's operating profit grew by 36% to reach Rs. 1,703.33 Mn for the year, supported by the increase in top line performance, which served to counteract the aforementioned increase in operating expenses. The operating profit further included the fair value gain on investment property, which displayed a year on year increase of 43% to reach Rs. 445.355 Mn.

Rs. 1,703.33 Mn

Operating Profit
(Rs.1248.94 Mn in 2021/22)

NET FINANCE INCOME

The Group's net finance income rose by 195% to reach Rs. 66.343 Mn, against the Rs. 22.505 Mn recorded in the previous year.

Rs. 66,343 Mn

Net finance income

PROFITABILITY

The LINDEL Group recorded a consolidated profit before tax of Rs. 1,769 Mn for the financial year ended on 31st March 2023, to establish a year on year increase of 39%. The Company's profit before tax recorded a corresponding increase of 39% to reach a performance of Rs. 1,769 Mn, against the preceding year's Rs. 1,271 Mn.

Rs. 1769 Mn

Group Profit Before Tax
(Rs. 1271 Mn in 2021/22)

Rs. 753.2 Mn

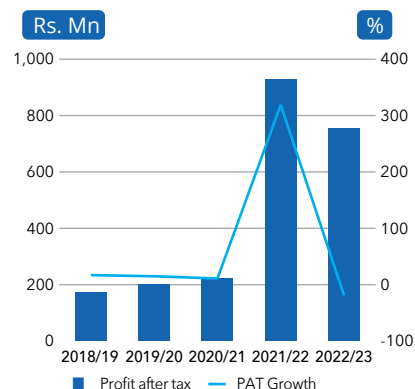
Group Profit After Tax

The Company's profit after tax stood at Rs. 753.20 Mn in comparison to the Rs. 927.4 Mn achieved in the previous year. The Group's consolidated profit after tax too exhibited a decrease, declining by 19% year on year to reach Rs. 751.16 Mn against the previous year's profit after tax of Rs. 928.89 Mn. The aforementioned results were attributable to the increase in corporate and deferred tax rates which rose by 24% and 30% respectively in the second half of the year.

Rs. 1.017.53 Mn

Income Tax Expense
(Rs.342.5 Mn in 2021/22)

PROFITABILITY TREND



EARNINGS PER SHARE

The LINDEL Group's earnings per share exhibited a year on year decline to reach Rs. 1.88 per share, in comparison to the Rs. 2.33 per share recorded in the previous year.

Rs. 1.88

Earnings per share
(Rs. 2.33 in 2021/22)

FINANCIAL POSITION

Total Assets

The total assets of the Group grew by 16% to reach Rs. 10,142 Mn during the year under review, with property, plant and equipment and investment properties accounting for 95% of its overall value. During the year, the Group invested in 74,600 debentures issued by Sampath Bank PLC, which will mature in 2028, and presently account for Rs. 7.7 Mn of the total asset base.

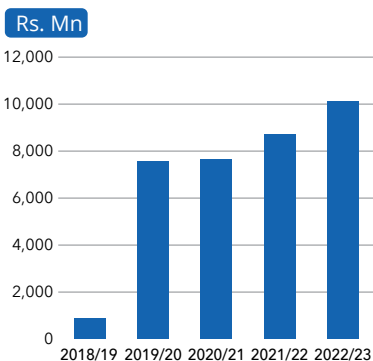
Total Liabilities

The total liabilities of the Group stood at Rs. 3,139 Mn (2,235 Mn in 2021/22) of which 94% were non current liabilities and 6% were current liabilities. In contrast, in 2021/22, 91% of the total assets were long term liabilities, and 9% were current liabilities. Non current liabilities increased from Rs. 2,026 Mn to Rs. 2,955 Mn, primarily attributable to a 47% increase in the Group's deferred tax liabilities.

Investment properties
Rs. 9,425 Mn
 (Rs.8,057 Mn in 2021/22)

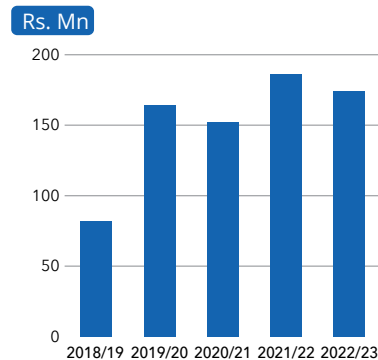
Rs. 10,142 Mn
 Group Total Assets
 (Rs. 8,733 in 2021/22)

TOTAL ASSETS

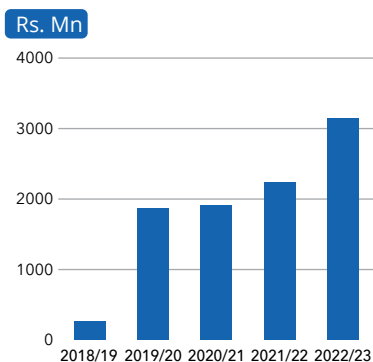


POSITION

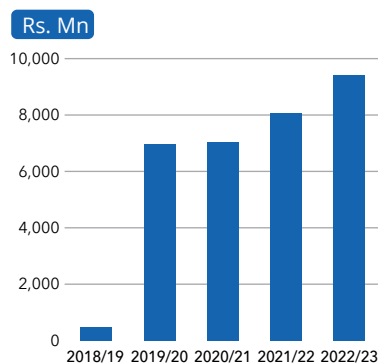
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TOTAL LIABILITIES



INVESTMENT PROPERTIES



SNAP SHOT OF FINANCIAL

As at 31 March	Group			Group		
	2023 Rs.'000	2022 Rs.'000	Change %	2023 Rs.'000	2022 Rs.'000	Change %
Assets						
Property, plant and equipment	176,875	189,309	(6.6)	174,488	186,329	(6)
Investment properties	9,424,616	8,056,758	17.0	9,424,616	8,056,758	17
Investment in Debentures	7,723	-	-	7,723	-	-
Investment in subsidiary	-	-	-	7,000	7,000	-
Total non current assets	9,609,214	8,246,067	16.5	9,613,827	8,250,087	17
Inventories	6,302	5,327	18.3	3,784	3,328	14
Trade and other receivables	88,687	58,914	50.5	85,783	54,352	58

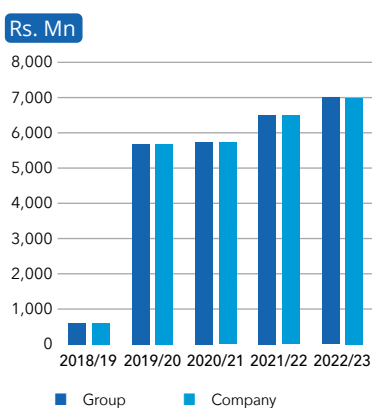
FINANCIAL CAPITAL

As at 31 March	2023 Rs.'000	Group 2022 Rs.'000	Change %	2023 Rs.'000	2022 Rs.'000	Change %
Amount due from related party	-	-	-	1,420	1,651	(14)
Short term deposits						
Cash and cash equivalents	438,237	423,147	3.6	423,898	411,286	3
Total current assets	533,226	487,388	9.4	514,885	470,617	9
Total assets	10,142,440	8,733,455	16.1	10,128,713	8,720,705	16
Equity and liabilities						
Stated capital	159,692	159,692	-	159,692	159,692	-
Reserves	6,843,162	6,338,607	8.0	6,833,059	6,329,271	8
Total equity	7,002,854	6,498,299	7.8	6,992,751	6,488,963	8
Deferred taxation	2,837,026	1,924,564	47.4	2,837,714	1,924,903	47
Refundable deposits	113,567	96,163	18.1	113,567	96,163	18
Employee benefits	4,816	5,779	(16.7)	3,561	4,600	(23)
Total non current liabilities	2,955,410	2,026,506	45.8	2,954,843	2,025,666	46
Accruals, deposits and advances received	131,402	129,341	1.6	130,084	128,433	1
Other liabilities	4,658	31,236	(85.1)	4,166	30,206	(86)
Current taxation	48,116	47,950	0.3	46,869	47,412	-
Bank overdraft	-	123	-	-	25	-
Total current liabilities	184,176	208,650	(11.7)	181,119	206,076	(12)
Total liabilities	3,139,586	2,235,156	40.5	3,135,962	2,231,742	41
Total equity and liabilities	10,142,440	8,733,455	16.1	10,128,713	8,720,705	16

TOTAL EQUITY

The Group's total equity demonstrated an 8% year on year growth to reach Rs. 7,002 Mn, against the Rs. 6,498 Mn recorded in the preceding year.

TOTAL EQUITY



RETURN TO SHAREHOLDERS

The Group continues to balance distribution of shareholder value with long term business continuity and expansion, and to this effect, the Board of Directors declared a full and final cash dividend of Rs. 0.44 per share to reach Rs. 175.66 Mn as at 31st March 2023, following a comprehensive assessment of the business's financial position and future stability.

CASHFLOW

Net cash flow from operating activities stood at Rs. 150.47 Mn, reflecting a 47% year on year decline. A net cash outflow for financing activities of Rs. 183.1 Mn was recorded during the year, representing a 9% against the previous year. Furthermore, a net cash inflow of Rs. 47.86 Mn was generated from investing activities, in comparison to the outflow of Rs. 121.91 Mn recorded in the preceding year. Overall, LINDEL's cash and cash equivalents increased by Rs. 15.2 Mn during the year to reach Rs. 438.2 Mn.

Rs. 7,002 Mn
Total Equity
(Rs.6,498 Mn in 2021/22)

SUBSIDIARY PERFORMANCE

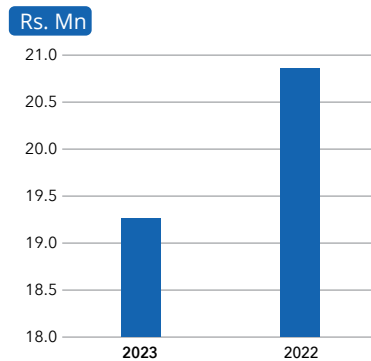
Lindel Industrial Laboratories Limited (LILL) is the fully owned sole subsidiary of Lanka Industrial Estates Limited, and operates as an industrial laboratory providing a range of testing services to both LINDEL's tenants and a wider client base. Amid the constrained macroeconomic conditions that were in effect during the period under review, the subsidiary recorded a subdued performance.

Revenue and Profitability

LILL recorded a marginal year on year revenue decline of 8% to reach Rs. 19.26 Mn, against the Rs. 20.86 Mn in the preceding year.

Total expenses for the year stood at Rs. 19.9 Mn, exhibiting an increase of 12% against the previous year. Marked increases of 27% and 272% were witnessed across staff expenses and depreciation respectively, while other operating expenses recorded a decline of 10% to reach Rs. 8.79 Mn.

LILL REVENUE

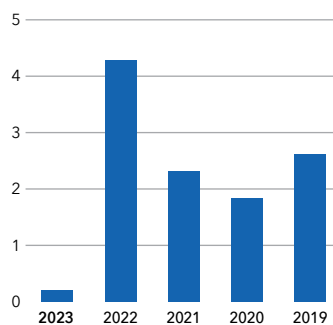


Rs. 438.2 Mn
Cash and Cash Equivalents
(Rs. 423.1Mn in 2021/22)

As a result, LILL recorded a Rs. 645,000 loss from operations, exhibiting a 120% decline against the previous year's operating profit of Rs. 3.15 Mn. The Company achieved a 233% increase in finance income to reach Rs. 2.37 Mn, resulting in a Rs. 1.73 Mn profit before tax. Income tax expenses displayed a significant increase of 120% to reach Rs. 1.53 Mn, which led to the Company achieving profit of Rs. 0.198 Mn against the previous year's profit of Rs. 3 Mn.

Earnings per share stood at Rs. 0.21 as at 31st March 2023.

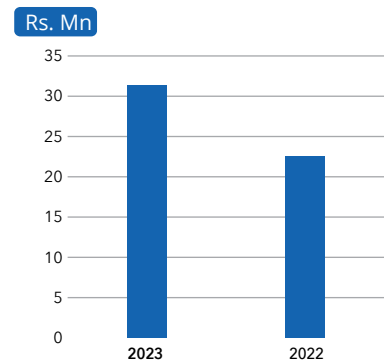
EPS



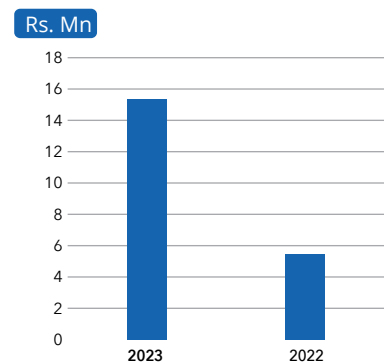
TOTAL ASSETS AND LIABILITIES

Total assets at LILL were valued at Rs. 31.4 Mn, as opposed to the Rs. 22.51 Mn in assets recorded in the previous year, thereby demonstrating an increase of nearly 40% year on year. This increase was primarily owing to the investments made towards expanding the Company's asset base during the year. Furthermore, liabilities exhibited a significant year on year increase of Rs. 9.93 Mn to reach a total of Rs. 15.36 Mn during the year.

TOTAL ASSETS



TOTAL LIABILITIES



MANUFACTURED CAPITAL

Manufactured capital is the material goods and infrastructure including tools, technology, machines, buildings, and all forms of infrastructure that an organisation possessed, leased out, or controls in contributing toward production and service provision. These tangible assets play an important role in the sustainability of an organisation where it supports an organisation to be flexible, responsive to market or societal needs, innovative, and faster in getting its products and services to market while encouraging the effective resource usage for enhanced productivity.



↓

VALUE ENABLERS

- Water Treatment Plant
- Waste Water Treatment Plant
- Spring Water Collection Plant
- Buildings and Warehouses

↓

VALUE DERIVED

- ◆ Seamless operations through high quality infrastructure and facilities
- ◆ Efficiency and productivity through responsible resource management
- ◆ Sustainability and innovation through the right technologies
- ◆ Stability and resilience through capacity building and prudent investments

RELEVANT SDGS

MATERIAL TOPICS

- GRI 201: Economic Performance
- GRI 203: Indirect Economic Impacts
- GRI 301: Materials
- GRI 302: Energy
- GRI 303: Water and Effluents
- GRI 306: Waste

IMPACTED STAKEHOLDERS

- Customers,
- Employees,
- Community,
- Shareholders

MANAGEMENT APPROACH

LINDEL’s Manufactured Capital comprises three water treatment facilities, namely a raw water treatment plant, a spring/rainwater treatment plant and an industrial wastewater treatment plant, in addition to buildings and warehouses and technological infrastructure including solar panels. The industrial estate is equipped with a 10 MW power substation, and 200 SLT connections. The prudent management of the physical infrastructure within industrial estate contributes towards the efficiency of our tenants, operations, while enabling the profitability of our organisation, and therefore we invest in continuously upgrading our facilities to ensure our operations remain sustainable and relevant. Since 2017, the Group has invested close to Rs.501 Mn in investment properties, and currently holds a Net Book Value of property, plant and equipment (PPE) at Rs. 175 Mn and a Net Book Value of investment properties at Rs. 426Mn.

WATER TREATMENT PLANT

Raw Water Treatment Plant

LINDEL’s water treatment plant facilitates the production of water for its entire tenant base, with the ability to adequately address the quantity required for both human consumption and industrial purposes. Following a number of rehabilitations and modifications to the plant over the years, we are now fully equipped to

produce 9000 m³ of treated water on a daily basis. The Company successfully conducted an overhaul of the raw water intake pump during the year.



The water treatment plant comprises the following operations and components:

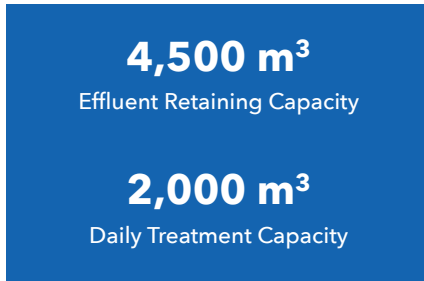
Operations	Components
Raw water intake at Pattiwila (the right bank of the Kelani River)	03 high lift vertical displacement pumps Pump house
Raw water pipeline	3.5 km long 14” diameter steel pipeline
9,000m ³ per day design capacity water treatment plant	02 Settling tanks, 02 Clariflocculators, 04 Rapid Sand filters, 04 Air Compressors, 04 Chemical dosing pumps, Chemical house, chemical mixing tanks, chlorine house and chlorine dosing pumps, 02 Underground sumps, 04 High lift pumps, 03 No of storage tanks (total capacity 28,500 m ³), 8” diameter distribution pipe network 630 Kva Transformer.

WASTEWATER TREATMENT PLANT

LINDEL’s wastewater plant was established in order to ensure compliance with the mandatory requirement of operating an industrial estate.

The plant facilitates both biological and chemical treatment and is armed with a capacity to retain industrial effluents amounting to 4,500 m³, and the capacity to treat nearly 2,000 m³ of water per day.

During the year, repairs were made to the sprinkler aerator system of the wastewater treatment plant.



Spring Water Treatment Plant

LINDEL established a spring water treatment plant in 2012 with the purpose of pumping water to the main plant for purification. The plant holds a capacity to produce 4,500 m³ - 9,000 m³ per month.



BUILDINGS AND WAREHOUSES

The Company is equipped with 16 warehouses spanning an area over 350,000 sq. ft, utilised by its tenants for a wide range of purposes including the storage of fertilizer, spare parts, tires and chemicals, to name a few. 95% of the Company’s warehouses were occupied by tenants by the close of the financial year.

The warehouse at Lot 24D which previously belong to Bluescope Lysaght Lanka was acquired by LINDEL through an investment of Rs. 4.0 Mn, and was subsequently modified, renovated and rented out to Lakwa Agri. The tenants have set up an agro equipment manufacturing plant on the premises. Furthermore, the vacated building at Lot 48 A was modified, renovated and rented out to Link Agro Pvt Ltd, an agrochemical based chemical importer and distributor.

Lindel Industrial Laboratories Ltd continued to operate out of its new premises, and leveraged on the new facilities to conduct its operations efficiently, while upholding the highest standards of health, safety and quality.



MANUFACTURED CAPITAL

INFRASTRUCTURE AND TECHNOLOGY

LINDEL's flagship solar power project continued from strength to strength during the year, thereby expanding its renewable energy capacity during the year. At present, the Company has installed 7 solar connections amounting to a total 1.5 MW capacity within its premises on both net metering and net plus basis. The panels served to further augment the nation's renewable energy sources amid the severe energy shortages that were in effect during the year, while resulting in the generation of additional revenue for the Company.

During the year, LINDEL strengthened its northern boundary by constructing a 200ft long wall together with security fencing, which prevented unauthorised access to the LINDEL zone from the respective area. This has in turn improved the probability of marketing the adjoining land (Lot 24 B). Additionally, the storm water from half of the catchment area of LINDEL was diverted to the vacant land at Lot 24B, and the company successfully directed the discharge of storm water to the external canal through the construction of a large storm water drain. Additionally, modifications were made to the old SFMC building to convert the premises to field storage, and a fuel storage tank was installed to address the fuel crisis that prevailed during the year, while a new vehicle yard was established for DFCC Bank PLC.

1,580,722 KW

Added to the Grid During the year

Rs. 34.4 Mn

Income Generated



HUMAN CAPITAL

Our human capital plays an integral role in pursuing our strategic goals and delivering an innovative and high quality service to our customers. Therefore, LINDEL is dedicated to investing in the development of its people’s capabilities and capacities to develop the potential of our Human Capital to create a productive, innovative, and adaptive team who can respond to the changing business environment.



VALUE ENABLERS

- Diverse team strength
- Recruitment and retention
- Learning and development
- Rewards and benefits
- Health and safety
- Collective bargaining
- Staff engagement
- Gender parity



VALUE DERIVED

- ◆ An engaged and motivated team with a 90% retention ratio.
- ◆ Increased female representation to 32%.
- ◆ A safe working environment.

RELEVANT SDGS	MATERIAL TOPICS	IMPACTED STAKEHOLDERS
	Labour/Management Relations 402 Occupational Health and Safety 403 Training and Education 404 Diversity and Equal Opportunity 405 Non Discrimination 406 Freedom of Association and Collective Bargaining 407 Child Labour 408 Forced or Compulsory Labour 409 Security Practices 410 Local Communities 413 Public Policy 415 Customer Health and Safety 416 Customer Privacy 418 Socioeconomic Compliance 419	Employees Customers Community

MANAGEMENT APPROACH

LINDEL recognises that its employees are a pivotal part of the organisation. The team plays a crucial role in achieving organisational objectives. The Human Resource Policy of LINDEL is aligned with the DFCC Group HR policy which focuses on developing a competent team who can make a

significant impact on the business growth. As a service oriented business, LINDEL strongly believes in developing a skilled team with the required competencies and attitudes.

LINDEL strives to maintain its people management policies on par with globally recognized standards. From the point of recruitment, LINDEL instills its core values in its employees to achieve its strategic goals. LINDEL is also

focused on developing its employees as professionals and for that purpose, employees are encouraged to pursue their higher studies to foster their career and personal progression. The annual employee performance appraisal serves as a tool to explore possible career development avenues for the employees thereby encouraging them to fulfil their career and academic goals.

HUMAN CAPITAL

DIVERSE TEAM STRENGTH

The Group possesses a diverse and loyal group of employees who have played a significant role in the success of LINDEL over the years. Employee loyalty has been a key strength with a turnover ratio of less than 10%.

Currently, LINDEL has a total of 19 employees in its workforce that accounting for 15 Executive staff and 4 Non-Executive staff members. During the year LINDEL managed to increase its female employee representation to 32% from 30% recorded in the previous year.

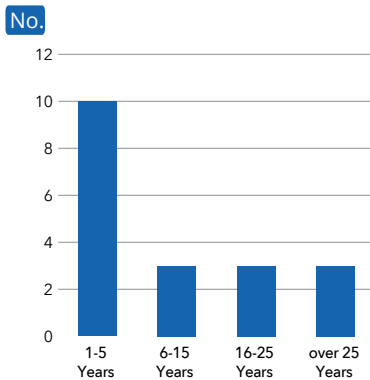


Male
13

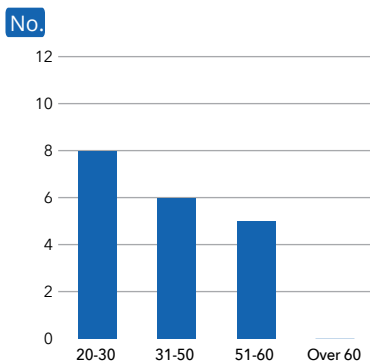


Females
6

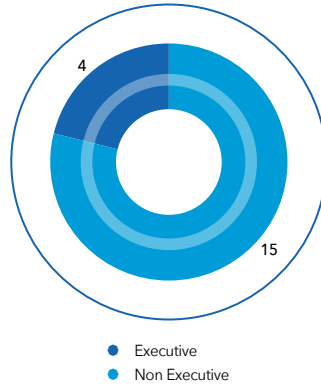
EMPLOYMENT TENURE



AGE DIVERSITY



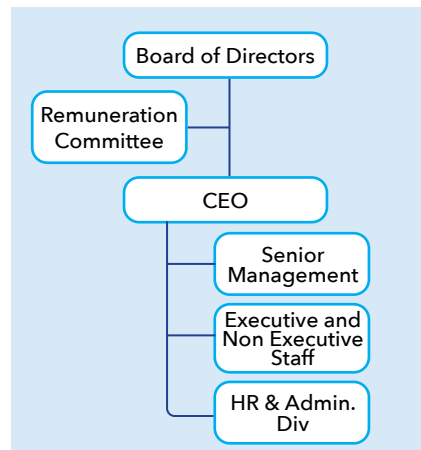
CATEGORY OF EMPLOYMENT



HR GOVERNANCE

As a subsidiary of the DFCC Group, the Company's Human Resource Policy is aligned closely with the DFCC Group's HR Policy. The DFCC Group HR team overlooks and manages the key HR functions of the Company with the consultation of the LINDEL CEO and Senior Management. The HR policy is reviewed annually by the Remuneration Committee of the Company and any recommendations are introduced as required to the Board of Directors. LINDEL's policies are further supported by the robust governance structure in place which is a core part of Human Resource Management. LINDEL is committed to upholding and comply with the laws and regulations governing labor in Sri Lanka and with the international labor standards.

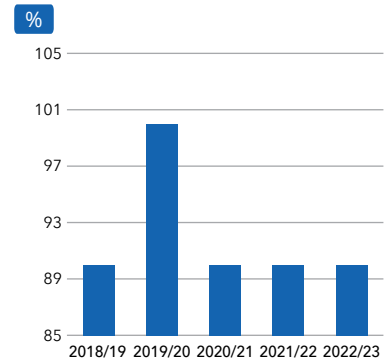
The governance structure for HR is as follows:



RECRUITMENT PROCESS

The Company follows a well structured recruitment process in order to recruit suitable candidates who are the best fit for the organisation's culture and business. During the year the Company recruited one employee for the senior management. Despite the current exodus of employees due to migration, the Company was successful in maintaining its retention ratio at 90%.

RETENTION RATIO



LINDEL Industrial Laboratories Limited maintains the highest standards and Procedures throughout its operations

LEARNING AND DEVELOPMENT

LINDEL focuses on cultivating a culture driven by continuous innovation. In order to support this culture, the Company invests in continuous learning and development which equips its employees to keep abreast with the technological development to improve its overall customer proposition.

The Company places emphasis on capacity building of its employees thereby paving the way for greater productivity and generating organisational stability and sustainability. During the year, the Company took steps to conduct several training programs which enhanced the skills and expertise of the employees.

A sum of Rs 270,000 was invested in the training and development of employees and the LINDEL team participated in several internal and external training programs as follows:

Training programme	No of participants	No of Hours
Managing and disposal of industrial waste as per prevailing rules and regulation in environmental act	1	5
Development of Laboratory Quality Management systems as per ISO/IEC 17025:2017	1	10
Chemical safety and risk management	1	4
Development of Laboratory Quality Management systems as per ISO/IEC 17025:2017	1	4
Occupational safety and health regulation	1	3
Measurement uncertainty in microbiological analysis	1	3
Awareness training programme on accreditation of reference materials	1	2
Assessor training course on "General Requirements for Proficiency Testing" as per ISO/IEC 17043:2010 and ISO 13528 :2015	1	5
Assessor training course on "General Requirements for Proficiency Testing" as per ISO/IEC 17025:2017	1	5

Training Hours / Employee 2.2

REWARDS AND BENEFITS

The Company rewards its employees with industry compatible rewards and remuneration. This ensures that employees are remunerated and satisfied in line with industry standards.

Thereby generating employee satisfaction levels whilst positioning LINDEL as an employer of choice.

Recognizing the inflationary pressures and the rising cost of living the Company took constructive action to adequately compensate the staff members with several benefits and adjustments to the salary.

REWARDS AND BENEFITS

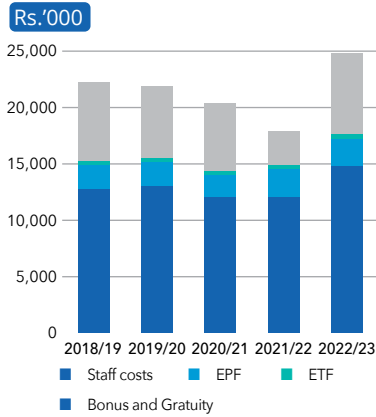
- ◆ Guaranteed salary and allowances with travelling and medical allowances.
- ◆ Performance bonus
- ◆ Reimbursable expenses
- ◆ Meal expenses for outstation work
- ◆ Professional membership fees
- ◆ Reimbursement of examination and professional exam fees on passing exams
- ◆ Medical benefits
- ◆ Hospitalization and surgical cover for employees and family
- ◆ OPD expenses allowance
- ◆ Critical illness cover
- ◆ Other benefits
- ◆ Staff trip for employees and family
- ◆ Maternity leave for 84 days
- ◆ Death donation scheme
- ◆ Long service awards recognised with Gold Sovereigns



Employee Benefits	2022/23	2021/22	2020/21
Salaries and other related expenses	14,782	12,033	12,025
Employer’s contribution to EPF	2,395	1962	1,972
Employer’s contribution to ETF	479	392	394
Staff bonus	6,347	1,935	5,232
Other staff costs	7,412	5,204	4,958
Gratuity	900	1,059	720

HUMAN CAPITAL

STAFF RELATED EXPENSES



HEALTH AND SAFETY

The Company is committed to maintaining internationally accepted health and safety standards across the Estate. Due to the nature of the business activities, there is no significant health and safety risk posed to employees. Hence no incidents related to health and safety occurred during the year.

GROUP WHISTLE BLOWING POLICY

DFCC Bank has developed the “Group Whistle Blowing Policy” to establish the guidelines and Whistle Blowing mechanism for DFCC Bank and its Subsidiary Companies maintaining high standards of Corporate Governance. The policy facilitates to create an environment of trust and maximum protection for the staff who report irregularities. Further all appropriate procedures and techniques are in place to conduct independent investigations into the Incidents reported through Whistleblowing or identified through any other channels. The Group has set up the necessary systems aimed at safeguarding confidentiality and offering anonymity, thereby protecting the Whistle Blower from possible harm through retribution or revenge by those against whom the complaint has been made and encouraging Immediate reporting of any wrongdoing or concerns for the best interest of the employees.

COLLECTIVE BARGAINING

Our HR policies are defined to provide equal opportunities for our employees. The Company has managed to eliminate the need for trade unions and collective bargaining agreements. During the year there was no incidence of any industrial disputes.

STAFF ENGAGEMENT & WORK LIFE BALANCE

In order to create a culture of unity and cohesiveness, the Company organises events and other activities for the team to bond. These annual and regular activities foster camaraderie among the team members.

With the objective of encouraging sound mental health of the employees in maintaining their work life balance the Company organises activities such as an annual staff trip for the employees with their families in promoting fellowship and team bonding. Work life balance practices are deliberately integrated into the organisational culture to minimize work life conflicts thereby enabling employees to be more effective in their roles at work.

Following staff engagement activities were organised during the year;

- Annual trip for staff and families
- Year end get-together
- Farewell parties of resigned employees
- Annual staff lunch on January 1st, 2023
- International Women’s Day celebration



GENDER PARITY

LINDEL places great emphasis on providing equal opportunities for women and is committed to promoting diversity in the workplace. A framework for fair and equitable treatment of all employees irrespective of their individual differences or any personal

characteristics is being fostered. During the year woman representation in the LINDEL senior management for the first time in the company history reached the 32% status of female carder.

POLICY FRAMEWORK AND STANDARDS

LINDEL is aware that equality and non-discrimination are core human rights concepts. Hence, LINDEL has strengthened its Human Resource policies by adding new policies to safeguard the interests of its female employees while nurturing them to showcase their talents.

- Sexual harassment policy
- Grievance policy for female employees
- Women’s Day celebrations on an annual basis



New year celebration

PROMOTING GENDER HARMONY AT THE WORKPLACE

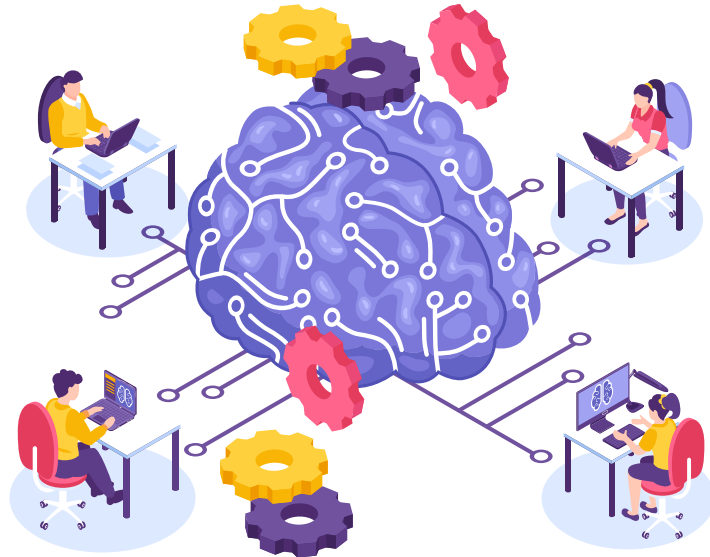
All female employees at LINDEL are provided with equal opportunities to express their opinions on Company policies and any changes required. The Company gives the utmost importance to these suggestions by its female workforce and ensures effective communication between the Board of Directors and female employees. Furthermore, LINDEL has the following practices in place to ensure gender parity.

- Equal opportunity recruitment
- Special grievance handling mechanism for sexual harassment
- Flexible working policy
- Equal rewarding and recognition policy

Equitable female representation across departments enhances decision making across the organisation.

INTELLECTUAL CAPITAL

Intellectual Capital is defined as the intangible assets that contribute towards establishing a strong competitive advantage while securing our ability to generate and sustain long term wealth creation. At LINDEL, our intellectual capital is driven primarily by the inherent knowledge and expertise arising from our skills, capabilities and group synergies, and further reinforced by the unique systems, standards and processes integrated within the organisation’s operations.



VALUE ENABLERS

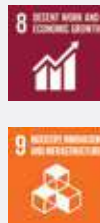
- Knowledge and Skills
- A Culture of Innovation
- Awards and Achievements
- Systems and Processes
- Certifications and Standards
- Brand Values and Synergies



VALUE DERIVED

- ◆ Service Excellence through High Standards of quality, health and safety
- ◆ Efficient Operations through innovation and process excellence
- ◆ Employee satisfaction and motivation through training and development
- ◆ A strong brand reputation through corporate culture and group synergies

RELEVANT SDGS



MATERIAL TOPICS

- GRI 404: Training and Education
- GRI 416: Customer Health and Safety
- GRI 307: Environmental Compliance

IMPACTED STAKEHOLDERS

- Customers,
- Employees,
- Community

MANAGEMENT APPROACH

Over the years, LINDEL has accumulated vast stores of knowledge, particularly with respect to infrastructure management and responsible resource consumption, while maintaining high standards of quality across its operations. The Company’s intellectual capital has served as a key enabler of its growth trajectory over the years, and ensures the organisation is able to consistently deliver excellence across all aspects of its business operations. LINDEL continues to be backed by its reputed parent Company DFCC Bank PLC and the strength of Government shareholding, which has equipped the organisation to remain resilient and steadfast amid challenging times.

KNOWLEDGE AND SKILLS

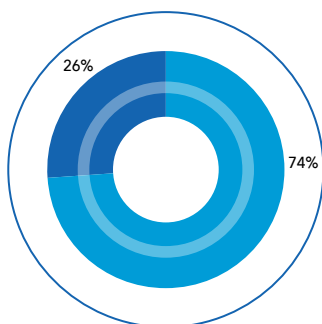
LINDEL's adaptability and success in the face of unwavering odds is built on the capabilities of an exceptionally skilled workforce. Consequently, the company continues to improve employee knowledge, skills, experience, and know how through an exposure to wide ranging opportunities for capacity development. The Group's ongoing investments in training and development enabled its personnel to develop and improve their knowledge and skill base, which in turn are translated into the organisation's ability to deliver an unmatched service to its customers and tenants, while enabling the seamless delivery of value to key stakeholders within the Group.

During the year under review, LINDEL focused on developing employee capabilities through a range of training and development programmes, while ensuring they remain apprised on emerging trends and key information and skills in order to conduct their duties effectively.

Refer page 55 for more details on employee knowledge, skills and training

RS. 270,000
 INVESTED ON GROUP WIDE TRAINING AND DEVELOPMENT ACTIVITIES

INVESTMENT



- LILL Training and Development
- LINDEL Training and Development

SYSTEMS AND PROCESSES

Armed with time tested processes, systems and procedures, LINDEL is fully equipped to deliver efficiency and productivity across its business operations, while seamlessly delivering high quality services and standards to its tenants.

Over the years, the Company has developed comprehensive process and procedure manuals, and maintained up to date management and accounting systems and stringent financial controls to ensure compliance with legal and statutory frameworks applicable to the industry.

Furthermore, the Group's industrial laboratory maintains stringent standard operating procedures to ensure the highest levels of quality, health and safety are maintained, while remaining in compliance with the necessary systems and protocols at every stage of its testing processes.

These intangible policies and frameworks have enabled the Group to sustain its operations amid rapidly changing dynamics, and deliver strong efficiencies through every eventuality. LINDEL will therefore continue to enhance these systems, processes and procedures in order to address evolving customer needs and remain relevant in the years ahead.

Refer pages 59-60 for more details on certifications and standardised systems

A CULTURE OF INNOVATION

LINDEL focuses on cultivating a culture driven by continuous innovation, and encourages its employees to share ideas and invest in technological development to improve its overall customer proposition. Our investments towards innovation further empowered us to optimise costs and resources amid the constrained economic conditions that were in effect during the year under review.

CERTIFICATIONS AND STANDARDS

In order to maintain the highest international standards and procedures, while establishing product quality, health and safety, and sustainable practices, LINDEL complies with the following industry standards:

Lindel Industrial Laboratories Limited

- ◆ ISO/IEC 17025:2017 Technical and Quality Management System

This certification was first obtained in 2006 and is renewed in every three years and audits will be conducted annually by Sri Lanka Accreditation Board (SLAB) to confirm that the accredited parameter analysis is done as per the requirements in the standard. The certification's validity scope encompasses quality processes, management practices, process improvements, risks and opportunities and the integration of processes within the system. The laboratory's quality management system adheres to this standard.

- ◆ Central Environment Authority Certification (CEA)

The Company renews its Central Environment Authority Certification every two years, following a comprehensive inspection of the environment within the laboratory, quality control aspects and competencies.

Lanka Industrial Estates Ltd

- ◆ St. John Sri Lanka Certificate of Compliance "First Aid at Work"

AWARDS AND ACHIEVEMENTS

As a testament to the Group's commitment towards year on year improvement, LINDEL's 2021/22 Annual Report titled 'Sustainable Infrastructure' obtained Silver Award for the Best Annual Report in the Land and Property Sector at the 57th Annual Transparency,

INTELLECTUAL CAPITAL

Accountability, Governance and Sustainability (TAGS) Awards, organised and conducted by the Institute of Chartered Accountants of Sri Lanka.

As indicated by its title, the TAGS awards recognise overall excellence with respect to transparency, accountability, governance and sustainability across a wide range of industries, and demonstrates the organisation's commitment towards robust governance and sustainability practices, procedures and reporting standards.



LINDEL's 2021/22 Annual Report receives the Silver Award in the Land and Property Sector at the 57th Annual TAGS Awards

BRAND VALUES AND SYNERGIES

Group Synergies

LINDEL continues to leverage on the expertise and knowledge base of its parent company DFCC Bank PLC, particularly with respect to HR, Marketing and Legal aspects. Established in 1955 under an Act of Parliament, as Sri Lanka's pioneering development bank and one of the first development banks to be instituted in Asia, DFCC Bank is empowered by a rich legacy of empowering the nation's economic growth and progress. These inherent values consequently cascade into LINDEL's own value system, and are evident across the Company's operations even today.

Today, DFCC Bank serves the nation as a fully fledged commercial bank, armed with knowledge honed over the course

of six decades and the unmatched capabilities of the Bank's project lending team. The Bank serves at the forefront of its industry, extending a strong value proposition of digitally empowered products and services, while offering its customers wide ranging benefits and unparalleled wealth and value creation. In addition to offering strong group synergies, LINDEL's association with its parent company further reinforces and cements its reputation in the market, and drives its brand equity to greater heights.



Brand Values and Corporate Culture

LINDEL's ethics and values are integrated across the organisation's operations, and determine its overarching strategies and stakeholder interactions. This unique stance enables the Group to deliver innovation and build a reputation for quality and trust among its stakeholders.

As outlined in the Stakeholder Engagement section on page 33-36 of this report, the Group's people centric model has enabled the organisation to foster a unique environment of collective, mutually beneficial growth. LINDEL further encourages a spirit of collaboration and knowledge sharing by encouraging its customers and employees to share their views and suggestions through surveys and feedback sessions.

We continue to hold our ethics and value systems at the core of our decision making processes, by placing significant emphasis on maintaining integrity, fairness and respect in all our business dealings. Our sole purpose lies in offering a seamless service to our customers, while prioritising long term relationships over short term gains. This commitment was particularly evident

during the period under review, as we extended flexibility to our tenants, while enabling business continuity even amid the constraints that were in force during the year.

SOCIAL AND RELATIONSHIP CAPITAL

Social and Relationship Capital encompasses the mutually beneficial partnerships and networks nurtured over time. These shared values, commitment and knowledge drive long term stability and serve to build the Company’s reputation and trust in the market. LINDEL’s social and relationship capital comprises its relationships with its tenants, business partners and the wider community in which it operates.



VALUE ENABLERS

- Fostering Customer Relationships
- Engaging with Suppliers
- Uplifting our Community
- Relationships with Regulators



VALUE DERIVED

- ◆ A Strong Corporate Reputation through Long term, Sustainable partnerships
- ◆ Delivering timely and Relevant Strategies through Stakeholder Engagement
- ◆ Supporting Economic Growth and Reduced Inequalities through People Empowerment

RELEVANT SDGS	MATERIAL TOPICS	IMPACTED STAKEHOLDERS
	<p>GRI 416: Customer Health and safety GRI 419: Socioeconomic Compliance GRI 413: local Communities GRI 418: Customer GRI 410: Security Practices Privacy GRI 307: Environmental GRI 207: Tax Compliance</p>	<p>Customers Suppliers Regulatory Bodies Community</p>
	<h3>MANAGEMENT APPROACH</h3> <p>LINDEL continuously engages with its social and relationship capital in order to identify emerging needs and remain adaptive amid changing dynamics. As a business, LINDEL steadfastly believes that the relationships it forges with its various stakeholders including clients, suppliers, the community, and the government are essential to its success and its long term sustainability and growth.</p>	

SOCIAL AND RELATIONSHIP CAPITAL

FOSTERING CUSTOMER RELATIONSHIPS

Customers are invaluable towards the longevity and success of LINDEL's business operations, and therefore the company remained dedicated towards meeting their expectations and providing a seamless, steadfast service even amid the disruptions that prevailed during the year.

95%
Occupancy of our Premises in 2022/23

The Company continued operations through the provision of infrastructure and land, facilitating the responsible disposal of solid waste and wastewater, and extending industrial laboratory services through its subsidiary Lindel Industrial Laboratories. LINDEL further offers a dedicated pipeline of water to support fire safety.

ZERO
Customer Complaints

The unwavering trust and longstanding partnerships built with our tenants over the years have enabled us to nurture and deliver consistent value.

At minimum, LINDEL adheres to all regulations and standards with respect to customer engagement, while developing an integrated strategy that continuously elevates the customer proposition and delivers efficiency at every stage.

During the year under review, businesses across the country faced significant operational and financial constraints owing to the escalating cost

of goods, socioeconomic instability, mobility restrictions, and the foreign exchange crisis. However, LINDEL continued to prioritize customer relationships over short term profitability by focusing on supporting its tenants and providing flexible solutions to ensure they could sustain operations throughout the year.

OUR CUSTOMERS

LINDEL continually seeks to gain a deeper, holistic understanding of

its customers' needs, and therefore regularly assesses their requirements in order to meet and exceed their expectations.

The Company focuses on remaining agile and responsive to customer complaints and feedback and is equipped to take corrective action both quickly and efficiently.

At present LINDEL works with a range of customers from multiple industries, some of which listed below:

	Hayleys Agro Fertilizers (Pvt) Ltd.		Pan Asia Colored Yarn (Pvt) Ltd.
	Hayleys Agriculture Holdings Ltd.		BlueScope Lysaght Lanka Pvt Ltd.
	Chevron Lubricants Lanka PLC		Shinkwang Lanka (Pvt) Ltd.
	Alumex PLC.		JBF Industries Lanka (Pvt) Ltd.
	Diesel and Motor Engineering PLC		S And D Chemicals (Pvt) Ltd.
	Dutch Lanka Engineering (Pvt) Ltd.		Siyane Associates
	LTL Galvanizers (Pvt) Ltd.		FineFinish Engineering (Pvt) Ltd
	R.M.C Ceylon (Pvt) Ltd.		Chrissworld PLC
	Lanka Special Steels Ltd.		
	Ceylon Oxygen Ltd.		



The goods and services provided by LINDEL are created to maximise value while safeguarding the environment and its resources. LINDEL's employees therefore work tirelessly to ensure all the goods and services meet the highest quality standards, underpinned by cost optimisation and resource optimisation initiatives.

Product Stewardship and Responsibility

The Company constantly seeks to uphold good governance and adhere to all regulations pertaining to its operations. We extended this commitment to our customer base during the year by conducting the following awareness sessions to educate our tenants on best practices with respect to human resources and dispute resolution:

- ◆ Awareness programme to all LINDEL Tenants on HR Practices, Motivation and Labour Law with the participation of Officers of Ministry of Labour
- ◆ Programme to educate all LINDEL Tenants on Human Rights, Dispute Resolution, and Modern Day Duties of the Police Department by the OIC Of Sapugaskanda Police Station

Customer Health and Safety

Due to the nature of its operations as an industrial estate, LINDEL focuses on upholding the highest levels of customer health and safety. Our staff are further educated on aspects of fire safety and first aid, to ensure a safe working environment is in place at all times.

ZERO
 Incidents of Non Compliance Concerning Health and Safety

Marketing Communications

Due to the industrial estate holding 95% occupancy as at 31st March 2023 on leasable land and building, our marketing communications remained minimal as in the past year. However, our plans for expansion will undoubtedly see a resurgence in the Company's marketing communications, thereby enabling us to attract a diverse tenant base.

Customer Privacy

The Company places a high priority on safeguarding its clients' sensitive information. In order to protect client data, LINDEL has implemented all necessary data protection mechanisms with the help of the DFCC Bank IT division and third party vendors. No tenants voiced concerns with respect to a breach of data privacy during the year under review.

SOCIAL AND RELATIONSHIP CAPITAL

ZERO

Breaches of Data Security and Privacy

The Company is currently taking steps to enforce the requirements of the newly introduced Data Protection Act No. 09 of 2022.

Engaging with Suppliers

LINDEL maintains strong relationships with its diverse supplier base, who remain a crucial part of its operations. A comprehensive, structured procurement

process ensures that the Company selects and partners with suppliers aligned with our values and commitment to quality.

During the year under review, due to the escalating cost of materials and transportation and the downturn in business activity, the Company's investment in construction related activities declined. However, the Company continued to engage with its supplier base to ensure the uninterrupted supply of high quality infrastructure and services to its tenants, while in turn delivering consistent value creation for the suppliers themselves.

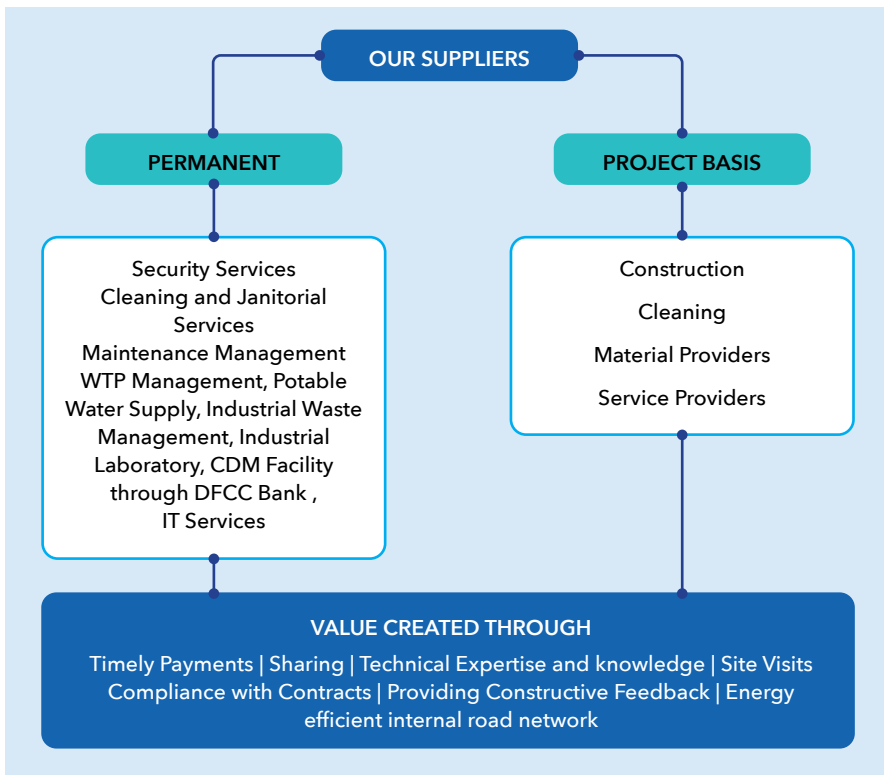
INVITATION TO REGISTER AS A SUPPLIER FOR LINDEL PUBLISHED IN THE NEWSPAPER AT THE COMMENCEMENT OF EACH YEAR



REGISTERED SUPPLIERS INSTRUCTED TO BID FOR EACH PROJECT AS AND WHEN REQUIRED



SUPPLIERS ARE ASSESSED AND SELECTED ON THEIR PRICE, QUALITY AND OTHER FACTORS, WITH DECISION-MAKING NOT LIMITED TO THE LOWEST BID.



RESPONSIBLE PROCUREMENT

At present, LINDEL maintains longstanding partnerships with over 100 suppliers. The Company conducts regular meetings to ensure these suppliers remain apprised of expectations pertaining to quality and scope of work. LINDEL ensures the highest levels of transparency and accountability with respect to procurement, via a standardised tender process developed with the support of the DFCC Bank's procurement division.

Rs. 400,000

Invested in the Community

UPLIFTING OUR COMMUNITY

As an entity with a notable impact on its surroundings, LINDEL prioritizes its relationships with its community to ensure its impact remains positive and



transformative. The Company's primary contribution arises from the creation of job opportunities for those living within the surrounding community, particularly via the tenants who reside within the industrial estate.



Rs. 81.5 Mn
Taxes Paid to the Government

At present, of the 2,500+ staff members employed by the tenants within the estate, a significant proportion is recruited from the neighbouring region.

The Company further values corporate social responsibility and therefore engages in a number of initiatives during the year to support the surrounding community. The year under

review saw the Company contribute towards the welfare and education of the youth, in order to support their school needs during a particularly challenging year.

RELATIONSHIPS WITH REGULATORS

Due to its operations as an industrial estate, LINDEL is required to engage with regulatory authorities to ensure compliance with the necessary legislation and standards. LINDEL has regularly paid the relevant taxes and fees to the Government in a timely manner and continued to do so during the year.

Relationships with Regulatory Authorities	
Government Institution	Purpose of Engagement
Central Environment Authority	Ensuring compliance with environmental regulations
Urban Development Authority	Obtaining approvals for development projects
Provisional Councils	Obtaining approvals for development projects
Inland Revenue Department	Engaging in tax related matters
Ceylon Electricity Board	Obtaining approval for solar projects
Board of Investment	Lindel is a B.O.I. company and governed by the Board of Investment rules and regulations

Status of Compliance	
Measure of Compliance	Status
Negative environmental impacts in the supply chain and actions taken	No incidents reported
Operations and suppliers at significant risk for incidents of child labour	No incidents reported
Operations and suppliers at significant risk for incidents of forced or compulsory labour	No incidents reported
Negative social impacts on society, the environment, labour practices or human rights in the supply chain and actions taken	No business activities which are subject to human rights reviews or impact assessments
Incidents of non compliance concerning the health and safety impacts of products and services	No incidents reported
Non-compliance with laws and regulations in the social and economic arena	No incidents reported

NATURAL CAPITAL

Natural Capital refers to the renewable and non renewable resources provided by surrounding natural ecosystems, including the land, minerals, energy, and water that enable life, survival and economic activity. The responsible use of these fast depleting resources ensures the continuity of both the business and the environment in which it operates, while sustaining them for the generations of the future.



VALUE ENABLERS

- Biodiversity and Impact Management
- Energy Management
- Water Management
- Solid Waste Management
- Wastewater Management



VALUE DERIVED

- ◆ Sustaining and Preserving Valuable Resources through prudent Consumption
- ◆ Minimising our Impact through Stringent, Conscientious Processes
- ◆ Maximising Costefficiency and productivity through Effective Systems and Processes

RELEVANT SDGS	MATERIAL TOPICS	IMPACTED STAKEHOLDERS
     	<p>GRI 301: Materials GRI 302: Energy GRI 303: Water and Effluents GRI 304: Biodiversity GRI 307: Environmental Compliance GRI 305: Emissions GRI 306: Waste</p>	<p>Community Shareholders Regulatory Bodies</p>

MANAGEMENT APPROACH	
<p>Owing to a deep understanding of our impact on the environment and the need to safeguard and preserve resources for the sake of posterity, LINDEL has rigorously embraced effective environmental practises to reduce the negative impact of its activities on the ecosystem. Our strategies in this regard include the formulation and integration of policies and initiatives aimed at improving our management of environmental issues,</p>	<p>thereby supporting long term viability and sustainability of our business and its surroundings. LINDEL has therefore continuously upheld practices that aim to optimise its usage of energy, water, and other natural resources, which continued to support us during the constraints and resource shortages experienced during the year under review. Over the years LINDEL has adhered to all relevant environmental rules and regulations to ensure its operations are conducted with a minimal impact on the environment, while encouraging employees to adopt best sustainability practices.</p>

BIODIVERSITY AND IMPACT MANAGEMENT

The Kelani River which serves as the primary source of potable water for the communities in both Colombo and the Gampaha District, is located in close proximity to LINDEL. Therefore, the Company stringently monitors and evaluates, its activities to circumvent any negative effects the company's operations may have on the environment, particularly pertaining to the three key impact areas of industrial wastewater discharge, raw water treatment, and possible flood management.

The company's environmental impact is routinely monitored by LINDEL management in accordance with the regulatory directives provided by the Central Environment Authority (CEA) via the environmental division of the Board of Investment of Sri Lanka. All of the tenants working at LINDEL are legally and contractually bound to uphold all applicable environmental rules and regulations.

BIODIVERSITY MANAGEMENT

Currently, many threats exist with respect to global biodiversity, arising from changes in land use, habitat loss and fragmentation caused by expanding agriculture, overexploitation of natural resources due to unsustainable logging, hunting, and fishing, pollution from excessive fertilizer, harmful effluents and marine litter to name a few.

A crucial element in ensuring the long term viability of an enterprise lies in protecting and safeguarding the surrounding biodiversity. LINDEL remains apprised of every industrial process within our premises and their respective impact on the environment. Accordingly, the efficient usage of space, water, energy, and paper and the avoidance of waste, noise, and emissions are key aspects addressed by all occupants within the industrial estate, thereby driving a collaborative effort with respect to biodiversity preservation and management.

The Central Environmental Authority (CEA) of Sri Lanka has established laws pertaining to environmental preservation and supervision, primarily focused on:

- ◆ maintaining adequate levels of air quality,
- ◆ meeting the specified sound levels at the boundaries (during day and night),
- ◆ adhering to the standards for the discharge of wastewater into the common pond and irrigation water streams,
- ◆ the responsible disposal of solid waste.

Policies, Procedures and Initiatives

In order to conduct business inside the LINDEL industrial estate, all relevant organisations or tenants must first obtain an Environment Protection Licence (EPL) from the relevant governing body, i.e., the Central Environmental Authority (CEA). Additionally, LINDEL itself is required to obtain an EPL for the entire scope of the industrial estate in order to maintain its operations.

REDUCING OUR CARBON FOOTPRINT

LINDEL is conscious of its duty as a good corporate citizen to take measures to lessen any negative effects on the environment. In light of this, LINDEL takes proactive steps towards minimising its carbon footprint in a sustainable manner via continued efforts to improve energy efficiency and driving a growing reliance on renewable energy sources such as solar power generation.

The company further requires its tenants to decrease any harmful emissions by upgrading their plant and machinery, while encouraging the transition towards renewable energy sources.

The management at LINDEL is fully aware of the environmental standards that must be upheld and observed within its premises, and therefore adheres to stringent standards and guidelines to ensure environmental protection and sustainable biodiversity are achieved, in addition to entering into legal agreements with each tenant prior to the commencement of their operations within the estate.

All LINDEL tenants and service providers are required to address biodiversity within their individual lease, rent, and service contracts. LINDEL closely monitors these parties' adherence to all rules and regulations, and if any inconsistencies or discrepancies arise, the tenants will be notified and given the opportunity to take corrective action with immediate effect.

The spilling of rainwater and industrial air pollution pose the most significant threats to biodiversity at LINDEL. While each tenant must regularly monitor the air quality at their boundaries and storm water drainage channels through the industrial estate, LINDEL runs a robust monitoring program that reinforces these preexisting procedures, preventing spillages and unauthorised emissions.

LINDEL'S BIODIVERSITY POLICY STATEMENT

To maintain the biodiversity across the land area of LINDEL and its surrounding, all the industrial occupants of LINDEL and their value chain shall adopt a precautionary approach for sustainable management of biodiversity in all decision making processes, so that the variety of life is ensured in and around the industrial estate"

NATURAL CAPITAL

In order to create a green buffer zone between the industrial development and the neighbouring village, LINDEL engages in maintaining and preserving a lush 7 acre land strip. This green belt comprises natural water springs, ponds, wetlands, and jungle environments, and serves as a habitat for wide ranging species. The company continuously engages in planting a variety of tree species in order to establish its growth and continuity in the long term.

ENERGY MANAGEMENT

Particularly amid the energy crisis that emerged during the year, the responsible usage of energy came into greater focus, due to its vital role in enabling improved efficiencies and organisational continuity.

In this regard, LINDEL has undertaken a number of initiatives, such as promoting and building awareness of energy management principles and practices, which has made a significant contribution towards lowering workplace electricity consumption. The non renewable energy consumption of the Group as a whole has been maintained thanks to LINDEL's renewable energy plan.

THE RENEWABLE ENERGY PROJECT AT A GLANCE

1,580,722 KWH

Supplied to the National Grid

3.75: 1

Ratio of Renewable to Non-Renewable Energy

42,327 KW

Net Metering Solar System

In addition, LINDEL has implemented numerous procedures and best practices as part of its attempts to reduce the degree of electricity consumption. The initiatives pertaining to the utilisation of electric vehicles, low energy electronic equipment, and energy efficient lighting and cooling systems.

During the year under review, LINDEL continued to address concerns related to fuel scarcity and energy management by offering opportunities to work from home, while providing flexible work schedules and transportation services to employees.

Every year, LINDEL holds employee awareness sessions in order to communicate the importance of energy management within the organisation, while taking steps to integrate prudent energy consumption strategies through the publication of various guidelines in public areas of the company including restrooms, break rooms, and other open areas within the office premises.

396,570 M3
Water Production at the Water Treatment Plant

421,227 KWH
Electricity Consumption

WATER MANAGEMENT

Water is integral for life, survival and growth. The scarcity of clean water sources is a key concern in the world today. LINDEL, therefore, utilises a dedicated water treatment facility that generates 1500m3 of treated water per day, pumped through the pipelines for the use of its tenants.



SOLID WASTE MANAGEMENT

A large portion of the industrial waste that is frequently disposed of by an industrial park comprises solid waste. If this material is handled, stored, transported, disposed of, or managed inappropriately, it could constitute a risk to both human health and the environment. Recognising the importance of this fact, the Company implemented a sophisticated solid waste disposal management system to make sure that solid waste collected from tenants' properties is correctly divided into the relevant categories and disposed of in accordance with industry standards.

The entire process has been outsourced to a third party contractor possessing the necessary competencies and expertise in their respective field. Additionally, the waste generated by the Company including toner and batteries is disposed of in accordance with the relevant regulations.

212,960KG
of Waste Disposed Responsibly

SOLID WASTE CLASSIFICATION

The industrial estate's solid waste is divided into two primary categories:

- ◆ biodegradable, non-hazardous trash (such as grass, paper, and food waste)
- ◆ non biodegradable, non-hazardous garbage (such as polythene, polysacks)

WASTEWATER (EFFLUENT) MANAGEMENT

As an industrial estate that serves a diverse clientele hailing from a range of manufacturing and industrial sectors LINDEL thoroughly understands its obligation to eliminate wastewater in an environmentally sustainable manner. In order to achieve this objective, LINDEL installed a unique wastewater management system within the industrial park. Only pre-treated wastewater from its tenants' properties is accepted by LINDEL through the pipelines, and the final treatment is performed to bring the wastewater up to the requirements outlined by the Central Environmental Authority (CEA) prior to its discharge into the Kelani River. To verify that wastewater disposed of is in compliance with regulatory requirements, planned periodic laboratory tests are carried out, supported by the independent laboratories designated by LINDEL to evaluate the performance of current systems and create new enhancements.



CORPORATE GOVERNANCE REPORT



THE CHAIRMAN'S STATEMENT ON CORPORATE GOVERNANCE

On behalf of the Board of Lanka Industrial Estates Limited (LINDEL), I am pleased to present our Corporate Governance Report for the financial year ended 31st March 2023.

Good corporate governance practices are imperative for the growth and sustainability of any entity. Further, we at Lanka Industrial Estates Limited strongly believe that corporate governance helps us to maintain the trust kept in us by our stakeholders. The report below demonstrates how the Company has complied with the Corporate Governance Regulations and the Best Practices during the financial year ended 31st March 2023.

Lanka Industrial Estates Ltd's Board includes professionals from various disciplines who guide the Company to achieve its goals and objectives while ensuring the highest standards of ethical conduct. During the year under review, the Board of Directors' collective efforts and experience were crucial in navigating the Company through various challenges the Company had to cope with.

The governance framework of LINDEL is designed to strengthen the Board of Directors of the Company and the Group, which will ultimately ensure accountability and transparency in their roles to provide sustainable returns to our Stakeholders.

We will continue to improve our corporate governance practices by complying with all the relevant rules and regulations while enhancing sustainable value creation for our stakeholders. We are committed to investing in and supporting our staff so that the Company maintains an appropriate balance of management skills and capabilities as it grows and develops.

I, together with the Board of Directors, hereby confirm that we are not aware of any material violations of the provisions of the Code of Business Conduct and Ethics by any Director or any member of the Senior Management of LINDEL.

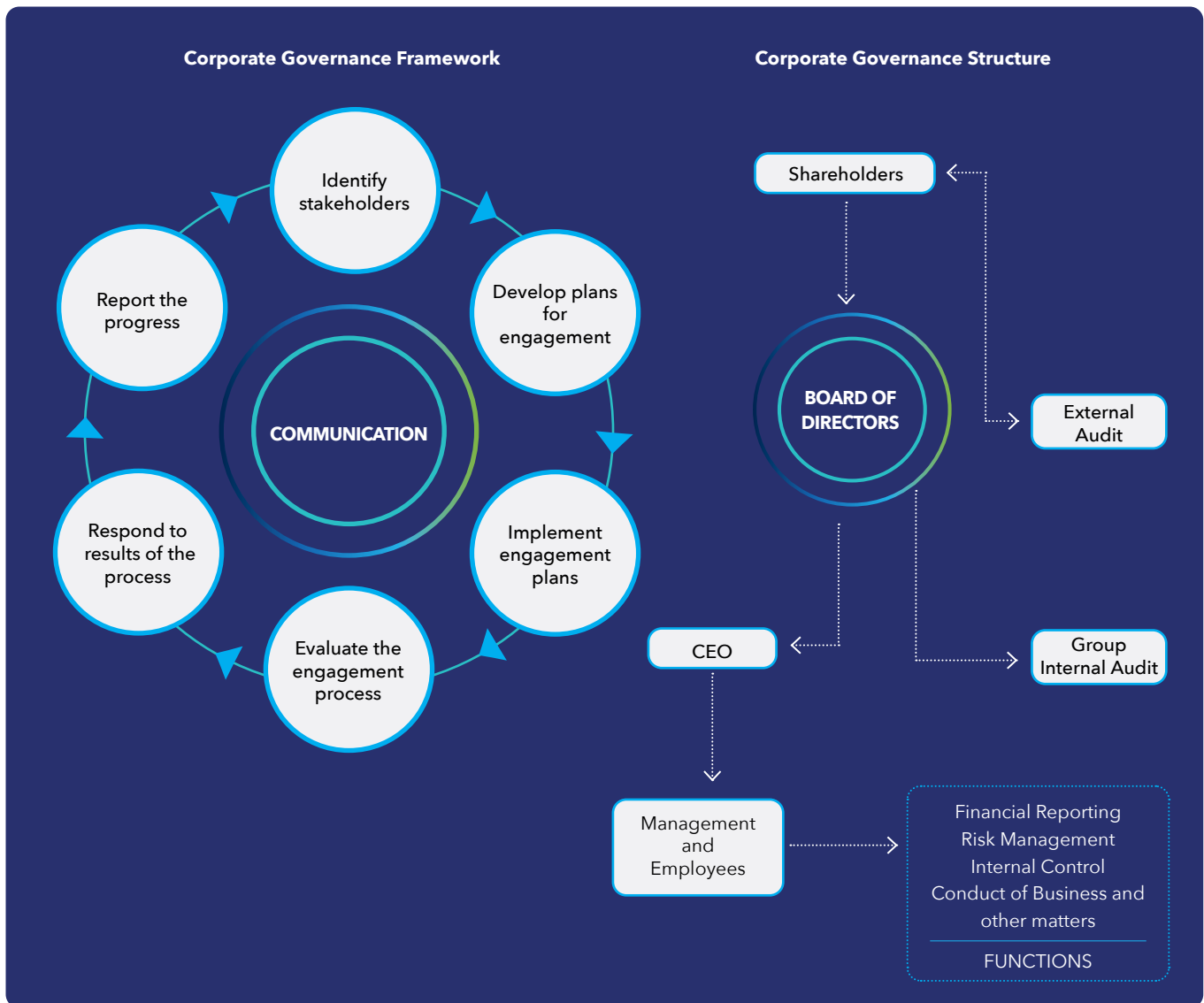
A handwritten signature in black ink, appearing to read 'Thimal', written over a horizontal line.

Thimal Perera
Chairman

25 August 2023

Corporate Governance signifies the manner in which companies are directed and controlled. Good governance is an essential ingredient in corporate success and sustainable economic growth. The Board of Directors of Lanka Industrial Estates Limited is committed to maintaining high standards of integrity, accountability, transparency, and business ethics in the governance of the Group.

From the beginning and even being a Limited Liability Company, Lanka Industrial Estates Limited and its subsidiary have continued to apply high corporate governance standards aimed at assuring the Company’s ongoing sustainability. The organisation’s governance structure demonstrates its ability to create value in the short, medium and long term to its Stakeholders. Headed by the Board of Directors, the Company’s governance framework ensures sound corporate governance principles that reflect LINDEL’s mission and core values and promote good governance practices across the business.



STATEMENT OF COMPLIANCE

The Board of Directors wishes to confirm to the best of their knowledge and belief that the Company has complied with all requirements in terms of regulations and statutory payments under the Companies Act No. 7 of 2007 and Inland Revenue Act No. 24 of 2017.

CORPORATE GOVERNANCE REPORT

COMPOSITION OF THE BOARD

The Company has satisfied all requirements as per accepted labour regulations and financials are prepared according to the standards of SLFRSs and LKASs.

The Company's governance framework is based on the following key internal and external steering instruments;

External Instruments	Internal Instruments - Mandatory
Companies Act No.7 of 2007 - Mandatory	Group Code of Ethics
Listing Rules of the Colombo Stock Exchange (CSE) - Voluntary	Articles of Association
Securities and Exchange Commission of Sri Lanka Act No. 36 of 1987 (as amended)- Voluntary	Human Resources Policies
Sri Lanka Accounting and Auditing Standards Act No.15 of 1995 - Mandatory	Health and Safety Policies
Inland Revenue Act No. 24 of 2017 - Mandatory	Environmental Policies
Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka - 2017 - Voluntary	Internal control processes and procedures
Integrated Reporting Framework - Voluntary	Risk Management Framework

BOARD OF DIRECTORS

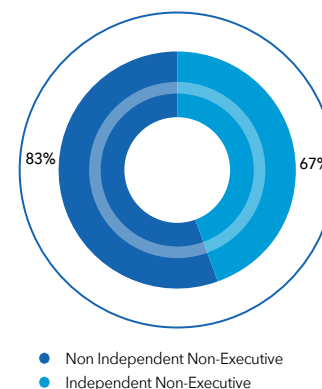
The Board of Directors are responsible for charting the strategic direction of the Company. The Board promotes a culture of openness, constructive dissent and productive dialogue in its Board Meetings.

Board comprises of professionals who have many years of experience in

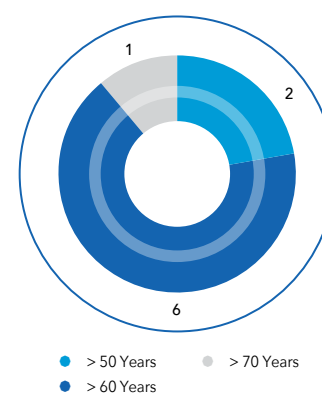
the corporate world. The Board gives leadership in setting the strategic direction and establishing a sound control framework and is accountable for the governance of the Company. The Board's composition reflects a sound balance of independence and anchors shareholder commitment.

Mr. N.H.T.I Perera	Non-Independent Non-Executive Chairman	Appointed on 24 August 2022
Mr. T.W De Silva	Non-Independent Non-Executive Director	Appointed on 16 March 2005
Mr. R.A Dassanayake	Non-Independent Non- Executive Director	Appointed on 26 September 2019
Mr. W.D.R Crishantha	Non-Independent Non-Executive Director	Appointed on 26 July 2021
Dr. R.K Ratnayake	Non-Independent Non-Executive Director	Appointed on 30 April 2002
Mr. A Tudawe	Non-Independent Non-Executive Director	Appointed on 06 April 1992
Mr. T Dharmaraja	Independent Non-Executive Director	Appointed on 16 December 2021
Mrs. C.M.D.N.K Seneviratne	Independent Non-Executive Director	Appointed on 16 December 2021
Dr. K.A.S Keeragala	Independent Non-Executive Director	Appointed on 09 February 2022

COMPOSITION OF THE BOARD



AGE DIVERSITY OF THE BOARD



RESPONSIBILITIES OF THE BOARD

The Board is responsible for the formulation and implementation of sound business strategies and is responsible for ensuring that the Company adheres to the relevant laws and regulations of the country, regulatory authorities and professional institutes.

ROLE OF THE BOARD OF DIRECTORS

1. Providing direction and guidance to the Company in the formulation of sustainable high level medium and long term strategies.
2. Reviewing and approving annual plans and strategic plans.

3. Approving and monitoring financial and other reporting practices adopted by the Group.
4. Reviewing HR processes with emphasis on top management succession planning.
5. Appointing and reviewing the performance of the CEO.
6. Monitoring systems of governance and compliance.
7. Overseeing systems of internal control, and risk management.
8. Determining discretions/authorities delegated from the Board to the executive levels.

COMPLIANCE WITH LAWS AND ACCESS TO PROFESSIONAL ADVICE

The Board acts in conformity with the laws of the country and the Board has tabled a compliance statement on statutory requirements on a quarterly basis at the Board meeting.

The Board of Directors are provided with the opportunity of seeking professional advice at the expense of the Company, whenever it is necessary; with regard to certain technical matters and other business affairs ensuring that the Directors possess sufficient knowledge and experience in making high quality and independent decisions.

COMPANY SECRETARY

SSP Corporate Services (Pvt) Ltd acts as the Company Secretary to the Board of Lanka Industrial Estates Limited.

All Directors have independent and joint access to the Company Secretary who acts in a professional manner.

The Company Secretary advises the Board on matters relating to the Companies Act and other applicable

rules and regulations and ensures that appropriate, timely and accurate information is submitted to the Board.

DIRECTORS' INDEPENDENCE

Directors are experienced leaders in their respective fields and exercise independent and unfettered judgment, promoting constructive Board deliberations and objective evaluation of matters set before them.

PERFORMANCE EVALUATION OF CEO

The Board, in consultation with the CEO, sets reasonable Financial and Non-Financial targets in line with the short, medium and long term objectives of the Company, which are to be achieved by the CEO every year. The performance of the CEO is evaluated by the Board at the end of each year, based on agreed objectives. The variable component of the CEO's remuneration is determined based on the achievement of these set targets.

BOARD MEETINGS AND ATTENDANCE

The Board Meetings are held at least once a quarter. Sufficient time is allocated at every meeting to ensure all responsibilities are discharged satisfactorily. Timely information is provided before a meeting with the Agenda and Board Papers. Directors dedicate adequate time prior to a meeting to review Board Papers.

Information provided covers the monthly accounts and comparison of performance against budget and previous year's results, with remedial action has taken when necessary. Senior Managers make presentations on the performance in their respective areas on request. When the Board requests additional information, that is also provided.

ATTENDANCE FOR BOARD MEETINGS

The Board held Four Board meetings during the year. Attendance of Directors at Board meetings is summarized below.

Director	Board Meeting	Audit Committee	Remuneration Committee
Mr N.H.T.I Perera	2/4		2/3
Mr. L.H.A.L Silva	2/4	-	1/3
Mr. T.W De Silva	4/4	-	-
Mr. R.A Dassanayake	4/4	-	-
Mr. W.D.R Crishantha (Appointed on 26 July 2021)	4/4	1/1	-
Dr. R.K Ratnayake	4/4	-	-
Mr. A Tudawe	3/4	-	-
Mr. T Dharmaraja (Appointed on 16 December 2021)	4/4	1/1	3/3
Mrs. C.M.D.N.K Seneviratne (Appointed on 16 December 2021)	4/4	1/1	3/3
Dr. K.A.S Keeragala (Appointed on 09 February 2022)	3/4		

CORPORATE GOVERNANCE REPORT

CHAIRMAN AND CEO

The roles of the Chairman and the CEO are clearly demarcated with clear distinction of responsibilities between them to ensure balance, accountability and authority between running the Board and the executive responsibility for the running of the Group's business.

As the Chairman, Mr. N.H.T.I. Perera provides leadership to the Board to ensure that the Board conducts its duties efficiently and that the Board functions to ensure integrity and effectiveness of relationship between the non-executive and executive directors. The role of the CEO, Mr. B.R.C Cooray is to implement the policies and the strategies approved by the Board and to develop and recommend the business plan and budgets that support the Group's long term strategy and vision that would lead to generating shareholder value.

APPOINTMENTS TO THE BOARD AND RE-ELECTION

The appointments to the Board are made collectively, with the consent of the Directors taking into consideration the Board composition and the strategic input required.

All Directors' should be required to submit themselves for re-election at regular intervals. The Company's Articles require a Director appointed by the Board to hold office until the next Annual General Meeting (AGM) and one third of the Directors to seek reappointment by the shareholders at that meeting.

REAPPOINTMENT BY THE SHAREHOLDERS AT THAT MEETING.

In terms of Section 210 of the Companies Act No. 7 of 2007, a Director who has reached 70 years of age vacates office at the AGM held after he attains the age of 70 years. A Director who has reached the Age of 70 years may be reappointed in terms of Section 211 of the Companies Act.

INDUCTION AND TRAINING FOR DIRECTORS

On appointment, Directors are provided with an orientation pack with all relevant external and internal regulation, documents and a tour of the industrial estate premises. The Board of Directors recognize the need for continuous training and expansion of knowledge and skills required to effectively perform their duties. They undertake training and professional development in their personal capacity as they consider necessary.

DISCLOSURE OF INFORMATION IN RESPECT OF DIRECTORS

The details of the Directors, nature of expertise in relevant functional areas, attendance at Board Meetings, other directorships and Director's Interest in Contracts are disclosed under the relevant sections in the Annual Report.

MONITORING OF SUBSIDIARY COMPANY

The sole subsidiary of Lanka Industrial Estates Limited is managed by its respective Board according to the companies' Articles of Association and in the best interest of their stakeholders. Lanka Industrial Estates Limited monitors the performance of the subsidiary Company.

FINANCIAL ACUMEN

The Board includes directors who possess the necessary knowledge and experience to offer the Board guidance on financial matters.

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board of Directors is responsible for formulating and implementing effective risk management and internal control systems to safeguard shareholder interests and the assets of the Company. These systems cover all controls, including financial, operational, and compliance, and are monitored and regularly reviewed for effectiveness by the Board. The DFCC Group Internal Audit Department supports the Audit Committee, reviewing the adequacy

and effectiveness of the internal control systems and reporting to the Board of Directors on a regular basis.

BOARD SUBCOMMITTEES

Board has appointed the following Sub Committees in order to fulfill its oversight role more effectively.

- Audit Committee
- Remuneration Committee
- Related Party Transactions Review Committee

More details on these committees are available on respective committee reports.

ACCOUNTABILITY AND AUDIT

The Board is responsible for presenting a balanced, accurate and understandable assessment of the Company's, performance, financial position and prospects. Monthly performance reports are circulated within 20 days of each month end. The Company's financial statements are prepared in accordance with the Sri Lanka Financial Reporting Standards laid down by the Institute of Chartered Accountants of Sri Lanka and comply with the requirements of the Companies Act, No. 7 of 2007.

The following specialised information requirements are also included in this Annual Report.

- The Annual Report of the Board of Directors on the Affairs of the Company on page 92 to 95 of this Report contains the declarations prescribed by the Code.
- The Statement of Directors' Responsibilities is given on page 70 of this Report.
- The Independent Auditor's Report on page 97 of this Report.

MAJOR AND MATERIAL TRANSACTIONS

There are no materially significant related party transactions or relationships between the Company and the Directors, subsidiary Company or related parties except for those disclosed in the Financial Statements for the year ended 31st March 2023.

FINANCIAL REPORTING

The Board monitors compliance to the regulatory requirements on financial reporting given in the Sri Lanka Accounting Standards (SLFRS & LKAS) issued by the Institute of Chartered Accountants of Sri Lanka, Companies Act No. 7 of 2007 and Listing Rules of the Colombo Stock Exchange.

The Board along with the Management reviewed the Quarterly Financial Statements and Annual Financial Statements for the year ended 31st March 2023 focusing on the quality and accuracy of the Financial Statements including compliance with the relevant regulatory requirements.

EXTERNAL AUDIT

The scope of the External Audit was assessed and discussed by the Board with the External Auditors and the Management before the commencement of the Audit. The Management Letter issued by the External Auditors was discussed with the Management and remedial actions were recommended wherever necessary.

The Board having evaluated the performance of the external Auditors, has recommended that Messrs. KPMG, Chartered Accountants of No: 32A Sir Mohamed Macan Markar Mawatha, Colombo 2, to be re-appointed as the External Auditors for the year ending 31st March 2023 subject to the approval of the Shareholders at the Annual General Meeting.

INFORMATION TO THE BOARD

It is required that the Company's management to provide timely information to the Board in a form and of quality appropriate to enable it to

discharge its duties. Procedures exist to ensure that Directors receive timely information on a monthly basis and a clear agenda and papers with guidance on contents. Directors also have open access to the management to obtain further information that could be required.

RELATIONS WITH SHAREHOLDERS

The Company strongly believes in engaging with its shareholders in a regular manner. The Annual General Meeting is used as for constructive engagement with shareholders. The Company engages with shareholders through an open and meaningful dialogue in order to understand their expectations. Shareholders are encouraged to be present, participate and vote at the Annual General Meeting. The Annual Report is circulated to the shareholders not less than 15 working days prior to the Annual General Meeting.

EMPLOYEE EMPOWERMENT

The Company has put in place the necessary processes, procedures, systems in place to make sure effective recruitment, development and retention of employees. The Company considers its employees to be a vital force which will drive the Organisation towards its objectives. Constant dialogue and facilitation are also maintained ranging from work related issues to matters pertaining to general interest that could affect employee wellbeing. The Company fosters an open door culture for its employees across all levels.

CORPORATE SOCIAL RESPONSIBILITY

The Board actively takes part in defining and overseeing the corporate culture and values, particularly in the corporate social responsibility policy. The Board continuously reviews the policies for sustainability, corporate culture and values, and on relations with Stakeholders, especially employees, and customers. The corporate social responsibility policy is structured in line with the business strategy

and risk appetite and putting into place mechanisms to ensure that all Group know how they fit into these strategies and that their processes and mechanisms are consistent with those of the policy of the parent.

SHAREHOLDER VALUE

The Board continues to be committed to increasing shareholder value through sound commercial responsibility and sustainable business decisions that deliver steady growth in earnings.

ETHICAL STANDARDS

The Board is committed to maintaining high ethical standards in conducting its business and to communicate its values to its employees and agents and ensure their conduct is based on such values.

GOING CONCERN

The Board of Directors, after reviewing the financial position and the cash flow of the Company are of the belief that the Company has adequate resources to continue operations well into the foreseeable future. Therefore the Board adopts the going concern basis in preparing financial statements.

CODE OF CONDUCT AND ETHICS

The Group is committed to conducting its business operations with honesty, integrity and with respect to the rights and interests of all Stakeholders. The Group's Code of Conduct and Ethics articulates the standards of conduct expected of its' employees. The Board is not aware of any material violations of any of the provisions of the Code by any Director or employee of the Group.

CORPORATE GOVERNANCE REPORT

COMPLIANCE TABLE

Statement of Compliance pertaining to Companies Act No. 7 of 2007

Mandatory provisions

Rule	Requirement	Complied	Annual Report Reference
168 (1) (a)	The nature of the business together with any change thereof	✓	Who We Are
168 (1) (b)	Signed Financial Statements of the Group and the Company	✓	Financial Statements
168 (1) (c)	Auditors' Report on Financial Statements	✓	Independent Auditors Report
168 (1) (d)	Accounting Policies and any changes therein	✓	Notes to the Financial Statements
168 (1) (e)	Particulars of the entries made in the Interests Register	✓	Annual Report of the Board of Directors
168 (1) (f)	Remuneration and other benefits paid to Directors of the Company	✓	Notes to the Financial Statements
168 (1) (g)	Corporate donations made by the Company	✓	Notes to the Financial Statements
168 (1) (h)	Information on the Directorate of the Company and its subsidiaries during and at the end of the accounting period	✓	Board of Directors
168 (1) (i)	Amounts paid/payable to the External Auditor as audit fees and fees for other services rendered	✓	Notes to the Financial Statements
168 (1) (j)	Auditors' relationship or any interest with the Company and its Subsidiaries	✓	Annual Report of the Board of Directors
168 (1) (k)	Acknowledgement of the contents of this Report and signatures on behalf of the Board	✓	Annual Report of the Board of Directors

Statement of Compliance under Section 7.10 of the Listing Rules of the CSE on Corporate Governance

Voluntary Provisions

Rule	Subject	Requirement	Complied	Annual Report Reference
7.10.1(a)	Non-Executive Directors (NED)	At least 2 or 1/3 of the total number of Directors on the Board, whichever is higher, should be NEDs	✓	Board of Directors
7.10.2(a)	Independent Directors (ID)	2 or 1/3 of NEDs, whichever is higher, should be independent	✓	Board of Directors
7.10.3(a)	Disclosure relating to Directors	The Board shall annually determine the independence or otherwise of the NEDs, and Names of each IDs should be disclosed in the Annual Report (AR)	✓	Board of Directors
7.10.3(b)	Disclosure relating to Directors	The basis for the Board's determination of ID, if criteria specified for independence is not met	✓	Corporate Governance Report
7.10.3(c)	Disclosure relating to Directors	A brief resume of each Director should be included in the AR including the Director's areas of expertise	✓	Board of Directors
7.10.3(d)	Disclosure relating to Directors	Provide a brief resume of new Directors appointed to the Board with details specified in 7.10.3(a), (b) and (c) to the CSE	✓	Board of Directors
7.10.5	Remuneration Committee (RC)	The Human Resources and Compensation Committee (equivalent of the RC with a wider scope) of the listed parent Company may function as the RC	✓	Remuneration Committee Report
7.10.6	Audit Committee (AC)	The Company shall have an AC	✓	Audit Committee Report

Statement of Compliance under Section 7.6 of the Listing Rules of the Colombo Stock Exchange (CSE) on Annual Report Disclosure Voluntary Provisions

Rule	Requirement	Complied	Reference
(i)	Names of persons who were Directors of the Entity	✓	Board Directors
(ii)	Principal activities of the entity and its subsidiaries during the year, and any changes therein	✓	Management Discussion and Analysis
(iii)	The names and the number of shares held by the 20 largest holders of voting and non voting shares and the percentage of such shares held	✓	Investor Information
(iv)	The float adjusted market capitalisation, public holding percentage (%), number of public shareholders, and under which option the listed entity complies with the Minimum Public Holding requirement	N/A	N/A
(v)	A statement of each Director's holding in shares of the Entity at the beginning and end of each financial year	✓	Annual Report of the Board of Directors
(vi)	Information pertaining to material foreseeable risk factors of the Entity	✓	Risk Management
(vii)	Details of material issues pertaining to employees and industrial relations of the Entity	✓	Materiality
(viii)	Extents, locations, valuations and the number of buildings of the Entity's land holdings and investment properties	✓	Notes to the Financial Statements
(ix)	Number of shares representing the Entity's stated capital	✓	Notes to the Financial Statements/Investor Information
(x)	A distribution schedule of the number of holders in each class of equity securities, and the percentage of their total holdings	✓	Investor Information
(xi)	Financial ratios	✓	Financial Highlights
(xii)	Significant changes in the Company's or its subsidiaries' fixed assets, and the market value of land, if the value differs substantially from the book value as at the end of the year	✓	Notes to the Financial Statements
(xiii)	Details of funds raised through a public issue, rights issue and a private placement during the year	N/A	N/A
(xiv)	Information in respect of Employee Share Ownership or Stock Option Schemes	✓	Annual Report of the Board of Directors
(xv)	Disclosures pertaining to Corporate Governance practices in terms of Rules 7.10.3, 7.10.5 c. and 7.10.6 c. of Section 7 of the Listing Rules	✓	Corporate Governance Report

CORPORATE GOVERNANCE REPORT

Voluntary Compliance with the Code of Best Practice on Corporate Governance 2017 issued jointly by the Institute of Chartered Accountants of Sri Lanka and the Securities and Exchange Commission of Sri Lanka

Reference to the Code	Governing Principle	Compliance Status	How We Complied
A. Directors			
A.1 The Board			
A.1.1	Board Meetings	✓	The Board has met seven times during the year and attendance for the Board Meetings is given in the Corporate Governance Report.
A.1.2	Role of the Board	✓	Please refer Corporate Governance Report.
A.1.3	Act in accordance with the laws of the country and obtain professional advice	✓	The Board seeks independent professional advice when deemed necessary and Board has made sure that all the Directors have adhered to all applicable laws , rules and regulations.
A.1.4	Access to the Company Secretary	✓	Please refer Corporate Governance Report
A.1.5	Independent judgment of the Directors	✓	The Board includes independent professionals who exercise independent judgment in discharging their duties.
A1.6	Dedication of adequate time and effort.	✓	Board Meeting dates are informed to all the Directors well in advance to give them sufficient time to review the Board Papers and request any additional information.
A1.7	Calls for resolutions	✓	Directors can call for a resolution to be presented to the Board where they feel it is in the best interest to the Company to do so.
A1.8	Training of Directors	✓	All of the directors in the Board are professionals with extensive experience and knowledge in their respective fields. Relevant local and foreign training opportunities are made available.
A.2	Chairman and Chief Executive Officer (CEO)	✓	Please refer Corporate Governance Report
A.3	Chairman's role	✓	Please refer Corporate Governance Report
A.4	Financial Acumen	✓	Members of the Board and Management have sufficient financial knowledge and thus are able to provide guidance on financial matters

Reference to the Code	Governing Principle	Compliance Status	How We Complied
A.5 Board Balance			
A.5.1	Non-Executive Directors	✓	All the Directors are Non- Executive Directors.
A.5.2	Independent Non-Executive Directors	✓	Board comprises more than two Non- Executive Directors
A.5.3.	Independence of Non-Executive Directors	✓	All Independent Non-Executive Directors have met the criteria set out in the Listing Rules of CSE and this code to be recognising as an independent.
A.5.4	Annual Declaration of Non-Executive Directors	✓	The Non-Executive Directors have submitted the required declaration, which was used for determining the independence of the Independent Directors.
A.5.5.	Determination of independence of the Directors	✓	All of the Independent Directors of the Company meet the criteria for independence specified in this rule
A.5.6	Alternate Director	✓	N/A
A.5.7	Senior Independent Director	✓	N/A
A.5.9	Chairman conducting Meetings with Non-Executive Directors	✓	All the Directors are Non-Executive Directors.
A.5.10	Recording concerns	✓	All the Board meeting proceedings are comprehensively recorded in the Board Minutes.
A.6 Supply of information			
A.6.1.	Providing appropriate and sufficient information	✓	Please refer Corporate Governance Report
A.6.2	Providing relevant information prior to the Board Meetings	✓	Previous Meeting Minutes, Agenda and Papers required for Board Meeting are provided to Directors with adequate time to study them to facilitate its effective conduct.
A.7 Appointments to the Board			
A.7.1	Formal and transparent procedure for Board appointments	✓	Board appointments follow a transparent and formal process
A.7.2	Assessment of the capability of the Board to meet strategic demands of the Company.	✓	The Board assess its own capability to meet the strategic demands of the Company.
A.7.3	Disclosure of new Board member	✓	Please refer Board of Directors.
A.8 Re-election		✓	

CORPORATE GOVERNANCE REPORT

Reference to the Code	Governing Principle	Compliance Status	How We Complied
A.8.1. / 8.2	Appointment of Non-Executive Directors	✓	Non-Executive Directors are appointed for specified terms subject to re-election and to the provisions in the Companies Act relating to the removal of a Director, and their re-appointment are not automatic.
A.8.2	Re Election	✓	All Directors including the Chairman of the Board are subject to election by Shareholders at the first opportunity after their appointment, and to re-election thereafter are done in accordance with the Articles of Association of the Company
A.9 Appraisal of Board Performance		✓	
A.9.1 and A.9.2	Annual Performance Evaluation of the Board and its Sub Committees	✓	Board performance is reviewed and evaluated on self appraisal basis.
A.9.3	The Board should state how such performance evaluations have been conducted	✓	Please refer A.9.1
A.10 Disclosure of information in respect of Directors			
A.10	Disclosure of information in respect of Directors	✓	Please refer Board of Directors.
B. Directors Remuneration			
B.1.1	Remuneration Committee	✓	Please refer Remuneration Committee Report
B.1.2	Composition of the Remuneration Committee	✓	Please refer Remuneration Committee Report
B.1.3	Chairman and the members of Remuneration Committee	✓	Please refer Remuneration Committee Report
B.1.4	Determination of remuneration of Non-Executive Directors	✓	Board of Directors are paid a Director fees based on the attendance for Board meetings.
B.2 The level and make up of			
Remuneration of Executive Directors	Remuneration of Executive Directors	N/A	There are no Executive Directors in the Board
B.3 Disclosure of remuneration	Disclosure of Remuneration	✓	Please refer Notes to the Financial Statements

Reference to the Code	Governing Principle	Compliance Status	How We Complied
C. Relations With Shareholders			
C.1 Constructive use of the Annual General Meeting (AGM) and conduct of General Meetings			
C.1.1.	Notice of the AGM and Related Documents	✓	The Notice of Meeting and related documents are dispatched to the Shareholders at least 15 working days prior to the AGM, as per Section 135 of the Companies Act No.07 of 2007.
C.1.2	Separate resolution for all separate issues	✓	The Company proposes separate resolutions on each item giving shareholders the opportunity to vote on each issue separately.
C.1.3.	Use of Proxy Votes	✓	As a matter of practice, proxy votes together with the votes of the shareholders present at the AGM are considered for each resolution.
C.1.4	Availability of Chairman of the Board Sub Committees to respond to queries at the AGM	✓	Chairman and Directors are available at AGM to facilitate shareholder inquiries.
C.1.5	Procedures of voting at the Annual General Meeting	✓	The Notice of Meeting outlines the procedure relating to voting at the Annual General Meeting.
C.2 Communication with shareholders			
C.2.1	Communication Channels	✓	Please refer Stakeholder Engagement
C.2.2	Policy and Methodology for Communication	✓	Please refer Stakeholder Engagement
C.2.3	Implementation of Policy	✓	The implementation of the policy and the methodology is done through the adoption of the above mentioned channels of communication.
C.2.4	Disclose the contact person for shareholder communications	✓	The Company Secretary is the contact person for all the matters pertaining to Shareholders
C.2.5	Directors' awareness of major issues and concerns of Shareholders	✓	Chairman ensures that all Directors are aware of major issues and concerns of Shareholders. Such issues are discussed at Board Meetings.
C.2.7	Response to shareholders	✓	Board of Directors answers all the queries raised by shareholders at AGM.
C.3 Major and Material Transactions	Disclosure of major transactions	✓	During the year there were no major transactions that should be disclosed.

CORPORATE GOVERNANCE REPORT

Reference to the Code	Governing Principle	Compliance Status	How We Complied
D. Accountability and Audit			
D.1 Financial Reporting		✓	
D.1.1	The Board should present an Annual Report including financial statements that is true and fair, balanced and understandable and prepared in accordance with the relevant laws and regulations and any deviation being clearly explained	✓	Annual Report is presented including financial statements that is true and fair, balanced and understandable and prepared in accordance with the relevant laws and regulations.
D.1.2	The Board's responsibility in presenting balanced and understandable information	✓	The Board of Directors has taken all reasonable steps to ensure the accuracy and timeliness of financial information with a view of presenting the true and fair view of the interim and annual financial statements
D.1.3	Declaration from the Chief Executive Officer and Chief Financial Officer	✓	Declarations are obtained from the CEO and Financial Controller that in their opinion the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Company.
D.1.4	Directors' Report in the Annual Report	✓	Please refer Annual Report of the Board of Directors.
D.1.5.	Statement of Directors' Responsibility	✓	Please refer Statement of Directors' Responsibilities.
D.1.6.	Management Discussion and Analysis	✓	Please refer Management Discussion and Analysis
D.1.7	Summon an Extraordinary General Meeting to notify serious loss of capital	✓	Circumstances to summon an EGM did not arise during the year
D.1.8	Disclosure of Related Party transactions	✓	Please refer Notes to the Financial Statements
D.2 Risk Management and Internal Control			
D.2.1	Directors to review on Risk Management and Internal Controls	✓	The Board has taken the necessary steps to ensure the integrity of the Company's accounting and financial reporting systems and internal control systems remain effective via the review and monitoring of such systems on a periodic basis.
D.2.2	Disclosures in the Annual Report on Risk Management and Internal Controls	✓	Please refer Risk Management

Reference to the Code	Governing Principle	Compliance Status	How We Complied
D.2.3	Internal Audit	✓	The internal Audit function of the Company is handled by DFCC Bank Group Internal Audit team. The internal audit report is reviewed by Audit Committee and recommendations are implemented immediately on yearly basis.
D.2.4	Maintaining sound system of internal control	✓	The Internal Auditors review the internal control system including internal control over financial reporting.
D.2.5	Responsibilities of Directors to maintain a sound system of internal control	✓	Please refer Directors’ Statement on Internal Controls.
D.3 Audit Committee (AC)			
D.3.1	Composition of the Audit Committee	✓	Please refer Audit Committee Report
D.3.2	Duties of the Audit Committee and Terms of Reference of the Audit Committee	N/A	N/A
D.3.3	Duties and responsibilities of the Committee	✓	The Board of Directors has the overall responsibility for overseeing the preparation of Financial Statements in accordance with the laws and regulations of the country, on the adoption of the best accounting policies. The Committee is also responsible for maintaining the relationship with the External Auditors.
D.4 Related Party Transactions Review Committee (RPTRC)			
D.4.1	A related party and related party transactions	✓	Please refer Notes to the Financial Statements
D.4.2	Related Party Transactions Review Committee (RPTRC)	✓	The Board overlooks the Related party transitions of the Company. The Board comprises of Non-Executive Directors out of which three are independent.
5 Code of Business Conduct and Ethics			
D.5.1	Disclosure of Code of Business Conduct & Ethics	✓	Group Code of Ethics ensures Business is conducted in ethical manner.
D.6 Corporate Governance disclosure	Disclosure of Corporate Governance	✓	Please refer Corporate Governance Report

CORPORATE GOVERNANCE REPORT

Reference to the Code	Governing Principle	Compliance Status	How We Complied
E. Institutional Investors			
E.1 Shareholder Voting			
E.1.1	Communication with Shareholders	✓	Please refer Stakeholder Engagement
E.2	Evaluation of Governance Disclosures	✓	Please refer Corporate Governance Report
F. Other Investors			
F.1 Investing/Divesting Decisions		✓	Please refer Stakeholder Engagement
F.2 Shareholder voting			
F.2.1	Individual Shareholders should be encouraged to participate in General Meetings of Companies and exercise their voting rights	✓	Please refer Stakeholder Engagement
G. Internet of Things and Cyber Security			
G.1 Identify connectivity and related cyber risks		✓	The Group implemented a comprehensive IT policy which covers the security of IT assets and the information assets. The Board of Directors and Senior Management continuously discussed the importance of cyber risk management and implement the ways to identify the risks.
G.3 Include cybersecurity in the Board Agenda		✓	Please refer G.1
G.4 Obtain periodic assurance to review effectiveness of cybersecurity risk management		✓	Any risks identified are reported to the Board by Group IT team on regular basis.
G.5 Disclosures in Annual Report		✓	Please refer Corporate Governance Report
Environment, Society and Governance (ESG)	Environment, Society and Governance (ESG)	✓	Reference is given in Capital reports to different sustainable reporting guidelines.

AUDIT COMMITTEE REPORT



Dear Shareholder,

I am pleased to present the report of the Audit Committee for the year ended 31st March 2023. In this report, I would like to share the way we carried out the responsibilities bestowed upon the Audit Committee during the financial year 2022/23.

Audit Committee of Lanka Industrial Estates Ltd was formed in December 2021 and held its meeting for the financial year 2022/23 on 09th March 2023.

PURPOSE OF THE AUDIT COMMITTEE

The Audit Committee of Lanka Industrial Estates (“the Company”) Ltd is delegated with the authority by the Board of Directors of the Company primarily to assist the Board in its oversight of the integrity of the Financial Statements of the Company, to assess the adequacy of the risk management framework of the Company, assess the independence and the performance of the Company’s external audit function and internal audit functions, and review compliance of the Company with legal and regulatory requirements.

CHARTER OF THE AUDIT COMMITTEE

The Audit Committee Charter is periodically reviewed and revised with the concurrence of Board of Directors to make sure that new developments relating to the function of the

Committee. The terms of reference of the Committee are clearly defined in the Charter of the Audit Committee.

Rules on Corporate Governance under Listing Rules of the Colombo Stock Exchange and “Code of Best Practice on Corporate Governance” issued jointly by Institute of Chartered Accountants of Sri Lanka and the Securities and Exchange Commission of Sri Lanka further regulate the composition, roles and functions of the Audit Committee.

RESPONSIBILITIES OF THE AUDIT COMMITTEE

The audit committee has been formed with the following terms of reference;

Recommending the appointment, reappointment and removal of the external auditors.

Monitoring and reviewing effectiveness of the Company’s internal control and risk management procedures.

Monitoring and reviewing effectiveness of the internal audit function and the scope of work.

Reviewing monthly, quarterly and annual financial statements to ensure quality, transparency, integrity, accuracy and compliance with accounting standards, laws and regulations.

Assisting the Board to discharge its responsibilities on ensuring the quality of financial reporting and information

COMPOSITION OF THE AUDIT COMMITTEE

The Audit Committee appointed by and responsible to the Board of Directors, comprises of the following two Independent Non-Executive Directors and a Non Independent Non-Executive director.

Mr. T Dharmarajah - Independent Non-Executive Director - Chairman of the Committee

Mrs. C.M.D.N.K Seneviratne - Independent Non-Executive Director

Mr. W.D.K Crishantha - Non-Independent Non-Executive Director

The above members have significant, recent and relevant financial experience as required by the Code of Best Practice in Corporate Governance, issued by the Institute of Chartered Accountants of Sri Lanka and the Listing Rules of the Colombo Stock Exchange.

Brief profiles of each member are given on pages 18 to 20 of this report.

Their individual and collective finance knowledge and business acumen and the independence of the committee, are brought to bear on their deliberations and judgments on matters that come within the committee’s purview.

The Company Secretary acts as the Secretary to the Audit Committee.

REGULAR ATTENDEES BY INVITATION

The following members of the corporate management team also regularly attended the meetings by invitation of the Committee.

Mr. B.R.C Cooray - Chief Executive Officer

Ms. W.P.C Withanage - Senior Accountant

COMPLIANCE

The Audit Committee reviewed the reports submitted by the management and the Internal Auditors on compliance with applicable laws and regulations. The Committee is satisfied that laws and regulations have been duly complied with and the statutory payments have been made on a timely basis.

EXTERNAL AUDIT

The Audit Committee assists the Board in assessing the independence and evaluating the performance of the External Auditors and in making

AUDIT COMMITTEE REPORT

recommendations for the engagement of the Auditors. The Board of Directors has reviewed the independence and objectivity of the Independent External Auditors, Messrs KPMG, Chartered Accountants. The Audit Committee has not met with the External Auditors during the financial year. The Board of Directors has received a declaration from the External Auditors, confirming that they do not have any relationships or interest in the Company or its subsidiaries.

APPOINTMENT OF EXTERNAL AUDITORS

The Board of Directors has recommended to the Board of Directors that Messrs KPMG, Chartered Accountants continue as Auditors for the financial year ending 31st March 2023.

FINANCIAL REPORTING

The Audit Committee reviewed the Interim Financial Statements and Annual Financial Statements for the year ended 31st March 2023 prior to their publication. For quarterly statements, the Committee reviewed any significant areas of judgment that materially impacted reported results, key points of disclosure and presentation to ensure adequacy, clarity and completeness of the Interim Financial Statements.

MEETINGS OF AUDIT COMMITTEE

The Audit Committee meets as often as may be deemed necessary or appropriate in its judgment, and at least quarterly each year. During the year under review there were one virtual meeting via MS teams and attendance of the Committee members are given below;

Director	Attendance
Mr. T Dharamarajah	1/1
Mrs. C.M.D.N.K Seneviratne	1/1
Mr. W.D.K Crishantha	1/1

EVALUATION OF THE COMMITTEE

Since the committee was appointed in December 2021, no evaluation was carried out for this year by the other Board members.

SUPPORT TO THE COMMITTEE

The Committee received the necessary support and information from the management of the Company and the Subsidiaries during the year to enable them to carry out its duties and responsibilities effectively.

CONCLUSION

The Audit committee with the cooperation of the Management, reviewed the Internal controls of the Company and its subsidiaries and methods to improve the same. 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 is also satisfied that the application of appropriate accounting policies provides reasonable assurance that the Financial Statements of the Group are true and fair.



T. Dharmarajah
Chairman

Audit Committee
25 August 2023

REMUNERATION COMMITTEE REPORT



Dear Shareholder,

I am pleased to present the report of the Remuneration Committee for the year ended 31st March 2023. In this report, I would like to share the how we carried out the responsibilities bestowed upon the Committee during the financial year 2022/23.

The Remuneration Committee of Lanka Industrial Estates Ltd was formed in December 2021 and held three meetings for the financial year 2022/23 on 24th May 2022, 11th November 2022 and 13th March 2023.

PURPOSE OF THE REMUNERATION COMMITTEE

The Committee was established for the purpose of recommending the remuneration of the staff, including the Senior Management and make recommendations to the Board of Directors on other HR related matters.

CHARTER OF THE REMUNERATION COMMITTEE

The Charter determines the terms of reference for the Nomination and Remuneration Committee, which defines the objectives, duties and responsibilities, composition, etc. of the Committee.

COMPOSITION OF THE REMUNERATION COMMITTEE

The Remuneration Committee appointed by and responsible to the Board of Directors comprises of the following Non-Executive Directors;

Mr. N.H.T.I Perera - Non-Executive Director-Chairman of the Committee

Mrs. C.M.D.N.K Seneviratne - Independent Non-Executive Director

Mr. T. Dharmarajah-Independent Non-Executive Director

MEETINGS OF THE COMMITTEE

The Remuneration Committee meets as may be deemed necessary or appropriate in its judgement and at least once in each financial year. During the year under review, there were three meetings and the attendance of the Committee members is given below;

Director	Attendance
Mr. N.H.T.I Perera	2/3
Mr. L.H.A.L Silva	1/3
Mrs. C.M.D.N.K Seneviratne	3/3
Mr. T. Dharamarajah	3/3

CONCLUSION

The Committee is satisfied that it has performed the responsibilities delegated to it by the Board for the year under review and that the necessary objectives were achieved for the year under review.

Thimal Perera
Chairman
Remuneration Committee

25 August 2023

RELATED PARTY TRANSACTION REVIEW COMMITTEE REPORT



Dear shareholder,

I am pleased to present the report of the Related Party Transactions Review Committee for the year ended 31st March 2023. In this report, I would like to share the way we carried out the responsibilities bestowed upon the committee during the financial year 2022/23.

PURPOSE OF THE RELATED PARTY TRANSACTION REVIEW COMMITTEE

The Committee was established to ensure on behalf of the Board, that all related party transactions of the Company are consistent with the Code of Best Practices on Related Party Transactions issued by the Securities and Exchange Commission of Sri Lanka.

CHARTER OF THE RELATED PARTY TRANSACTION REVIEW COMMITTEE

The Charter of the Related Party Transactions Review Committee clearly sets out the purpose, membership, authority, duties, and responsibilities of the Committee.

COMPOSITION OF THE COMMITTEE

The Related Party Transactions Review Committee appointed by and responsible to the Board of Directors comprises of the following Non-Executive Directors;

Mr. T Dharmarajah - Independent Non-Executive Director - Chairman of the committee

Mr. T.W de Silva - Non - Independent Non-Executive Director

Mr. R.M.K Ratnayake - Non - Independent Non-Executive Director

MEETINGS OF THE COMMITTEE

A meeting was held on 18th April 2022 during the financial year 2022/23.

There were no material related party transactions that took place during the period under review.

CONCLUSION

The Committee is satisfied that it has performed the responsibilities that were delegated to it by the Board for the year under review and the necessary objectives were achieved for the year under review.

T. Dharmarajah

Chairman

Related Party Transactions Review Committee

25 August 2023

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STATEMENT OF DIRECTORS' RESPONSIBILITIES

This Statement of Directors' Responsibility is to be read in conjunction with the Report of the Auditors and, is made to distinguish the respective responsibilities of the Directors and of the Auditors, in relation to the Financial Statements contained in this Annual Report.

The Directors are required by the Companies Act No. 07 of 2007, to prepare Financial Statements for every financial year, which give a true and fair view of the state of affairs of the Company and of the Group at the end of the financial year, and of the income and expenditure of the Company and of the Group for the financial year. The Directors confirm that the Financial Statements of the Company for the year ended 31 March 2023 is presented in the report have been prepared in accordance with the Sri Lanka Accounting Standards/ SLFRS and the Companies Act No. 07 of 2007. In preparing the Financial Statements, the Directors have selected appropriate accounting policies and have applied them consistently. Reasonable and prudent judgments and estimates have been made and applicable accounting standards have been followed and the Financial Statements have been prepared on a going concern basis.

The Directors are of the view that adequate funds and other resources are available within the Company for the Company to continue in operation for the foreseeable future. The Directors have taken all reasonable steps expected of them to safeguard the assets of the Company and of the Group and to establish appropriate systems of internal controls in order to prevent, deter and detect any fraud, misappropriation, or other irregularities. The Directors have also taken all reasonable steps to ensure that the Company and its subsidiaries maintain adequate and accurate accounting books of record which reflect the transparency of transactions and provide accurate disclosure of the Company's financial position.

The Directors are required to provide the Auditors with every opportunity to take whatever steps and undertake whatever inspection they consider appropriate for the purpose of enabling them to give their Audit Report. The Directors are of the view that they have discharged their responsibilities in this regard.

COMPLIANCE REPORT

The Directors confirm that to the best of their knowledge, all taxes, duties, and levies payable by the Company and its Subsidiaries, all contributions, levies, and taxes payable on behalf of the employees of the Company and its Subsidiaries, and all other known statutory dues as were due and payable by the Company and its Subsidiaries as at the end of the reporting period have been paid or, where relevant provided for.

For and on behalf of the Board of Directors of

Lanka Industrial Estates Ltd



N.H.T.I. Perera
Chairman

25 August 2023

DIRECTORS' STATEMENT ON INTERNAL CONTROL

DIRECTORS' STATEMENT ON INTERNAL CONTROLS

The following statement was issued as per the Code of Corporate Governance issued jointly by CA Sri Lanka and the Securities and Exchange Commission of Sri Lanka (SEC).

RESPONSIBILITY

The Board is responsible for the adequacy and effectiveness of Lanka Industrial Estates Limited's system of internal controls. It is designed to manage the Company's key risk areas within an acceptable risk profile. In this light, the system of internal controls can only provide reasonable but not absolute assurance against material misstatement of management and financial information and records or against financial losses or fraud.

INTERNAL CONTROL PROCESS

The Board reviews the effectiveness of the risk management framework and internal controls, the effectiveness of the audit, review of compliance, and internal audit processes. Internal Auditors review the effectiveness of risk management practices and the internal controls of the Company whilst the External Auditors review the internal controls over the financial reporting process.

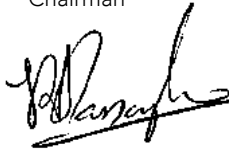
CONFIRMATION

The Board of Directors of Lanka Industrial Estates Limited confirms that the financial reporting system has been designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with Sri Lanka Accounting Standards (SLFRSs/LKASs), requirements of the Companies Act No. 7 of 2007 and any other regulatory requirements. The consolidated financial statements for the year ended 31st March 2023 have been audited by Messrs. KPMG, Chartered Accountants.



Thimal Perera

Chairman



Ravi Dassanayake

Director

25 August 2023

ANNUAL REPORT OF THE BOARD OF DIRECTORS

The Board of Directors of Lanka Industrial Estates Limited has the pleasure of presenting its report along with the Audited Consolidated Financial Statements for the year ended 31 March 2023. The details set out herein provide the pertinent information required under the Companies Act No. 07 of 2007 and adherence to best accounting practices.

LEGAL FORM

Lanka Industrial Estates Limited is a Public Company incorporated on 12th March 1992 and domiciled in Sri Lanka.

PRINCIPAL BUSINESS ACTIVITIES

The nature of the business of the Company and the Group are described below as required by Section 168 (1) (a) of the Companies Act No. 07 of 2007. There have been no material changes to the activities of the Company or any of its subsidiaries during the period under review, subject to what is stated below.

COMPANY

The main activities of the Lanka Industrial Estates Limited are to lease lands and provide infrastructure facilities to industries.

SUBSIDIARIES

Lindel Industrial Laboratories Limited

The principal activities of Lindel Industrial laboratories Limited are to provide support services such as water and effluent testing facilities to industries.

PARENT ENTITY

The Company's ultimate Parent and the controlling entity is DFCC Bank PLC, which is incorporated in Sri Lanka.

VISION, MISSION, AND VALUES

The company's vision mission and values are available on page 02. The Directors and all the employees conduct their activities with the highest level of ethical standards and integrity in achieving the aspiration and purpose.

REVIEW OF BUSINESS AND FUTURE OUTLOOK

The financial and operational performance, during the year ended 31st March 2023 and future business developments of the Company and the group, are provided in the Chairman's Message, CEO's Review and Management Review, and Capital Management. These reports, which form an integral part of the Annual Report of the Board of Directors, together with the Audited Financial Statements, reflect the state of affairs of the Company and group.

FINANCIAL STATEMENTS

The Financial Statements of the group and the Company duly signed by the Directors are provided on pages 98 to 101 and the Auditor's Report on the Financial Statements is provided on page 97 of this Annual Report. These reports form an integral part of the Annual Report of the Board of Directors and together with the Audited Financial Statements provide a fair review of the performance of the Company and the Group during the financial year ended 31st March 2023.

REVENUE

The Revenue of the Group was Rs. 470 Mn (2022 – Rs. 407 Mn) and Company was Rs. 472 Mn (2022- Rs. 408.1 Mn) The analysis thereof is given in Note 21 to the Financial Statements.

FINANCIAL RESULTS

The Company recorded a profit after tax of Rs.750.2 Mn for the year (2021/22- Rs. 927.4 Mn) whilst the Consolidated profit after tax was Rs. 750.4 Mn (2021/22Rs. 928.8 Mn). A synopsis of the Company's consolidated performance is presented below;

As at 31 March	Group		Company	
	2022/23	2021/22	2022/23	2021/22
	LKR '000	LKR '000	LKR '000	LKR '000
Profit from operations	1,703,334	1,248,936	1,702,190	1,247,174
Net finance income	66,342	22,505	63,967	21,793
Profit before tax	1,769,676	1,271,441	1,766,157	1,268,967
Income tax expense	(1,017,527)	(342,550)	(1,015,941)	(341,541)
Profit after tax	752,149	928,891	750,216	927,426
Other comprehensive income for the year	396	1,005	200	688
Total comprehensive income for the year	752,545	929,896	750,416	928,114
Earnings per share (Rs.)	1.88	2.33	1.88	2.97

DIVIDENDS

The Directors recommended a first and final dividend of Rs. 0.45 per share for the year under review to be approved by the shareholders at the forthcoming Annual General Meeting to be held on 20th September 2023.

ACCOUNTING POLICIES AND CHANGES DURING THE YEAR

The accounting policies adopted in the preparation of Financial Statements of the Company and the group are given at pages 102 to 131 of this Annual Report as required by Section 168 (1) (d) of the Companies Act.

PROPERTY PLANT AND EQUIPMENT AND INVESTMENT PROPERTY

The net book value and fair value of property plant and equipment and investment property as of the reporting date amounted to Rs. 176.8 Mn (Rs. 189.9 Mn 2021/22) and Rs. 9,424.6 Mn (Rs. 8,056.7 Mn 2021/22). The details of Property, plant, and equipment and their movements are shown in Note 6 to the Financial Statements. The details of the Investment property are shown in Note 7 to the Financial Statements.

INVESTMENTS

Details of investments held by the Company are disclosed in Note 07 to the financial statements on page 117.

STATED CAPITAL AND RESERVES

The Stated Capital of the Company as of 31st March 2023 was Rs. 159,692,050/- consisting of Rs. 399,230,125 ordinary voting shares. The Company subdivided its shares for a 1:25 ratio in December 2021. The total group equity was Rs. 7002.8 Mn as of 31st March 2023.

EXPOSURE TO RISK, INTERNAL CONTROL AND RISK MANAGEMENT

The Directors acknowledge their responsibility for the Company's system of internal control. The systems are designed to provide reasonable assurance that the assets of the Company are safeguarded and to ensure that proper accounting records are maintained. The Board of Directors has reviewed the system of internal control and is satisfied with the systems and measures in effect at the date of signing this Annual Report.

CORPORATE GOVERNANCE

The Board is committed to maintaining high standards of Corporate Governance, the process by which the Company is directed and managed. The Corporate Governance Report is given on pages 70 to 84 in this Annual Report.

FUTURE DEVELOPMENTS

The outlook for the Company in the short term and long term has been discussed in the Chairman's Message and CEO's Review in pages 17 to 19 of this report.

DIRECTORS OF THE COMPANY

The names of the persons who held office as Directors of the Company during the financial year ended 31st March 2023 are given below:

- Mr.N.H.T.I. Perera – Chairman/ Non-Executive Director
- Mr.T.W de Silva - Non-Independent Non-Executive Director
- Mr. A.D Tudawe – Non-Independent Non-Executive Director
- Mr. W.D.R Crishantha – Non-Independent Non-Executive Director
- Dr. R.M.K Ratnayake – Non-Independent Non-Executive Director
- Mr. Ravi Dassanayake – Non-Independent Non-Executive Director
- Mr.T.Dharmaraja - Independent Non-Executive Director
- Mrs. C.M.D.N.K Seneviratne - Independent Non-Executive Director
- Dr. K.A.S Keeragala - Independent Non-Executive Director

Profiles of the Directors are given on pages 20 and 23 of the Annual Report.

DIRECTORS' REMUNERATION AND OTHER BENEFITS

Directors' remuneration and other benefits of Directors are given in Note 24 to the Financial Statements on page xx as required by Section 168 (1) (f) of the Companies Act No. 07 of 2007.

DIRECTORS SHAREHOLDING

The relevant interests of Directors in the shares of the Company as of 31st March 2023 and 31st March 2022 are as follows.

As at 31 March	Shareholding as of 31	Shareholding as of 31
	March 2023	March 2022
Mr. N.H.T.I.Perera	Nil	Nil
Mr.T.W De Silva	Nil	Nil
Mr. W.D.R Crishantha	Nil	N/A
Dr.R.M.K Ratnayake	Nil	Nil
Mr.R.A Dassanayake	Nil	Nil
Mr.A.Tudawe	Nil	Nil
Mr.T.Dharmaraja	Nil	N/A
Mrs. C.M.D.N.K Seneviratne	Nil	N/A
Dr. K.A.S Keeragala	Nil	N/A

DIRECTOR'S DISCLOSURE OF INTEREST

As per requirements of the Companies Act, No. 07 of 2007 an Interest Register is maintained by the Company. Directors have made declarations of their interests in other companies conforming to Sections 192 (1) and 192 (2) of the Companies Act, No. 07 of 2007, and they are recorded in the Directors' Interest Register.

BOARD AND BOARD SUBCOMMITTEE MEETINGS

The number of Board meetings, Audit Committee meetings, Remuneration Committee meetings, and Related Party Transactions Review Committee meetings held during the year and the attendance of Directors at these meetings are given on page 73.

ANNUAL REPORT OF THE BOARD OF DIRECTORS

NEW APPOINTMENTS AND RESIGNATION

The following Directors were appointed to the Board in the capacity of Independent Non-Executive Directors during the year:

The following Director was appointed as a Non-Independent Non-Executive Director during the year:

Mr. N.H.T.I.perera – Appointed on 24th August 2022.

The following Non-Independent Non-Executive Director resigned from the Board during the year:

Mr. L.H.A.L.Silva resigned from the Board on 29th July 2022.

The Board wishes to place on record the Company's sincere appreciation to Mr. L.H.A.L.Silva for the valuable contribution extended to the Company during his tenure on the Board.

RE-ELECTION OF DIRECTORS

Messrs. T.W. De Silva and Mr. R.A. Dassanayake, Directors retire by rotation pursuant to Article 99 of the Articles of Association of the Company and being eligible offer themselves for re-election.

Mr. N.H.T.I. Perera retires pursuant to Article 105 of the Articles of Association of the Company and being eligible offer themselves for re-election.

RE-APPOINTMENT OF DIRECTOR

A resolution for the re-appointment of Dr. R.M.K. Ratnayake, who is over 70 years of age will be proposed at the Annual General Meeting in terms of Section 211 of the Companies Act No.07 of 2007. Dr. R.M.K. Ratnayake's reappointment is recommended by the Directors.

RELATED PARTY TRANSACTIONS

Transactions if any that could be classified as Related Party Transactions in terms of LKAS 24 "Related Party Disclosures" are given in Note 27 to the Financial Statements.

STATUTORY PAYMENTS

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

SHARE INFORMATION AND SUBSTANTIAL SHAREHOLDING

Information relating to earnings, dividends, net assets, and shareholders is available on the Investor Information on page 132 and Financial Highlights on page 9 of the Annual Report

EMPLOYEE SHARE OWNERSHIP SCHEME

The Company did not have any employee share ownership/option scheme during the year.

HUMAN RESOURCES

During the year Company continued to invest in the development of its human resource and implement effective HR practices to ensure maximum contribution towards the achievement of its corporate objectives and goals.

ENVIRONMENT PROTECTION

Lanka Industrial Estates Limited and its subsidiaries have not engaged in any activities, which have caused detriment to the environment. The activities are carried out in accordance with the Group Environmental Management System to preserve the environment.

AUDITOR'S REPORT

The Auditors' Report on the Financial Statements is given on page 97 of this Annual Report.

APPOINTMENT OF AUDITORS

The Company's Independent External Auditors, Messrs. KPMG, Chartered Accountants, who were appointed by a resolution passed at the 30th Annual General Meeting, have carried out an audit on the Financial Statements of the Company and the Consolidated Financial

Statements of the Group for the year ended 31st March 2023 and expressed their opinion which appears on page 97 of this Annual Report. The retiring Auditor, Messrs. KPMG has intimated their willingness to continue in office, and a resolution to reappoint them as auditors and authorize the Directors to fix their remuneration; will be proposed at the Annual General Meeting.

AUDITOR'S REMUNERATIONS

The details of fees paid to the Auditors for the Company and its subsidiary are set out in Note 23 to the Financial Statements. As far as the Directors are aware, the Auditors have no other relationship with the Company and its subsidiary.

DONATIONS

Details of donations made by the Company are given on page 61-65 in the Social and Relationship Capital Report.

RATIOS

Ratios relating to performance and equity are given in Financial Highlights on page 9.

EVENTS AFTER THE REPORTING PERIOD

Circumstances giving rise to disclosure in the Financial Statements since the reporting date have been disclosed in Note 32 to the financial statements. No circumstances have arisen since the reporting date that would require adjustments in the Financial Statements.

COMPLIANCE WITH THE TRANSFER PRICING REGULATIONS

All transactions entered into with associated persons during the period are on an arm's length basis and are comparable with transactions carried out with non - associated persons.

EXPOSURE TO RISK

The Company and Group have a structured risk management process in place to support their operations. The risk management report referred in pages 29 to 32 elaborates on these practices and the risk factors.

COMPLIANCE WITH LAWS AND REGULATIONS

To the best of the knowledge and belief of the Directors, the Company has not engaged in any activities contravening the laws and regulations of the country.

GOING CONCERN

The Board of Directors is satisfied that the Company and its subsidiaries will have adequate resources to continue its operations without any disruption in the foreseeable future. Accordingly, the Directors consider that it is appropriate to prepare Financial Statements on a going concern basis.

ANNUAL GENERAL MEETING

The 31st Annual General Meeting of the Company will be held on the 20th September 2023 at 1.00 p.m. The notice of the Annual General Meeting is on page 141 of the Annual Report.

ACKNOWLEDGMENT OF THE CONTENT OF THE REPORT

As required by the Companies Act No. 07 of 2007, the Board of Directors does hereby acknowledge the contents of this Annual Report

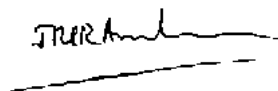
For and on behalf of the Board



N.H.T.I. Perera
Chairman



R.A. Dassanayake
Director



SSP Corporate Services (Private) Limited
Company Secretaries

25 August 2023

CHIEF EXECUTIVE OFFICER'S AND SENIOR ACCOUNTANT'S STATEMENT OF RESPONSIBILITY

Lanka Industrial Estates Ltd (the Company) and the Consolidated Financial Statements of the Company and its subsidiaries (the Group) as at 31 March 2023 are prepared and presented in accordance with the following requirements:

Sri Lanka Accounting Standards issued by The Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka), Companies Act No. 07 of 2007,

- ◆ Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995,
- ◆ Code of Best Practice on Corporate Governance issued jointly by The Institute of Chartered Accountants of Sri Lanka and the Securities and Exchange Commission Sri Lanka.

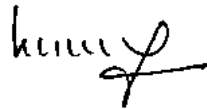
The significant accounting policies and estimates that involve a high degree of judgment and complexity were discussed with our External Auditors and the Board of Directors. The Board of Directors, the Chief Executive Officer, and the Financial Controller of the Company accept responsibility for the integrity and the integrity and objectivity of these Consolidated Financial Statements.

We confirm that to the best of our knowledge, the Financial Statements, Accounting Policies, and other financial information pertaining to material financial conditions, and cash flows contained in this Annual Report were acquired legitimately. We confirm that the Group has mandatory resources to pursue its operations and has justification to be classified as a going concern basis in formulating these Financial Statements. The objectivity of these Consolidated Financial Statements.

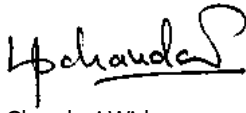
The Company and the Group have taken proper and sufficient care in installing a system of internal control and accounting records, for safeguarding assets and for preventing and detecting frauds as well as other irregularities, which is reviewed, evaluated and updated on an ongoing basis.

The Consolidated Financial Statements of the Company were audited by Messrs KPMG, Chartered Accountants and their report is given on page 97 of the Annual Report. The Board of Directors of the Company meets annually with the internal audit team and the External Auditors to review their audit plans, assess the manner in which these Auditors are performing their responsibilities, and to discuss their reports on, internal controls and financial reporting issues.

We confirm that the Company has complied with all applicable laws and regulations and guidelines and that there are no material litigations that are pending against the Company other than those disclosed in the Financial Statements in the Annual Report.



Rasika Cooray
Chief Executive Officer



Chandani Withanage
Senior Accountant

INDEPENDENT AUDITOR'S REPORT



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

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TO THE SHAREHOLDERS' OF LANKA INDUSTRIAL ESTATES LIMITED

Report on the Audit of the Financial Statements

OPINION

We have audited the financial statements of Lanka Industrial Estates Limited ("the Company") and the consolidated financial statements of the Company and its subsidiary ("the Group"), which comprise the statement of financial position as at March 31, 2023, and the statement of

profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information as set out on pages 98 to 133.

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 March 31, 2023, and of their financial performance and its 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 Company and 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.

OTHER INFORMATION

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

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

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

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

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

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

Those charged with governance are responsible for overseeing the 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.

A further description of the auditor's responsibilities for the audit of the financial statements is located at Sri Lanka Accounting and Auditing Standards website at: <http://slaasc.com/auditing/auditorsresponsibility.php>. This description forms part of our auditor's report.

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.

CHARTERED ACCOUNTANTS
 Colombo, Sri Lanka

August 25, 2023

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

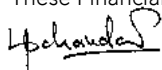
C. P. Jayatilake FCA	T. J. S. Rajakarier FCA	W. W. J. C. Perera FCA
Ms. S. Joseph FCA	Ms. S.M.B. Jayasekara FCA	W. K. D. C. Abeyrathne FCA
S. T. D. L. Perera FCA	G. A. U. Karunaratne FCA	R.M.D.B. Rajapakse FCA
Ms. B.K.D.T.N. Rodrigo FCA	R. H. Rajan FCA	M.N.M. Shameel FCA
Ms. C.T.K.N. Perera ACA	A.M.R.P. Alahakoon ACA	Ms. P.M.K. Sumanasekara FCA
Principals - S.R.I. Perera FCMA(UK), LLB, Attorney-at-Law, H.S. Goonewardene ACA, Ms. F.R. Ziyad FCMA (UK), FTII		

STATEMENT OF FINANCIAL POSITION

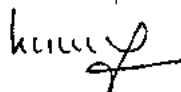
As at 31 March	Notes	Group		Company	
		2023	2022	2023	2022
		LKR '000	LKR '000	LKR '000	LKR '000
Assets					
Non Current Assets					
Property, plant and equipment	5	176,875	189,309	174,488	186,329
Investment properties	6	9,424,616	8,056,758	9,424,616	8,056,758
Investment in Debenture	22	7,723	-	7,723	-
Investment in subsidiary	7	-	-	7,000	7,000
Total non current assets		9,609,214	8,246,067	9,613,827	8,250,087
Current assets					
Inventories	8	6,302	5,327	3,784	3,328
Trade and other receivables	9	88,687	58,914	85,783	54,352
Amount due from related party	10	-	-	1,420	1,651
Cash and cash equivalents	11	438,237	423,147	423,898	411,286
Total current assets		533,226	487,388	514,885	470,617
Total assets		10,142,440	8,733,455	10,128,712	8,720,704
Equity and liabilities					
Stated capital					
Stated capital	12	159,692	159,692	159,692	159,692
Reserves	13	6,843,162	6,338,607	6,833,059	6,329,271
Total equity		7,002,854	6,498,299	6,992,751	6,488,963
Non current liabilities					
Deferred taxation	14	2,837,026	1,924,563	2,837,714	1,924,903
Refundable deposits	15	113,567	96,163	113,567	96,163
Employee benefits	16	4,817	5,779	3,561	4,600
Total non current liabilities		2,955,410	2,026,505	2,954,842	2,025,666
Current liabilities					
Accruals, deposits and advances received	17	131,401	129,341	130,084	128,433
Other liabilities	18	4,658	31,236	4,166	30,206
Current taxation	19	48,117	47,950	46,869	47,411
Bank overdraft	11	-	123	-	25
Total current liabilities		184,176	208,650	181,119	206,075
Total liabilities		3,139,586	2,235,156	3,135,961	2,231,741
Total equity and liabilities		10,142,440	8,733,455	10,128,712	8,720,704

The annexed notes to the Financial Statements form an integral part of these Financial Statements.

These Financial Statements are in compliance with the requirements of Companies Act, No 7 of 2007.



W.P.C. Withanage
Senior Accountant



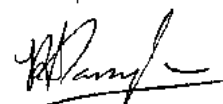
B.R.C. Cooray
CEO

The Directors are responsible for the preparation and presentation of these Financial Statements.

Signed for and on behalf of the Board.



N.H.T.I. Perera
Chairman



R.A. Dassanayake
Director

Colombo.
25 August 2023

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March	Notes	Group		Company	
		2023	2022	2023	2022
		LKR '000	LKR '000	LKR '000	LKR '000
Revenue	20	470,447	407,019	472,073	408,186
Other operating income	21	19,464	20,510	2,651	2,313
Fairvalue gain on Investment property		1,475,497	1,030,142	1,475,497	1,030,142
Staff expenses		(42,177)	(30,447)	(32,702)	(22,585)
Depreciation and amortisation		(137,602)	(119,736)	(136,880)	(119,381)
Other operating expenses		(82,295)	(58,552)	(78,449)	(51,501)
Profit from operations	23	1,703,334	1,248,936	1,702,190	1,247,174
Net finance income	24	66,342	22,505	63,967	21,793
Profit before taxation		1,769,676	1,271,441	1,766,157	1,268,967
Income tax expense	25	(1,017,527)	(342,550)	(1,015,941)	(341,541)
Profit for the year		752,149	928,891	750,216	927,426
Other comprehensive income					
Item that will not be reclassified to profit or loss					
Actuarial loss on defined benefit plans	16	566	1,323	286	905
Related tax	14	(170)	(318)	(86)	(217)
Total other comprehensive expense for the year		396	1,005	200	688
Total comprehensive income for the year		752,545	929,896	750,416	928,114
Basic earnings per share (Rs.)	26	1.88	2.33	1.88	2.97

The annexed notes to the financial statements form an integral part of these financial statements.

Figures in brackets indicate deductions

STATEMENT OF CHANGES IN EQUITY

<i>For the year ended 31 March</i>	Stated Capital	General Reserve	Retained Earnings	Total
	LKR '000	LKR '000	LKR '000	LKR '000
Group				
Balance as at 1 April 2021	159,692	40,000	5,536,389	5,736,081
Balance as at 1 April 2021	159,692	40,000	5,536,389	5,736,081
Comprehensive income for the year				
Profit for the year	-	-	928,891	928,891
Other Comprehensive Loss for the Year	-	-	1,005	1,005
Total comprehensive income for the year	-	-	929,896	929,896
Transaction with owners of the Company, recognized directly in equity				
Dividend paid	-	-	(167,677)	(167,677)
Balance as at 31 March 2022	159,692	40,000	6,298,607	6,498,299
Balance as at 1 April 2022	159,692	40,000	6,298,607	6,498,299
Adjustment on surcharge tax (Note 25.1)	-	-	(71,629)	(71,629)
Adjusted balance as at 1 April 2022	159,692	40,000	6,226,978	6,426,670
Comprehensive income for the year				
Profit for the year	-	-	752,149	752,149
Other comprehensive Income for the year	-	-	396	396
Total comprehensive income for the year	-	-	752,545	752,545
Transaction with owners of the Company, recognized directly in equity				
Dividend paid	-	-	(176,361)	(176,361)
Balance as at 31 March 2023	159,692	40,000	6,803,162	7,002,854
Company				
Balance as at 1 April 2021	159,692	40,000	5,528,834	5,728,526
Comprehensive income for the year				
Profit for the year	-	-	927,426	927,426
Other Comprehensive Income for the Year	-	-	688	688
Total comprehensive income for the year	-	-	928,114	928,114
Transaction with owners of the Company, recognized directly in equity				
Dividend paid	-	-	(167,677)	(167,677)
Balance as at 31 March 2022	159,692	40,000	6,289,271	6,488,963
Balance as at 1 April 2022	159,692	40,000	6,289,271	6,488,963
Adjustment on surcharge tax (Note 25.1)	-	-	(70,967)	(70,967)
Adjusted balance as at 1 April 2022	159,692	40,000	6,218,304	6,417,996
Comprehensive income for the year				
Profit for the year	-	-	750,216	750,216
Other Comprehensive Loss for the Year	-	-	200	200
Total comprehensive income for the year	-	-	750,416	750,416
Transaction with owners of the Company, recognized directly in equity				
Dividend paid	-	-	(175,661)	(175,661)
Balance as at 31 March 2023	159,692	40,000	6,793,059	6,992,751

The annexed notes to the Financial Statements form an integral part of these Financial Statements. Figures in brackets indicate deductions

STATEMENT OF CASH FLOWS

For the year ended 31 March	Group		Company	
	2023	2022	2023	2022
	LKR '000	LKR '000	LKR '000	LKR '000
Cash flow from operating activities				
Profit before taxation	1,769,676	1,271,441	1,766,157	1,268,967
Adjustments for:				
Depreciation property, plant and equipment	18,973	16,822	18,251	16,467
Depreciation investment property	118,629	102,914	118,629	102,914
Fair gain on Investment property	(1,475,497)	(1,030,142)	(1,475,497)	(1,030,142)
Dividend income	-	-	(700)	(700)
Provision for doubtful debts	11,545	2,095	10,947	1,573
Provision for employment benefit	1,256	1,430	900	1,059
Profit on disposal of property, plant and equipment	-	-	-	-
Amortisation of prepaid rent and security deposits	(11,618)	(9,261)	(11,618)	(9,261)
Interest expense on rent and security deposits	10,666	10,637	10,666	10,637
Interest income	(65,390)	(23,881)	(63,016)	(23,169)
Operating profit before working capital changes	378,240	342,055	374,719	338,346
Increase / decrease in trade and other receivables	(41,318)	(31,281)	(42,378)	(28,172)
Increase in inventories	(975)	(1,415)	(456)	(1,067)
Increase in accruals, deposits and advances received	3,013	2,061	1,651	1,783
Increase in refundable deposits	17,403	35,299	18,356	35,299
Decrease / increase in other liabilities	(27,801)	(2,032)	(26,479)	(2,573)
Increase in amount due to related party	-	-	231	(804)
Net cash generated from operations	328,562	344,688	325,644	342,812
Employee benefits paid	(1,652)	(919)	(1,652)	(834)
Income tax paid	(104,810)	(59,913)	(103,586)	(59,226)
Surcharge Tax Paid	(71,629)	-	(70,967)	-
Net cash generated from operating activities	150,471	283,855	149,439	282,752
Cash flow from financing activities				
Interest received	65,391	23,881	63,017	23,169
Purchase of property, plant and equipment	(6,539)	(53,641)	(6,409)	(50,657)
Purchase/Improvements of investment properties	(10,989)	(92,154)	(10,989)	(92,154)
Proceeds received on disposal of property, plant and equipment	-	-	-	-
Net cash (used in)/ generated from investing activities	47,863	(121,914)	45,619	(119,642)
Cash flow from investing activities				
Investment in debentures	(7,460)	-	(7,460)	-
Dividend received	-	-	700	700
Dividend paid	(175,661)	(167,677)	(175,661)	(167,677)
Net cash used in financing activities	(183,121)	(167,677)	(182,421)	(166,977)
Net increase in cash and cash equivalents	15,213	(5,736)	12,637	(3,867)
Cash and cash equivalents at the beginning of the year	423,024	428,760	411,261	415,128
Cash and cash equivalents at the end of the year (Note 12)	438,237	423,024	423,898	411,261

The annexed notes to the Financial Statements form an integral part of these Financial Statements.

Figures in brackets indicate deductions

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

1.1 Reporting entity

Lanka Industrial Estates Limited, ("the Company") is a public Company incorporated on 12 March 1992 and domiciled in Sri Lanka.

1.2 Consolidated Financial Statements

The Consolidated Financial Statements for the year ended 31st March 2023 comprise of the Company and its subsidiary, Lindel Industrial Laboratories Limited (together referred to as the "Group"). Lindel Industrial Laboratory Limited is a fully owned subsidiary of the Company.

1.3 Principal Activities and Nature of Operations

The main activities of the Company are to lease lands and provide infrastructure facilities to industries. The principal activity of the Lindel Industrial Laboratories Limited is providing support services such as water and effluent testing facilities to industries.

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

1.4 Parent Entity and Ultimate Parent Entity

The immediate and ultimate holding Company of Lanka Industrial Estates Limited is DFCC Bank PLC.

1.5 Registered office and place of business

The registered office is situated at 73/5, DFCC Building, Galle Road, Colombo 3. The principal place of business is situated at Lanka Industrial Estate, Pattiwila Road, Sapugaskanda, Makola.

1.6 Number of employees Company

Employees as at 31 March 2023 was 11. (2022: 10)

Group

Employees as at 31 March 2023 was 20. (2022: 19)

2. BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements of the Group have been prepared in accordance with Sri Lanka Accounting Standards (SLAS) prefixed both SLFRS (corresponding to IFRS) and LKAS (corresponding to IAS), promulgated by the Institute of Chartered Accountants of Sri Lanka (ICASL) and comply with the requirements of the Companies Act No. 7 of 2007.

2.2 Basis of Measurement

The Financial Statements have been prepared on the historical cost basis and applied consistently which no adjustments being made for inflationary factors affecting the financial statements except for Employee Benefits and Investment Properties measured at fair value.

2.3 Functional and Presentation Currency

The consolidated Financial Statements are presented in Sri Lankan Rupees, which is the Group's functional currency.

Except as indicated, financial information presented in Sri Lankan Rupees has been rounded to the nearest rupee value.

2.4 Comparative Figures

Certain comparative figures in the financial statement has been restated and reclassified as a result of change in significant accounting policy during the previous year.

2.5 Use of Estimate and Judgments

The preparation of the Financial Statements of the Company and the Group in conformity with SLAS's requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- ◆ Deferred taxation (Note 3.2.b)
- ◆ Employee benefits (Note 3.12)
- ◆ Investment Properties (Note 3.5)
- ◆ Impairment of financial and non-financial assets (Note 3.9)
- ◆ Provisions (Note 3.10)
- ◆ Useful life of PPE (Note 3.4)

Going concern

These financial statements have been prepared on the basis that the Company and the Group would continue as a going concern for foreseeable future.

In light of ongoing economic crisis of the country the Group has assessed its going concern and a detailed disclosure of its assessment are provided in the financial statements. In preparing the financial statements for the year ended 31st March 2023, the management has assessed the

possible effects of the ongoing economic crisis of the country on the businesses of the Group to determine their ability to continue as a going concern.

Based on currently available information, the management is satisfied that having taken into consideration factors that could impact the revenue, supply chain, cash flows and accessibility to funds and costs, the Group would continue as a going concern.

Consequent to giving due consideration to the presentations by management, the Directors are satisfied that the Group have adequate resources to continue as a going concern for a foreseeable future. The Group has positive net asset, positive working capital and cash flow positions for the next twelve months. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on a going concern basis.

Further, the tax liability arising from the Surcharge Tax Act No: 14 of 2022 has been accounted as recommended by the Statement of Alternative Treatment (SoAT) issued by the Institute of Chartered Accountants of Sri Lanka as disclosed under the note 25 on Income Taxes.

2.6 Materiality and aggregation

Each material class of similar items is presented separately in the financial statements. Items of a dissimilar nature of function are presented separately unless they are immaterial.

3 SIGNIFICANT ACCOUNTING POLICIES

A number of amendments are effective from 1st April 2022 that do not have a material effect on Group's financial statements.

During the previous year, the Group has changed its accounting

policy of Investment Properties from cost model to fair value model as per LKAS 40.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, other than the change in policy indicated above.

3.1 Basis of Consolidation

The Group's Financial Statements comprise consolidation of the Financial Statements of the

Company and its Subsidiary in terms of the Sri Lanka Accounting Standard-SLFRS 10 on 'Consolidated Financial Statements'.

3.1.1 Business Combination

Business combinations are accounted for using the acquisition method when control is transferred to the Group.

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

3.1.2 Subsidiaries

Subsidiaries are entities controlled by the Group. The Group 'controls' an entity if it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group reassesses whether it has control if there are changes to one or more of the elements of control. This includes circumstances in which protective rights held (e.g. those resulting from a lending relationship) become substantive and lead to the Group having power over an entity.

The cost of an acquisition is measured at fair value of the consideration, including contingent consideration. The acquired identifiable assets, liabilities and contingent liabilities are measured at their fair values at the date of acquisition. Subsequent to the initial measurement the Group continues to recognize the investments in Subsidiary at cost.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date when control ceases.

There are no significant restrictions on the ability of Subsidiaries to transfer funds to the Parent (the Company) in the form of cash dividend or repayment of loans and advances.

The subsidiary of the Company has been incorporated in Sri Lanka.

3.1.3 Loss of Control

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

Subsequently, it is accounted for as an Associate or in accordance with the Group's Accounting Policy for financial instruments depending on the level of influence retained.

3.1.4 Transactions Eliminated on Consolidation

Intra-group balances and transactions, and any unrealized income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealized losses are eliminated in the same

NOTES TO THE FINANCIAL STATEMENTS

way as unrealized gains, but only to the extent that there is no evidence of impairment.

3.1.5 Accounting for investment in subsidiaries

When separated financial statements are prepared, investments in subsidiaries are accounted for using the cost method. Investments in subsidiaries are stated in the Company's Statement of Financial Position at cost less accumulated impairment losses.

3.1.6 Financial Period

The Consolidated Financial Statements are prepared to a common financial year ended 31 March.

3.2 Income Tax Expense

As per the Sri Lanka Accounting Standards - LKAS 12 on 'Income taxes', tax expense is the aggregate amount included in determination of profit or loss for the period in respect of current and deferred taxes. Income tax expense is recognized in the profit or loss except to the extent it relates to items recognized directly in Equity through Other Comprehensive Income (OCI).

(a) Current Taxation

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

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

(b) Deferred Taxation

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

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

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

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

3.3 Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the Group at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at the report date. The foreign currency gain or loss on monetary items is the difference between amortized

cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortized cost in foreign currency translated at the exchange rate at the end of the reporting period.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on translation are recognized in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

ASSETS AND BASES OF VALUATION

Assets classified as current on the Statement of Financial Position are cash or those which are expected to be realized in the normal operating cycle of the Group or within one year from the reporting date, whichever is earlier. Assets other than current assets are those, which the Group intends to hold beyond a period of one year calculated from the reporting date.

3.4 Property, Plant and Equipment

a) Recognition and measurement

Items of Property Plant and Equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition

for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs.

Cost also may include transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of Property Plant and Equipment.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of Property, Plant and Equipment have different useful lives, they are accounted for as separate items (major components) of Property Plant and Equipment.

The gain or loss on disposal of an item of Property Plant and Equipment is determined by comparing the proceeds from disposal with the carrying amount of the item of Property Plant and Equipment and recognised in other income/ other expenses in profit or loss.

b) Subsequent costs

The cost of replacing a component of an item of Property, Plant and Equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of Property Plant and Equipment are recognised in profit or loss as incurred.

c) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale

are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

However, there were no borrowing costs in the Group during the financial periods under review.

d) Depreciation

The Group provides depreciation from the date the assets are available for use up to the date of disposal, at the following rates on a straight-line basis over the periods appropriate to the estimated useful lives of the different types of assets.

The estimated useful lives for the current and comparative years are as follow:

Office buildings	20 Years
Electricity installations	20 Years
Solar power project	20 Years
Telecommunication installations	10 Years
Plant and machinery	10 Years
Furniture and fittings	5 Years
Lab and other equipment	5 Years
Data processing equipment	4 Years
Motor vehicles	4 Years
Office equipment	4 Years
Lab glassware	2 Years

The assets' residual values, useful lives and methods of depreciation are reviewed, and adjusted if appropriate, at each financial year end.

e) Impairment

The carrying value of the property, plant and equipment is reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where the carrying value exceed the estimated

recoverable amount the assets are written down to their recoverable amount. Impairment losses are recognized in the profit or loss unless it reverses a previous revaluation surplus for the same asset.

f) Capital Work in progress

Capital work-in-progress represents the accumulated cost of the materials and other costs directly related to the construction of an asset. Capital work-in-progress is transferred to the respective asset accounts at the time it is substantially completed and ready for its intended use.

g) Derecognition

The carrying amount of an item of Property, Plant and Equipment is derecognized on disposal or when no future economic benefits are expected from it. The gain or loss arising from the derecognition of an item of Property, Plant and Equipment is included in the Income Statement when the item is derecognized.

When replacement costs are recognized in the carrying amount of an item of Property, Plant and Equipment, the remaining carrying amount of the replaced part is derecognized. Major inspection costs are capitalized. At each such capitalization, the remaining carrying amount of the previous cost of inspection is derecognized.

3.5 Investment Property

Basis of Measurement

Investment Properties are those which are held either to earn rental income or for capital appreciation or for both. Investment Properties are stated at fair value. An external, independent valuer, having an appropriate recognized professional qualification and recent experience in the location and category of property being

NOTES TO THE FINANCIAL STATEMENTS

valued, values the portfolio every year.

Investment property initially measured at cost and subsequently at fair value with any change there in recognized in Profit or loss. Any gain or loss on disposal of investment property is recognized in profit or loss. Rental income from investment property is recognized as Revenue on a straight-line basis over the term of lease. Lease incentive granted are recognized as an integral part of the total rental income over the term of lease.

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 capitalized borrowing costs.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment and its fair value at the date of reclassification becomes its deemed cost for subsequent accounting.

Depreciation is charged on a straight-line basis to write off the cost less any estimated residual value of property over its estimated useful lives as follows:

Buildings	20 Years
Site improvement	10 Years
Buildings improvement	10 Years

De-recognition

Investment Property is derecognized 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 recognized in the Income Statement in the period of derecognition.

3.6 Financial Instruments

3.6.1 Financial assets

Recognition and initial measurement

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument.

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

Classification and subsequent measurement of financial assets

On initial recognition, a financial asset is classified as measured at: amortized cost; fair value through other comprehensive income (FVOCI) debt investment; fair value through other comprehensive income (FVOCI) - equity investment; or fair value through profit or loss (FVTPL).

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

A financial asset is measured at amortized cost if it meets both of

the following conditions and is not designated as at FVTPL:

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

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

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

Financial assets - Business model assessment

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

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

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

Financial assets -Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument.

Financial assets - Subsequent measurement and gains and losses

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

3.6.2 Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition.

Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

The Group enters into transactions whereby it transfers assets recognized in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

NOTES TO THE FINANCIAL STATEMENTS

Financial liabilities

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

3.6.4 Offsetting

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

3.7 Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is based on the Weighted Average Cost basis, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

3.8 Fair Value Measurement

'Fair value' is the price that would be received to sell an asset or

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

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

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

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

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

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs

are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognized in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

Use of assumptions and estimation uncertainty

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

The Group has an established control framework with respect to the measurement of fair values.

The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of SLFRS, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Group's audit committee. When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

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

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

3.9 Impairment of Assets

3.9.1 Financial instruments and contract assets

Loss allowances for trade receivables is always measured at an amount equal to lifetime Expected Credit Loss (ECL).

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

Credit impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit impaired. A financial asset is 'credit-impaired' when one or more events that have

a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Presentation of allowance for ECL in the statement of financial position

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

For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognized in OCI.

3.9.2 Non financial assets

The carrying amounts of the Group's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time. An impairment loss is recognized if the carrying amount of an asset exceeds its estimated recoverable amount.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets.

Impairment losses are recognized in profit or loss.

3.10 Liabilities and Provisions

Liabilities classified as Current

Liabilities in the statement of financial position are those obligations payable on demand or within one year from the reporting date. Items classified as non-current liabilities are those obligations, which expire beyond a period of one year from the reporting date.

All known liabilities have been accounted for in preparing the Financial Statements. Provision and liabilities are recognized when the Group has a legal or constructive obligation as a result of past events and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. 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.

3.11 Leases

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

To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in SLFRS 16.

As a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the

NOTES TO THE FINANCIAL STATEMENTS

basis of their relative standalone prices.

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

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Group applies SLFRS 15 to allocate the consideration in the contract.

The Group applies the derecognition and impairment requirements in SLFRS 9 to the net investment in the lease. The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Group recognizes lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'revenue'.

3.12 Employee benefits

3.12.1 Short-term benefits

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

3.12.2 Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to Provident and Trust Funds covering all employees are recognized as an expense in profit and loss when incurred.

Employee Provident Fund

All employees of the Group are members of the Employees' Provident Fund (EPF). The Group and employees contribute 12% and 8% respectively of the salary to EPF.

Employees Trust Fund

All employees of the Group are members of the Employees' Trust Fund (ETF). The Group contributes 3% of the salary of each employee to ETF.

3.12.3 Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

Provision has been made for retirement gratuities from the first year of service for all

employees, in conformity with LKAS 19 – Employee Benefits. However, under the Payment of Gratuity Act No. 12 of 1983, the liability to an employee arises only on completion of 5 years of continued service.

The liability recognized in the statement of financial position in respect of defined benefit plan is the present value of the defined benefit obligation at the reporting date.

The Group measures the present value of retirement benefits of gratuity using an internally generated formula.

The liability is not externally funded nor actuarially valued.

Actuarial gains and losses

The re-measurements of the net defined benefit liability, which comprise actuarial gains and losses are recognized in Other Comprehensive Income.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

3.13 Revenue recognition Performance obligations and revenue recognition policies

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognizes revenue when it transfers control over a good or service to a customer.

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

Type of product/ service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition policies
Lease rental and Floor rental	This includes rental income earned from renting out investment property owned by the Group.	Revenue is recognized point in time as the rent income is recognized on a straight-line basis over the term of the agreement.
Treated water sales, Solid waste disposal, Pressurized water, Common waste water treatment, Solar Power and Carrying out industrial laboratory tests.	This includes income earned from waste water treatment, solar power generation, and solid waste disposal by the Group.	Revenue is recognized point in time.

3.14 Expenditure Recognition

Expenditure is recognized in the financial statements as they are incurred and recognized on an accrual basis.

Operating Expenses

All expenditure incurred in the running of the business and in maintaining the Property, Plant & Equipment in a state of efficiency has been charged to the statement of profit or loss.

3.15 Finance Income and Expenses

Interest income and expenses are recognised in profit or loss using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash receipts or payments through the expected life of the financial asset or liabilities (or, where appropriate, a shorter period) to the carrying amount of the financial asset or liabilities. When calculating the effective interest rate, the Company estimates future cash flows considering all contractual terms of the financial instrument, but not future credit losses.

The calculation of the effective interest rate includes all transaction costs and fees and points paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that

are directly attributable to the acquisition or issue of a financial asset or liability.

3.16 Statement of cash flows

The Cash Flow Statement has been prepared using the Indirect Method of preparing Cash Flows in accordance with the Sri Lanka Accounting Standard (LKAS) 7, Cash Flow Statements.

Cash and cash equivalents comprise short term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. The cash and cash equivalents include cash in-hand, balances with banks and short term deposits with banks.

For cash flow purposes, cash and cash equivalents are presented net of bank overdrafts.

4 NEW ACCOUNTING STANDARDS ISSUED BUT NOT EFFECTIVE AS AT REPORTING DATE

A number of new standards and amendments to standards are effective for annual periods beginning after 1 April 2022 and earlier application is permitted; however, the Group has not early adopted the new and amended standards in preparing these consolidated financial statements

The following new and amended standards are not expected to have a significant impact on the Group's consolidated financial statements.

- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to LKAS 12)
- Classification of Liability as Current or Non-current (Amendments to LKAS 1)
- Disclosure of Accounting Policies (Amendments to LKAS 1 and SLFRS Practice Statement 2)
- Definition of Accounting Estimates (Amendments to LKAS 8).

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5 Property, plant and equipment

As at 31 March	Office	Electrical	Solar Power	Furniture	Plant
	buildings	installations	project	and fittings	machinery and telecom installations
Group	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000
Cost					
Balance as at 1 April	13,960	69,246	112,001	3,247	153,200
Additions	2,155	-	-	1,142	-
Disposals/Transfers	-	-	50,265	-	-
Balance as at 31 March	16,115	69,246	162,266	4,389	153,200
Accumulated Depreciation					
Balance as at 1 April	9,694	56,515	21,963	2,017	126,762
Charge for the year	578	902	7,893	439	7,529
Disposals	-	-	-	-	-
Balance as at 31 March	10,272	57,417	29,856	2,456	134,291
Carrying amount					
As at 31 March 2023	5,843	11,829	132,410	1,933	18,909
As at 31 March 2022	4,266	12,731	90,038	1,230	26,438
Company					
Balance as at 1 April	13,960	69,246	112,001	1,380	153,200
Additions	2,155	-	-	1,142	-
Capitalisation during the year	-	-	-	-	-
Transfers	-	-	50,265	-	-
Reclassified from investment property	-	-	-	-	-
Balance as at 31 March	16,115	69,246	162,266	2,522	153,200
Accumulated Depreciation					
Balance as at 1 April	9,694	56,515	21,963	1,134	126,762
Charge for the year	578	902	7,893	222	7,529
Disposals	-	-	-	-	-
Reclassified from investment property-depreciation offset	-	-	-	-	-
Balance as at 31 March	10,272	57,417	29,856	1,356	134,291
Carrying amount					
As at 31 March 2023	5,843	11,829	132,410	1,166	18,909
As at 31 March 2022	4,266	12,731	90,038	246	26,438

Cost of fully depreciated Property plant and equipment as at reporting date is Rs. 173,185,673 /- (2022 - Rs. 124,303,279/-). Company does not have any pledged Assets as at reporting date.

Lab Test and other equipment	Motor vehicles	Computer	Lab glassware	Office/data processing equipment	WIP	Total 2023	Total 2022
LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000
19,974	23,027	2,153	1,530	7,017	50,315	455,775	402,134
2,622	-	-	-	620	-	6,539	53,641
-	-	-	-	-	(50,265)	-	-
22,596	23,027	2,153	1,530	7,637	50	462,314	455,775
17,892	23,027	2,031	1,491	5,157	-	266,466	249,644
793	-	49	39	751	-	18,973	16,822
-	-	-	-	-	-	-	-
18,685	23,027	2,080	1,530	5,908	-	285,439	266,466
3,911	-	2,153	-	1,729	50	176,875	
2,082	-	122	-	1,860	50,315		189,309
Lab Test and other equipment	Motor vehicles	Computer	Lab glassware	Office/data processing equipment	WIP	Total 2023	Total 2022
LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000
3,385	23,027	2,153	-	5,970	50,315	434,638	383,981
2,622	-	-	-	490	-	6,409	50,657
-	-	-	-	-	(50,265)	-	-
-	-	-	-	-	-	-	-
6,007	23,027	2,153	-	6,460	50	441,047	434,638
2,919	23,027	2,031	-	4,264	-	248,309	231,842
404	-	49	-	674	-	18,251	16,467
-	-	-	-	-	-	-	-
3,323	23,027	2,080	-	4,938	-	266,558	248,309
2,684	-	74	-	1,522	50	174,488	
466	-	123	-	1,706	50,315		186,329

NOTES TO THE FINANCIAL STATEMENTS

6 Investment properties

Group/Company	Land LKR '000	Buildings and improvements LKR '000	Capital work in progress LKR '000	Total 2023 LKR '000	Total 2022 Restated* LKR '000
Cost					
Restated Balance as at 01 April	5,682,296	2,369,704	4,758	8,056,758	7,037,376
Additions	-	8,953	8,843	17,796	92,154
Transferred from CWIP	-	-	(6,807)	(6,807)	-
Accumulated depreciation on Revalued Assets	-	(118,629)	-	(118,629)	(102,914)
Change in fairvalue during the year	1,225,426	250,071	-	1,475,498	1,030,142
Balance as at 31 March	6,907,722	2,510,100	6,794	9,424,616	8,056,758
Accumulated Depreciation					
Restated Balance as at 01 April	-	-	-	-	-
Charge for the year	-	118,629	-	118,629	102,914
Accumulated depreciation on Revalued Assets Transfer	-	(118,629)	-	(118,629)	(102,914)
Balance as at 31 March	-	-	-	-	-
Carrying amount					
As at 31 March 2023	6,907,722	2,510,100	6,794	9,424,616	
As at 31 March 2022	5,682,296	2,369,704	4,758		8,056,758

6.1 In last year, the Group has changed its accounting policy of Investment Properties from cost model to fair value model as per LKAS 40: Investment Property.

6.2 Measurement of fair values

The fair value of properties was determined by external independent property valuer, Mr. G.W.G. Abeygunawardene (FRICS), Chartered Valuation Surveyor having appropriate recognised professional qualifications and recent experience in the location and category of the properties being valued.

The fair value measurement for all of properties has been categorised as Level 3 fair value based on the input to the valuation technique used.

6.2.1 Valuation Technique and Significant Unobservable Inputs

The following table shows the valuation technique used in measuring the fair value of properties, as well as the significant unobservable inputs used.

Description	Extend	Effective date of valuation	Valuation technique	Significant Unobservable Inputs	Interrelationship between Key Unobservable Inputs and Fair Value Measurements
Land plots located at Lanka Industrial Estate, Pattiwila Road, Sapugaskanda, Makola	14,077 perches	31st March 2023	Market and Income Approach	Outright value : Rs. 509,000 - Rs. 950,000 per perch Market Rental : 4.25% of outright value	Outright Value & Market Rental : Positive correlated sensitivity
Buildings located at Lanka Industrial Estate, Pattiwila Road, Sapugaskanda, Makola	511,364 Sq. ft.	31st March 2023	Cost and Income Approach	Outright value : Rs. 5,750 - Rs. 9,850 per Sq. ft. Market Rental : 4.25% - 5% of outright value	Outright Value & Market Rental : Positive correlated sensitivity

6.3 Rental income earned from investment properties during the year ended 31 March 2023 amounted to Rs.398,642,000/- (2021/22: Rs. 344,860,000/-).

The sensitivity of the fair value of investment properties to changes in the assumption used are as follows,

	Impact to value of the investment properties	
	Group LKR '000	Company LKR '000
Increase price of average square feet and price per land perch by 1%	79,815	79,815
Decrease price of average square feet and price per land perch by 1%	(79,815)	(79,815)

As at 31st March	Company	
	2023 LKR '000	2022 LKR '000

7 Investment in subsidiary

699,994 ordinary shares in Lindel Industrial Laboratories Limited	7,000	7,000
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The Board of Directors has assessed the potential impairment loss of investment in Lindel Industrial Laboratories Limited as at 31 March 2023. Based on the assessment no provision was required as at the reporting date in respect of the investments in subsidiary.

As at 31st March	Group		Company	
	2023	2022	2023	2022
	LKR '000	LKR '000	LKR '000	LKR '000
8 Inventories				
Chemicals	3,251	2,480	733	481
Spareparts	2,961	1,792	2,961	1,792
Stationeries	90	66	90	66
Construction material	-	989	-	989
	6,302	5,327	3,784	3,328
9 Trade and other receivables				
Trade receivables	83,229	41,789	79,790	36,705
Less: Provision for doubtful debts (Note 10.1)	(13,250)	(2,543)	(12,652)	(2,021)
Trade receivable	69,979	39,246	67,138	34,684
Advances, deposits and prepayments	17,618	18,578	17,555	18,578
Rent Receivable	1,090	1,090	1,090	1,090
	88,687	58,914	85,783	54,352

	Group		Company	
	2023	2022	2023	2022
<i>As at 31st March</i>	LKR '000	LKR '000	LKR '000	LKR '000
9.1 Provision for doubtful debts				
Balance at the beginning of the year	2,543	8,060	2,021	8,060
Charge / reversal during the year	11,023	2,095	10,947	1,573
Write off during the period	(316)	(7,612)	(316)	(7,612)
Balance at the end of the year	13,250	2,543	12,652	2,021
10 Amount due from related party				
Lindel Industrial Laboratories Limited	-	-	1,420	1,651
	-	-	1,420	1,651
11 Cash and cash equivalents				
Fixed deposits	399,901	405,379	388,462	395,872
Savings deposits	38,206	17,454	35,361	15,173
Cash in hand and at bank	130	314	75	241
	438,237	423,147	423,898	411,286
Fixed Deposit,Savings account,Current account held on DFCC bank Plc,FD term vary from 1 year to 5 years.The Company earns an interest of 18% -14% for Fixed Deposits and Savings Account respectively.				
Bank overdraft	-	(123)	-	(25)
Cash and cash equivalents for the purpose of statement of cash flows	438,237	423,024	423,898	411,261
12 Stated capital				
Issued and fully paid				
399,230,125 ordinary shares (2022: 15,969,215 shares)	159,692	159,692	159,692	159,692
	159,692	159,692	159,692	159,692

The Company received approval to subdivide 1 ordinary share in existence into 25 ordinary shares at the Extraordinary General Meeting held on 24 December 2021. On this basis, the 15,969,215 shares in issue as at 24 December 2021 were subdivided into 399,230,125 shares.

	Group		Company	
	2023	2022	2023	2022
<i>As at 31st March</i>	LKR '000	LKR '000	LKR '000	LKR '000
13 Reserves				
General reserve	40,000	40,000	40,000	40,000
Retained earnings	6,803,162	6,298,607	6,793,059	6,289,271
	6,843,162	6,338,607	6,833,059	6,329,271
14 Deferred taxation				
Deferred tax assets (Note 15.1)	6,950	1,996	6,184	1,589
Restated Deferred tax liabilities (Note 15.2)	(2,843,976)	(1,926,559)	(2,843,898)	(1,926,492)
Restated net deferred tax liability	(2,837,026)	(1,924,564)	(2,837,714)	(1,924,903)

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As at 31st March	Group		Company	
	2023	2022	2023	2022
	LKR '000	LKR '000	LKR '000	LKR '000
14.1 Deferred tax assets				
Balance as at 01 April	1,996	2,614	1,589	2,252
(Reversal) / origination of Temporary difference to profit and loss due to during the year	3,827	(936)	3,607	(880)
Reversal of Temporary difference to profit and loss due to income tax rate change	957	-	902	-
Origination of Temporary difference to OCI due to during the year transactions	136	318	69	217
Reversal of Temporary difference to OCI due to income tax rate change	34	-	17	-
Balance as at 31 March	6,950	1,996	6,184	1,589
14.2 Deferred tax liabilities				
Balance as at 01 April	1,926,559	1,668,520	1,926,492	1,668,512
Origination of Temporary difference to profit and loss due to during the year transactions	733,934	258,039	733,925	257,980
Origination of Temporary difference to profit and loss due to income tax rate change	183,483		183,481	
Balance as at 31 March	2,843,976	1,926,559	2,843,898	1,926,492

14.3 Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

As at 31st March	Group				Company			
	2023		2022		2023		2022	
	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000
Deferred tax assets								
Employee benefits	4,816	1,445	5,777	1,386	3,563	1,069	4,600	1,104
Bonus payable	5,101	1,530			4,399	1,320		
Trade receivable provision	13,250	3,975	2,543	610	12,652	3,796	2,021	485
	23,167	6,950	8,320	1,996	20,613	6,184	6,621	1,589
Deferred tax liabilities								
Property, plant and equipment	257,696	77,309	262,598	63,024	257,435	77,230	262,321	62,957
Revaluation gain	9,222,225	2,766,668	7,764,728	1,863,535	9,222,225	2,766,668	7,764,728	1,863,535
	9,479,921	2,843,977	8,027,326	1,926,559	9,479,660	2,843,898	8,027,049	1,926,492
Net deferred tax liabilities		(2,837,027)		(1,924,562)	1,924,564	(2,837,714)	2,837,717	(1,926,903)

14.4 Deferred tax for the year ended 31 March 2023 has been provided at the rate of 30% (2022 ; 24%)

As at 31st March	Group		Company	
	2023	2022	2023	2022
	LKR '000	LKR '000	LKR '000	LKR '000
15 Refundable deposits				
Security deposits	109,152	92,142	109,152	92,142
Rent deposits	4,415	4,021	4,415	4,021
	113,567	96,163	113,567	96,163

16 Employee benefits

16.1 Defined contribution plans

Following contributions have been made to Employees' Provident Fund and Employees' Trust Fund during the year.

As at 31st March	Group		Company	
	2023	2022	2023	2022
	LKR '000	LKR '000	LKR '000	LKR '000
Employees' Provident Fund				
Employers' contribution	3,087	2,577	2,395	1,962
Employees' contribution	2,058	1,718	1,597	1,308
Employees' Trust Fund	617	515	479	392
16.2 Present value of unfunded obligation (Note 17.2.1)	4,817	5,779	3,561	4,600
	4,817	5,779	3,561	4,600
16.2.1 Movement in the present value of the employee benefits unfunded obligation				
Balance as at 1 April	5,779	6,591	4,600	5,281
Provision during the year (Note 17.2.1.a)	1,256	1,430	900	1,059
Actuarial (gain) / loss during the year (Note 17.2.1.b)	(566)	(1,323)	(286)	(905)
	6,469	6,698	5,214	5,435
Payments during the year	(1,652)	(919)	(1,652)	(835)
Balance as at 31 March	4,817	5,779	3,561	4,600
16.2.1.a Provision recognized in profit or loss	487	582	317	375
Current service cost	769	847	583	684
Interest on obligation	1,256	1,430	900	1,059
16.2.1.b Provision recognised in the Statement of other comprehensive income				
Actuarial (gain) / loss during the year	(566)	(1,323)	(286)	(905)

NOTES TO THE FINANCIAL STATEMENTS

The company measures the present value of retirement benefits of gratuity based on an internally generated model using formula.

	2023	2022
Discount rate	19.50%	15.30%
Salary increment rate	12.99%	5.94%
Staff turnover	18.44%	12.37%

Sensitivity Analysis

	Impact to value	
	Group LKR '000	Company LKR '000
Increase discount rate by 1%	(162)	(84)
Decrease discount rate by 1%	171	91

	Impact to value	
	Group LKR '000	Company LKR '000
Increase salary increment rate by 1%	180	101
Decrease salary increment rate by 1%	(174)	(94)

	Group		Company	
	2023 LKR '000	2022 LKR '000	2023 LKR '000	2022 LKR '000
<i>As at 31st March</i>				
17 Accruals, deposits and advances received				
Accruals	17,630	21,630	16,474	18,760
Rent advances	37,522	36,388	37,522	36,388
Prepaid security deposit	65,860	56,389	65,860	58,385
Prepaid rent deposit	1,095	1,328	1,095	1,328
Advances received	4,999	5,729	4,874	5,729
Retention money	4,295	7,877	4,259	7,843
	131,401	129,341	130,084	128,433
18 Other liabilities				
Payable to contractors	4,531	30,206	4,166	30,206
Sundry Creditors	127	1,030	-	-
	4,658	31,236	4,166	30,206
19 Current taxation				
Balance as at 1 April	47,950	24,236	47,412	23,957
Provision recognised during the year	108,540	78,306	106,607	77,412
(Under)/Over provision in respect of prior years	(3,563)	5,269	(3,564)	5,269
Payments during the year	(104,810)	(59,856)	(103,586)	(59,226)
Set off against withholding tax credits & ESC	-	-	-	-
Balance as at 31 March	48,117	47,950	46,869	47,412

20 Revenue

Group generates revenue primarily from lease rental, floor rental, treated water sales, waste disposal, supply of pressurized water, waste water treatment and solar power generation. For performance obligation and revenue recognition policies please refer note 3.13.

20.1 Disaggregation of revenue from contracts with customers

In the following table, revenue from contracts with customers is disaggregated by major product/service lines and timing of revenue recognition.

For the year ended 31 March	Group		Company	
	2023	2022	2023	2022
	LKR '000	LKR '000	LKR '000	LKR '000
Major product /service lines				
Lease rentals	207,757	177,486	207,757	177,486
Floor rentals	189,260	166,262	190,885	167,374
Treated water sales	33,804	36,714	33,804	36,766
Solid waste disposal	3,028	2,538	3,028	2,541
Pressurized water	1,181	352	1,182	352
Common waste water treatment	1,011	527	1,011	527
Solar Power	34,406	23,140	34,406	23,140
	470,447	407,019	472,073	408,186
Timing of revenue recognition				
Products transferred over time	397,017	343,748	398,642	344,860
Products transferred at a point in time	73,430	63,271	73,430	63,326
	470,442	407,019	472,073	408,186
21 Other operating income				
Foreign exchange gain	15	45	15	45
Laboratory tests	16,813	18,897	-	-
Sundry income	1,936	1,568	1,936	1,568
Dividend received	700	-	700	700
	19,464	20,510	2,651	2,313
For the year ended 31 March	Group		Company	
	2023	2022	2023	2022
	LKR '000	LKR '000	LKR '000	LKR '000
22 Investment In Debentures				
Debenture Investment	7,460	-	7,460	-
Interest	263	-	263	-
	7,723	-	7,723	-

During the year company invested in 74,600 debentures issued by Sampath Bank PLC which will be matured in 2028 at a coupon rate of 28% Sampath Bank rated at AA+ on Fitch Rating.

NOTES TO THE FINANCIAL STATEMENTS

	Group		Company	
	2023	2022	2023	2022
	LKR '000	LKR '000	LKR '000	LKR '000
<i>For the year ended 31 March</i>				
23 Profit from operations				
Profits from operations is stated after charging all expenses including the following;				
Staff costs (Note 23.1)	42,177	30,447	32,703	22,585
Depreciation - Property plant and equipment	18,973	16,822	18,251	16,467
Amortisation - Investment properties	118,629	102,914	118,629	102,914
Other Operating Expenses	82,295	58,552	78,449	51,501
Above Other Operating Expenses include				
Directors' fees and emoluments	1,920	558	1,740	540
Auditors' remuneration audit fees and expenses	1,518	660	1,265	550
23.1 Staff costs				
Salaries and wages	19,189	15,984	14,782	12,033
Contribution to employees' provident fund	3,087	2,577	2,395	1,962
Contribution to employees' trust fund	617	515	479	392
Staff bonus	8,004	2,584	6,348	1,935
Provision for employee benefits	1,256	1,430	900	1,059
Other staff costs	10,024	7,357	7,799	5,204
	42,177	30,447	32,703	22,585
24 Net finance income				
Finance income				
Interest income on fixed deposits	59,734	21,307	57,565	20,661
Interest income on savings deposits	5,393	2,574	5,187	2,508
Interest income on debentures	263		263	
Amortisation of prepaid rent and security deposits	11,618	9,261	11,618	9,261
Other finance income	-	-	-	-
	77,008	33,142	74,633	74,634
Finance expenses				
Interest expense on rent and security deposits	10,666	10,637	10,666	10,637
	10,666	10,637	10,666	10,637
	66,342	22,505	63,967	21,793

	Group		Company	
	2023	2022	2023	2022
	LKR '000	LKR '000	LKR '000	LKR '000
<i>For the year ended 31 March</i>				
25 Income tax expense (Restated)				
Current tax expense				
Current tax on profits for the year (Note 25.1)	108,539	78,306	106,607	77,412
Under/(Over) provision in respect of prior year	(3,563)	5,269	(3,563)	5,269
	104,976	83,575	103,044	82,681
Deferred tax expense				
Deferred tax asset (reversal) /origination during the year	(4,867)	936	(4,509)	880
Deferred tax liability reversal/(origination) during the year (Restated)	917,418	258,039	917,406	257,980
	912,551	258,975	912,897	258,860
	1,017,527	342,550	1,015,941	341,541
25.1 Reconciliation of the accounting profit and the income tax expense				
Profit before taxation	1,769,676	1,271,441	1,766,157	1,268,967
- Other Source of income	(1,475,497)	(1,030,142)	(1,476,197)	(1,030,842)
Disallowable expenses	172,512	124,344	165,667	123,693
Allowable expenses	(147,972)	(39,776)	(147,274)	(39,676)
Exempt income	-	-	-	-
Business income	318,719	325,867	308,353	322,142
Investment income	700	700	700	700
Income tax expense at 24% & 30%	108,441	78,208	106,509	77,314
Income tax expense at 14%	98	98	98	98
Total income tax expense	108,539	78,306	106,607	77,412

As per the Surcharge Tax Act No. 14 of 2022 which was certified on 8th April 2022, the group and the company are liable for the surcharge tax of Rs. 71.6 million and 70.9 million respectively out of the taxable income of Rs. 284 million and 281 million respectively pertaining to the year of assessment 2020/21. According to the said Act, the surcharge tax shall be deemed to be an expenditure in the financial statements relating to the year of assessment which commenced on 1 April 2020. Since the Act supersedes the requirements of the Sri Lanka Accounting Standards, the surcharge tax expense is accounted as recommended by the SoAT on Accounting for Surcharge Tax issued by the Institute of Chartered Accountants of Sri Lanka, in April 2022.

The impact of the surcharge tax under the Surcharge Tax Act on the comparative year would have been as given below:

	Group (Restated) LKR '000	Company (Restated) LKR '000
Profit after tax for the year ended 31st March 2021	221,590	220,661
Surcharge Tax	(71,629)	(70,967)
Comparable profit for the year ended 31st March 2021	149,961	149,694

In terms of the provisions of the Inland Revenue Act, No. 24 of 2017 and amendment thereto, the taxable profit from the business and investment income of the Company are liable to income tax at the rate of 24% for the first six months and 30% for the second six months of the period. On Dividend income, Company is liable at the rate of 14% until 31 December 2022 and 15% w.e.f. 1 January 2023, if the dividend has been declared out of profits.

NOTES TO THE FINANCIAL STATEMENTS

26 Basic earnings per share

Basic earnings per share has been calculated by dividing the net profit attributable to the ordinary shareholders by weighted average number of ordinary shares in issue as at reporting date as shown below.

For the year ended 31 March	Group		Company	
	2023	2022	2023	2022
Profit attributable to the ordinary shareholders (Rs.000)	752,149	928,891	750,216	927,426
Weighted average number of shares	399,230,125	399,230,125	399,230,125	399,230,125
Earnings per share (Rs.)	1.88	2.33	1.88	2.32

27 Related party transactions

The Company carries out transactions in the ordinary course of its business with parties who are defined as related parties in Sri Lanka Accounting Standards - 24 Related Party Disclosures, the details of which are reported below.

(a) Transactions with Key Management Personnel

The Board of Directors of the Company have the authority and responsibility of planning, directing and controlling the activities of the Company. Accordingly, the Board of Directors of the Company have been identified as the key management personnel ("KMP") of the Company.

As DFCC Bank PLC is the ultimate parent of the Company and the Board of Directors of DFCC Bank PLC has the authority and responsibility of planning, directing and controlling the activities of the Company, the Directors of DFCC Bank PLC have also been identified as KMP of the Company. The compensation paid to KMP's is as follows

For the year ended 31 March	Group		Company	
	2023	2022	2023	2022
	LKR '000	LKR '000	LKR '000	LKR '000
Short term employee benefits	1,380	240	1,260	216

(b) Transactions with related parties

Company	Nature of transaction	Transaction amount	
		2023	2022
		LKR '000	LKR '000
DFCC Bank PLC	Interest income	62,263	22,679
	Renting of Storage Space	1,331	1,331
	Obtaining of Laboratory Services	2,447	1,958
Lindel Industrial Laboratories Limited	Renting of Office Space	1,112	1,112
	Sale of Water	-	52
	Reimbursement of Administration cost	390	390
DFCC Consulting (Pvt) Ltd	Consulting service for solar project	-	400

Amounts due from related party as at 31 March 2023 is disclosed in the Note 11 to the Financial Statements.

The Company has invested in the short term investments and saving deposits held in DFCC Bank PLC as at the reporting date amounting to Rs. 407,738,917/- (2022: Rs. 411,045,170,-/-).

28 Fair values of financial instruments

28.1 Fair value of financial instruments carried at amortised cost

The fair values of financial assets and liabilities, together with the carrying amounts of which are shown in the statement of financial position, are as follows.

As at 31 March 2023	Fair Value (Rs.)				Total LKR '000
	Carrying Amount LKR '000	Level 1 LKR '000	Level 2 LKR '000	Level 3 LKR '000	
	Group				
Financial Assets					
Trade and other receivables	101,937	-	-	101,937	101,937
Debentures	7,723			7,723	7,723
Cash and cash equivalents	438,237	438,237	-	-	438,237
Total financial assets	547,897	438,237	-	109,660	547,897
Financial Liabilities					
Refundable deposits	113,567	-	-	113,567	113,567
Deposits and advances received	131,401	-	-	131,401	131,401
Other liabilities	4,658	-	-	4,658	4,658
Bank overdraft	-	-	-	-	-
Total liabilities	249,626	-	-	249,626	249,626
As at 31 March 2022					
Financial Assets					
Trade and other receivables	58,914	-	-	58,914	58,914
Cash and cash equivalents	423,147	423,898	-	-	423,147
Total financial assets	482,061	423,147	-	58,914	482,061
Financial Liabilities					
Refundable deposits	96,163	-	-	96,163	96,163
Deposits and advances received	129,341	-	-	129,341	129,341
Other liabilities	31,236	-	-	31,236	31,236
Bank overdraft	123	123	-	-	123
Total liabilities	256,863	123	-	256,740	256,863

NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2023	Fair Value (Rs.)				Total LKR '000
	Carrying Amount LKR '000	Level 1 LKR '000	Level 2 LKR '000	Level 3 LKR '000	
	Company				
Financial Assets					
Trade and other receivables	98,435	-	-	98,435	98,435
Amount due from related parties	1,420	-	-	1,420	1,420
Cash and cash equivalents	423,898	423,898	-	-	423,898
Debentures	7,723	-	-	7,723	7,723
Total financial assets	531,476	423,898	-	107,578	531,476
Financial Liabilities					
Refundable deposits	113,567	-	-	113,567	113,567
Accruals, deposits and advances received	130,083	-	-	130,083	130,083
Other liabilities	4,166	-	-	4,166	4,166
Bank overdraft	-	-	-	-	-
Total liabilities	247,817	-	-	247,817	247,817
As at 31 March 2022					
Financial Assets					
Trade and other receivables	54,352	-	-	54,352	54,352
Amount due from related parties	1,651	-	-	1,651	1,651
Cash and cash equivalents	411,286	411,286	-	-	411,286
Total financial assets	467,289	411,286	-	56,003	467,289
Company					
As at 31 March 2022					
Financial Liabilities					
Refundable deposits	96,163	-	-	96,163	96,163
Accruals, deposits and advances received	128,433	-	-	128,433	128,433
Other liabilities	30,206	-	-	30,206	30,206
Bank overdraft	25	25	-	-	25
Total liabilities	254,827	25	-	254,802	254,827

The methods and assumptions used to estimate the fair values of the financial instruments not carried at fair value are as follows:

- Trade and other receivables - The fair value of trade and other receivables approximate their carrying amount due to the relatively short maturity of the financial instruments.
- Short term deposits - The fair value of short term deposits approximate their carrying amount due to the relatively short maturity of the financial instruments.
- Cash and cash equivalents – The fair value of cash and cash equivalents approximate their carrying amount due to the relatively short maturity of the financial instruments.
- Amounts due to related companies - The fair value of amount due to related parties approximate carrying amounts due to the relatively short settlement patterns among the group.

29. Financial Risk Management

29.1 Overview

The Group has exposure to the following risks from its use of financial instruments:

1. Credit risk
2. Liquidity risk
3. Market risk
4. Operational risk.

Introduction and overview

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout this financial statement.

29.2 Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board is responsible for developing and monitoring the Group's risk management policies.

The group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

29.3 Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investment securities.

29.3.1 Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was;

As at 31 March	Group		Company	
	2023	2022	2023	2022
	LKR '000	LKR '000	LKR '000	LKR '000
Trade receivables	101,937	41,789	98,435	36,705
Amount due from related party	-	-	1,420	1,651
Debentures	7,723		7,723	
Cash and cash equivalents	438,237	423,147	423,898	411,286
	547,897	464,936	531,476	449,642

NOTES TO THE FINANCIAL STATEMENTS

29.3.1 Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Group's customer base, including the default risk of the industry and country in which customers operate, as these factors may have an influence on credit risk, particularly in the currently deteriorating economic circumstances. However, geographically there is no concentration of credit risk.

Group trade receivables mainly comprises of the receivables from the lease tenants. Generally the credit risk of such customers tend to be very low. Accordingly the group makes loss allowances considering the relative age of the receivables.

The following table provides information on exposure to credit risk and provision for trade receivables.

As at 31 March	Group		Company	
	2023	2022	2023	2022
	Trade Receivables	Provision	Trade Receivables	Provision
Group				
1 - 90 days	49,457	2,335	36,507	-
91-180 days	15,581	3,839	1,621	345
181 - 365 days	16,203	5,088	3,215	1,752
Above 365 days	1,988	1,988	102	102
Late charge interest			344	344
	83,229	13,250	41,789	2,543

As at 31 March	Group		Company	
	2023	2022	2023	2022
	Trade Receivables	Provision	Trade Receivables	Provision
Company				
1 - 90 days	47,285	2,322	32,524	-
91-180 days	14,964	3,716	1,053	263
181 - 365 days	15,935	5,008	2,710	1,340
Above 365 days	1,606	1,606	74	74
Late charge interest			344	344
	79,790	12,652	36,705	2,021

29.4. Liquidity risk

29.4.1 Liquidity risk - Company

Liquidity risk' is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Maturity Analysis - Group

<i>As at 31 March 2023</i>	Mature within 1 year Rs '000	Mature after 1 year Rs '000
Financial Assets		
Trade and other receivables	101,937	
Debentures		7,723
Fixed Deposits		399,401
	101,937	407,124
Financial Liabilities		
	Mature within 1 year Rs '000	Mature after 1 year Rs '000
Accruals, deposits and advance received	131,401	
Other Liabilities	4,658	
Refundable Deposits		113,567
	136,059	113,567

Maturity Analysis - Company

<i>As at 31 March 2023</i>	Mature within 1 year Rs '000	Mature after 1 year Rs '000
Financial Assets		
Trade and other receivables	98,435	
Debentures		7,723
Fixed Deposits		388,462
	98,435	396,185
Financial Liabilities		
	Mature within 1 year Rs '000	Mature after 1 year Rs '000
Accruals, deposits and advance received		
Other Liabilities	130,084	
Refundable Deposits	4,166	113,567
	134,250	113,567

29.5 Market risk

'Market risk' is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

NOTES TO THE FINANCIAL STATEMENTS

29.5.1 Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes on foreign exchange rates. The Company monitors the fluctuations in foreign currencies with appropriate strategies to minimize risk. The Company's exposure to foreign currency risk is as follows;

	Group		Company	
	USD	USD Converted to Rs. '000	USD	USD Converted to Rs. '000
<i>As at 31 March 2023</i>				
Cash and cash equivalents	523	166	523	166
		166		166

	Group		Company	
	USD	USD Converted to Rs. '000	USD	USD Converted to Rs. '000
<i>As at 31 March 2023</i>				
Cash and cash equivalents	367	106	367	106
		106		106

Foreign Currency Sensitivity

An estimation of the impact of the currency risk with respect of financial instruments with a 5% change in US Dollar exchange rate is given below. In calculation of risk it is assumed that all other variable factors are held constant. The calculation of sensitivity has been performed only on the assets and liabilities denominated in foreign currency of the Company as at 31 March 2023.

	Group		Company	
	USD Converted to Rs.	Equity Rs. '000	USD Converted to Rs.	Equity Rs. '000
<i>As at 31 March 2023</i>				
LKR Depreciated against USD by 5%	8.32	8.32	8.32	8.32
LKR Appreciated against USD by 5%	(8.32)	(8.32)	(8.32)	(8.32)

	Group		Company	
	Effect on profit or loss Rs.	Effect on equity Rs. '000	Effect on profit or loss Rs.	Effect on equity Rs. '000
<i>As at 31 March 2022</i>				
LKR Depreciated against USD by 5%	5.28	5.28	5.28	5.28
LKR Appreciated against USD by 5%	(5.28)	(5.28)	(5.28)	(5.28)

29.5.2 Interest rate risk

Interest rate risk is the risk to the Company's earnings and economic value of equity ("EVE") arising from adverse movements in interest rates.

At the reporting date the interest rate profile of the Company's interest-bearing financial instruments were:

As at 31st March	Group		Company	
	2023	2022	2023	2022
	LKR '000	LKR '000	LKR '000	LKR '000
Fixed rate instruments				
a) Financial assets				
Cash and cash equivalents	438,237	423,147	423,898	411,286
Debentures	7,723	-	7,723	-
	445,960	423,147	431,621	411,286
b) Financial liabilities				
Bank overdraft	-	123	-	25
	-	123	-	25

Variable rate instruments

The Company does not have any variable rate instruments.

29.6 Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behavior. Operational risks arise from all of the Company's operations.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each business unit. This responsibility is supported by the development of overall Company standards for the management of operational risk in the following areas:

- Requirements for appropriate segregation of duties, including the independent authorization of transactions.
- Requirements for the reconciliation and monitoring of transactions.
- Requirements for the reporting of operational losses and proposed remedial action.
- Development of contingency plans.
- Training and professional development.
- Ethical and business standards.
- Risk mitigation, including insurance when this is effective.

30 Capital commitments

There were no material commitments as at the reporting date

31 Contingent liabilities

There were no material contingent liabilities as at the reporting date.

32 Events after the reporting date

There have been no material events occurring after the reporting date that require adjustments to or disclosure in the Financial Statements.

33. Comparative figures

Where necessary information has been restated to conform to current year's presentation and classification.

34. Litigation and claims

There are no litigations and claims as at the reporting date.

INVESTOR INFORMATION

1. Stated Capital

As at 31st March	2023		2022	
	Number of shares	LKR	Number of shares	LKR
Ordinary Voting Shares	399,230,125	159,692,050	399,230,125	159,692,050

2. Distribution of shareholding

As at 31st March	2023		2022	
	Number of shareholders	Number of shares	Number of shareholders	Number of shares
1-1000	5	125	5	125
100-1,000,000	-	-	-	-
Over 1,000,000	2	399,230,000	2	399,230,000
Total	7	399,230,125	7	399,230,125

3. Shareholding

As at 31st March	2023		2022	
	Number of shares	Value LKR	Number of shares	Value LKR
DFCC Bank PLC	204,230,000	81,692,000	204,230,000	81,692,000
Government of Sri Lanka	195,000,000	78,000,000	195,000,000	78,000,000
Major D.L.Wijesinha	25	10	25	10
Mr M.R.Prelis	25	10	25	10
Mr E.G.P.Kalpage	25	10	25	10
Mr A. Mahendran	25	10	25	10
Mr G.T.Galhenage	25	10	25	10
Total	399,230,125	159,692,050	399,230,125	159,692,050

4. Net Assets Per Share

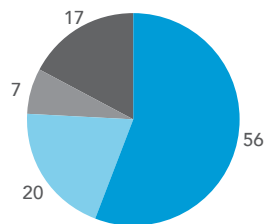
As at 31st March	Group		Company	
	2023		2022	
Net Assets per Share (Rs.)	17.54	17.52	16.28	14.37

ECONOMIC VALUE-ADDED STATEMENT

Year Ended 31st March	2023		2022	
	Rs'000	%	Rs'000	%
Direct Economic Value Generated				
Revenue	472,073	88	408,186	94
Other operating income	2,651	1	2,313	1
Finance Income	63,968	11	21,793	5
	538,692	100	432,292	100
Economic value distributed to employees				
Employee salaries and benefits	32,702	9	22,585	7
Operating cost				
Other operating expenses	80,776	22	51,501	17
Payments to Government				
Taxes paid	81,475	22	59,226	20
Payments to providers of funds				
Dividend payment	175,661	47	167,677	56
	370,614	100	300,989	100
Economic Value Retained	168,078		131,303	

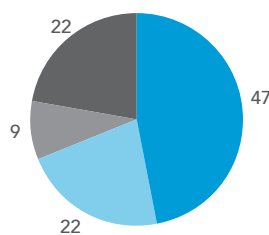
The above data has been derived from the audited Financial Statements that were prepared based on Sri Lanka Accounting Standards (SLFRS/LKAS).

Economic Value Distribution 2021/22



- Dividends paid
- Taxes paid
- Employee salaries and benefits
- Other operating expenses

Economic Value Distribution 2022/23



- Dividends paid
- Taxes paid
- Employee salaries and benefits
- Other operating expenses

TEN YEAR SUMMARY

For the year ended 31st March	Group										
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000
Financial Position											
Assets											
Property, plant and equipment	176,875	189,309	152,490	165,265	83,519	98,988	109,746	94,933	85,974	79,030	69,481
Investment properties	9,424,616	8,056,758	7,037,376	6,985,000	476,530	409,972	216,715	180,622	182,799	162,369	151,359
Investment in Debentures	7,723	-	-	-	-	-	-	-	-	-	-
Investment in subsidiary											
Deferred taxation									326	495	463
Total non current assets	9,609,214	8,246,067	7,189,866	7,150,265	560,049	508,960	326,461	275,555	269,099	241,894	221,303
Inventories	6,302	5,327	3,912	3,328	3,381	3,260	3,337	3,696	3,568	3,152	2,928
Trade and other receivables	88,687	58,914	30,311	58,054	45,725	16,814	26,482	20,373	24,888	28,438	20,285
Amount due from related party											
Cash and cash equivalents	438,237	423,147	428,928	340,908	271,178	335,192	374,066	359,632	377,227	371,512	402,188
Total current assets	533,226	487,388	463,151	402,290	320,284	355,266	403,885	383,701	405,683	403,102	425,401
Total assets	10,142,440	8,733,455	7,653,017	7,552,555	880,333	864,227	730,346	659,256	674,782	644,997	646,704
Equity and liabilities											
Stated capital	159,692	159,692	159,692	159,692	159,692	159,692	159,692	159,692	159,692	159,692	159,692
Revaluation Reserve										0	
Reserves	6,843,162	6,338,607	5,576,389	5,523,809	450,252	438,405	404,229	364,437	414,921	389,221	381,979
Total equity	7,002,854	6,498,299	5,736,081	5,683,501	609,944	598,097	563,921	524,129	574,613	548,913	541,671
Deferred taxation	2,837,026	1,924,564	1,665,906	1,649,676	61,418	62,570	29,147	22,032	-	-	-
Refundable deposits	113,567	96,163	60,864	60,453	33,032	22,709	17,766	17,598	18,175	17,067	37,741
Employee benefits	4,816	5,779	6,590	4,518	7,122	6,914	6,128	5,448	4,948	4,768	4,753
Total non current liabilities	2,955,410	2,026,506	1,733,360	1,714,647	101,572	92,193	53,041	45,078	23,123	21,835	42,494
Accruals, deposits and advances received	131,402	129,341	125,905	98,248	105,543	111,464	87,292	65,838	65,794	64,703	46,393
Other liabilities	4,658	31,236	33,268	13,226	20,955	53,116	9,956	6,435	6,966	4,636	11,640
Current taxation	48,116	47,950	24,235	41,816	41,446	1,973	14,704	15,597	2,320	3,676	3,984
Bank overdraft		123	168	1,116	874	7,384	1,432	2,179	1,966	1,234	522
Total current liabilities	184,176	208,650	183,576	154,406	168,818	173,937	113,384	90,049	77,046	74,249	62,539
Total liabilities	3,139,586	2,235,156	1,916,936	1,869,053	270,390	266,130	166,425	135,127	100,169	96,084	105,033
Total equity and liabilities	10,142,440	8,733,455	7,653,017	7,552,555	880,333	864,227	730,346	659,256	674,782	644,997	646,704

Company

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000
	174,488	186,329	152,138	164,802	82,569	97,579	107,583	92,619	84,103	77,326	67,195
	9,424,616	8,056,758	7,037,376	6,985,000	476,530	409,972	216,715	180,622	182,799	162,369	151,359
	7,723										
	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000
	9,613,827	8,250,087	7,196,514	7,156,802	566,099	514,551	331,298	280,241	273,902	246,695	225,554
	3,785	3,328	2,261	2,027	2,063	1,960	1,884	2,071	2,129	1,912	1,712
	85,783	54,352	28,190	56,803	44,900	15,566	25,175	19,073	23,856	27,172	19,253
	1,420	1,651	847	445	396	442	769	1,389	559	807	944
	423,898	411,286	415,231	328,298	259,058	325,293	366,279	352,427	371,306	366,457	397,605
	514,885	470,617	446,529	387,573	306,417	343,261	394,107	374,960	397,850	396,348	419,514
	10,128,713	8,720,704	7,643,044	7,544,375	872,516	857,812	725,405	655,201	671,752	643,043	645,067
	159,692	159,692	159,692	159,692	159,692	159,692	159,692	159,692	159,692	159,692	159,692
	6,833,059	6,329,271	5,568,834	5,516,825	443,943	433,208	400,440	362,006	412,633	387,997	380,849
	6,992,751	6,488,963	5,728,526	5,676,517	603,635	592,900	560,132	521,698	572,325	547,689	540,541
	2,837,717	1,924,903	1,666,260	1,649,799	61,344	62,419	29,126	22,179	-	-	-
	113,567	96,163	60,864	60,453	32,949	22,709	17,766	17,598	18,175	17,067	37,741
	3,562	4,600	5,281	3,926	6,689	6,632	5,763	5,098	4,699	4,453	4,542
	2,954,843	2,025,666	1,732,405	1,714,178	100,982	91,760	52,655	44,875	22,874	21,520	42,283
	130,083	128,433	125,274	97,845	105,285	111,045	86,872	63,584	65,592	64,525	46,241
	4,166	30,206	32,779	13,165	20,786	53,093	9,754	7,890	6,743	4,415	11,485
	46,869	46,870	23,957	41,798	40,992	1,630	14,616	15,614	2,258	3,660	3,995
		25	103	872	836	7,384	1,376	1,540	1,960	1,234	522
	181,119	206,075	182,114	153,681	167,899	173,152	112,618	88,628	76,553	73,834	62,243
	3,135,962	2,231,741	1,914,519	1,867,858	268,881	264,912	165,273	133,503	99,427	95,354	104,526
	10,128,713	8,720,704	7,643,044	7,544,375	872,516	857,812	725,405	655,201	671,752	643,043	645,067

Ten Year Summary

For the year ended 31st March	Group										
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000
Financial Results											
Revenue	470,448	407,019	349,583	355,326	323,756	268,722	249,154	219,455	210,733	189,203	166,920
Other operating income	19,464	20,510	18,896	18,851	9,141	9,226	10,524	15,315	8,920	7,969	6,833
Fair Value Gain on the Investment Property	1,475,497	1,030,142	102,441								
Total income	1,965,409	1,457,671	470,920	374,177	332,897	277,948	259,678	234,770	219,653	197,172	173,753
Staff expenses	(42,177)	(30,447)	(31,296)	(32,207)	(30,134)	(28,703)	(27,662)	(27,015)	(24,993)	(23,623)	(21,395)
Depreciation and amortisation	(137,602)	(119,736)	(121,903)	(45,090)	(44,010)	(34,569)	(32,269)	(26,951)	(24,825)	(21,904)	(20,096)
Other operating expenses	(82,295)	(58,552)	(44,564)	(50,490)	(53,180)	(51,865)	(51,050)	(50,434)	(47,915)	(60,552)	(36,920)
Total operating expenses	(262,074)	(208,735)	(197,763)	(127,788)	(127,324)	(115,137)	(110,981)	(104,400)	(97,733)	(106,079)	(78,411)
Profit from operations	1,703,335	1,248,936	273,157	246,389	205,573	162,811	148,697	130,370	121,920	91,093	95,342
Net finance income	66,342	22,505	25,613	31,796	32,648	46,620	42,552	27,494	28,248	45,231	46,901
Profit before taxation	1,769,677	1,271,441	298,770	278,185	238,221	209,431	191,249	157,864	150,168	136,324	142,243
Income tax expense	(1,017,527)	(342,550)	(77,180)	(76,866)	(66,667)	(63,384)	(55,919)	(62,819)	(12,854)	(17,283)	(17,069)
Profit for the year	752,149	928,891	221,590	201,320	171,554	146,047	135,330	95,045	137,314	119,041	125,174
Other comprehensive income											
Item that will not be reclassified to profit or loss											
Actuarial gain/ (loss) on defined benefit plans	566	1,323	(1,753)	(716)	(22)	(119)	385	516	170	(16)	-
Related tax	(170)	(318)	421	200	7	33	(108)	(142)	-	-	-
Total other comprehensive income for the year	396	1,005	(1,333)	(516)	(15)	(86)	277	374	170	(16)	-
Total comprehensive income for the year	752,545	929,896	220,257	200,804	171,539	145,960	135,607	95,419	137,484	119,025	125,174
Basic earnings per share (Rs.)	1.88	2.33	0.56	12.61	10.74	9.15	8.47	5.95	8.60	7.45	7.84

* Basis EPS for periods before 2020/21 have not been adjusted for share subdivision.

Company

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000
	472,073	408,186	350,660	356,460	324,921	269,877	250,299	220,591	211,876	190,340	167,967
	2,651	2,313	9,356	11,416	2,084	1,623	2,269	7,366	142	61	21
	1,475,497	1,030,142	102,441								
	1,950,222	1,440,641	462,457	367,876	327,005	271,500	252,568	227,957	212,018	190,401	167,988
	(32,702)	(22,585)	(25,301)	(27,404)	(26,286)	(26,098)	(23,574)	(22,625)	(21,023)	(44,802)	(17,407)
	(136,880)	(119,381)	(121,523)	(44,575)	(43,341)	(33,807)	(31,226)	(26,131)	(23,766)	(19,275)	(19,045)
	(78,449)	(51,501)	(42,954)	(49,482)	(52,481)	(49,884)	(50,059)	(48,887)	(46,342)	(20,988)	(36,031)
	(248,031)	(193,467)	(189,778)	(121,461)	(122,108)	(109,789)	(104,859)	(97,643)	(91,131)	(85,065)	(72,483)
	1,702,191	1,247,174	272,679	246,415	204,897	161,711	147,709	130,314	120,887	105,336	95,505
	63,967	21,793	24,665	30,657	31,477	45,723	41,902	27,088	27,960	44,802	46,443
	1,766,158	1,268,967	297,344	277,072	236,374	207,434	189,611	157,402	148,847	150,138	141,948
	(1,015,941)	(341,541)	(76,682)	(76,431)	(65,951)	(62,835)	(55,572)	(62,564)	(12,439)	(17,234)	(16,998)
	750,216	927,426	220,662	200,641	170,423	144,599	134,039	94,838	136,408	132,904	124,950
	286	905	(1,283)	(710)	5	(65)	292	508	13		-
	(86)	(217)	309	199	(1)	18	(82)	(142)	-		-
	200	688	(974)	(511)	4	(47)	210	366	13	-	-
	750,416	928,114	219,687	200,130	170,427	144,552	134,249	95,204	136,421	132,904	124,950
	1.88	2.32	0.55	12.56	10.67	9.05	8.39	5.94	8.54	7.45	7.82

GRI INDEX

GRI Standard	Disclosure	Reference
GRI 102 : General Disclosures 2016		
	102-1 Name of organisation	About Us
	102-2 Activities, brands, products and services	About Us
	102-3 Location of headquarters	Corporate Information
	102-4 Location of operations	Corporate Information
	102-5 Ownership and legal form	Corporate Information
	102-6 Markets served	Social and Relationship Capital
	102-7 Scale of the organisation	About Us
	102-8 Information on employees and other workers	Human Capital
	102-9 Supply chain	Social and Relationship Capital
	102-10 Significant changes to the organisation and supply chain	Social and Relationship Capital
	102-11 Precautionary principle or approach	About This Report
	102-12 External initiatives	CEO's Review
	102-13 Membership of associations	Corporate Information
	102-14 Statement from senior decision maker	Chairman's Message and CEO's Review
	102-15 Key impacts risks and opportunities	CEO's Review
	102-16 Values, principles, norms and standards of behavior	Corporate Governance
	102-18 Governance structure	Corporate Governance
	102-19 Delegating authority	Corporate Governance
	102-22 Composition of the highest governance body and its committees	Board of Directors
	102-23 Chair of highest governance body	Board of Directors
	102-24 Nominating and selecting the highest governance body	Corporate Governance
	102-35 Remuneration policies	Corporate Governance
	102-36 Process of determining remuneration	Remuneration Committee
	102-40 List of stakeholder groups	Stakeholder Engagement
	102-41 Collective bargaining agreements	Human Capital
	102-42 Identifying and selecting stakeholders	Stakeholder Engagement
	102-43 Approach to stakeholder engagement	Stakeholder Engagement
	102-44 Key topics and concerns raised	Stakeholder Engagement
	102-45 Entities included in the consolidated financial statements	Financial Capital
	102-46 Defining report content and topic boundary	About This Report
	102-47 List of material topics	Materiality
	102-48 Restatement of information	About This Report

GRI Standard	Disclosure	Reference
	102-49 Changes in reporting	About This Report
	102-50 Reporting period	About This Report
	102-51 Date of most recent report	About This Report
	102-52 Reporting cycle	About This Report
	102-53 Contact point for questions regarding Report	About This Report
	102-54 Claims of reporting in accordance with GRI Standards	About This Report
	102-54 Claims of reporting in accordance with GRI Standards	About This Report
	102-55 GRI context index	GRI Index
	102-56 External assurance	Audit Report
GRI 103: Management Approach 2016	103-1 Explanation of material topics and its boundaries	Materiality
	103-2 The Management approach and its components	Materiality
	103-2 Evaluation of the management approach	Strategy and Resource Allocation
GRI 201 : Economic Performance 2016	201-1 Direct economic value generated and distributed	Value Creation
	201-3 Defined benefit plan obligations and other retirement plans	Human Capital
GRI 203 : Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Manufactured Capital
	203-2 Significant indirect economic impacts	Operating Environment
GRI 204 : Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Social and Relationship Capital
GRI 302 : Energy Consumption 2016	302-1 Energy consumption within the organization	Natural Capital
GRI 306 Effluents and Waste 2016	306-2 Waste by type and disposal method	Natural Capital
GRI 307: Environmental Compliance	307-1 Non-compliance with environmental laws and regulations	Natural Capital
GRI 401: Employment 2016	401-1 New employee hires and turnover	Human Capital
	401-3 Parental leave	Human Capital
GRI 403: Occupational Health and Safety	403-1 Occupational health and safety management system	Human Capital
GRI 404 : Training and Education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	Human Capital
GRI 405 : Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Human Capital
GRI 406 : Non-Discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Human Capital
GRI 413 : Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Social and Relationship Capital

GLOSSARY

Accounting Policies

Specific principles, bases and procedures adopted by an organization in preparation and presentation of financial statements

Accrual Basis

Recognizing the effects of transactions and other events when they occur without waiting for receipt or payment of cash or its equivalent.

Amortized Cost

Amount at which the financial asset or financial liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount and minus any reduction for impairment or uncollectability.

Asset Turnover

Revenue divided by average total assets

Cash Equivalents

Short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Contingent Liabilities

A condition or situation existing as at the date of the report due to past events, where the financial effect is not recognised because:

1. The obligation is crystallised by the occurrence or nonoccurrence of one or more future events or,
2. A probable outflow of economic resources is not expected or,
3. It is unable to be measured with sufficient reliability

Current Ratio

Current assets divided by current liabilities.

Corporate Governance

The process by which corporate entities are governed. It is concerned with the way in which power is exercised over the management and direction of the entity, the supervision of executive actions and accountability to owners and others

Deferred Tax

Sum set aside in the Financial Statements for taxation that may become payable/recoverable in a financial year other than the current financial year (future periods).

Dividend Payout Ratio

Dividend paid as a percentage of Company profits, adjusted for non-cash gain items.

Earnings Per Share (EPS)

Profit attributable to equity holders of the parent divided by the weighted average number of ordinary shares in issue during the period.

Fair Value

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.

Financial Instrument

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

Financial Assets Measured at Amortised Cost

A financial asset is measured at amortised cost if the asset is held within a business model whose objective is to hold assets 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.

Group

A group is a parent and all its subsidiaries.

Impairment

This occurs when recoverable amount of an asset is less than its carrying amount

Intangible Asset

An intangible asset is an identifiable non-monetary asset without a physical substance.

Key Management Personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any Director (whether Executive or otherwise) of that entity

Net Assets

Total assets minus current liabilities, long term liabilities and non-controlling interests.

Net Assets per Share

Net assets as at a particular financial year end, divided by the number of shares in issue, as at the current financial year end.

Parent

A parent is an entity which has one or more subsidiaries.

Related Parties

Parties where one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions, directly or indirectly.

Return on Assets (ROA)

Profit after tax expressed as a percentage of the assets.

Return on Average Equity (ROE)

Attributable profits divided by average shareholders' funds.

Working Capital

Capital required to finance the day to day operations computed as the excess of current assets over current liabilities.

NOTICE OF AGM

Notice is hereby given that the Thirty First Annual General Meeting of Lanka Industrial Estates Limited will be held at 73/5,DFCC Building,Galle Road,Colombo 03 on Wednesday, 20th September 2023 at 1 p.m. and the business to be brought before the meeting will be:

AGENDA

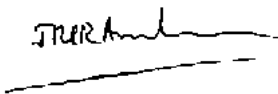
1. To receive and consider the Report of the Board of Directors on the State of Affairs of the Company and the Audited Financial Statements for the year ended 31st March 2023 with the Report of the Auditors thereon.
2. To declare a First & Final Dividend of Rs. 0.45 per share for the year ended 31st March 2023 as recommended by the Directors.
3. To re-elect Mr. T.W. De Silva, Director who retires by rotation in terms of Article 99 of the Articles of Association of the Company.
4. To re-elect Mr. R.A. Dassanayake, Director who retires by rotation in terms of Article 99 of the Articles of Association of the Company.
5. To re-elect Mr. N.H.T.I. Perera, Director who retires in terms of Article 105 of the Articles of Association of the Company.
6. To consider and if thought fit to pass the following ordinary resolution pertaining to the re-appointment of Dr. R.M.K. Ratnayake as a Director who is over 70 years of age, in compliance with Section 211 of the Companies Act No.07 of 2007 and whose re-appointment is recommended by the Board of Directors.

Ordinary Resolution

"That the age limit of 70 years referred to in Section 210 of the Companies Act No.07 of 2007 shall not apply to Dr. Ratnayake Mudiyansele Karunasinghe Ratnayake, Director who is 75 years of age (having reached 70 years of age on 20th April 2018) and accordingly that Dr. Ratnayake Mudiyansele Karunasinghe Ratnayake be and is hereby re-appointed a Director of the Company in terms of Section 211 of the Companies Act No.07 of 2007."

7. To authorize Directors to determine the remuneration of the Auditors, Messrs Ernst & Young, Chartered Accountants who are deemed to have been re-appointed as Auditors in terms of Section 158 of the Companies Act No.07 of 2007.

By Order of the Board of Directors of
Lanka Industrial Estates Limited



S S P CORPORATE SERVICES (PRIVATE) LIMITED
SECRETARIES

Colombo
25 August 2023

The member entitled to attend and vote at the above mentioned meeting is entitled to appoint a proxy to attend and vote instead of him/her. Such proxy need not be a member of the Company.

A Form of Proxy is enclosed.

Note:-

The completed Form of Proxy should be deposited at the Registered Office of the Company, at No.299, Dr. Colvin R. De Silva Mawatha, Colombo 2, not later than 48 hours before the time appointed for the holding of the meeting.

FORM OF PROXY

I(NIC No.....) of

.....being a member of

the above Company, hereby appoint:

- | | |
|---|---------------------------|
| Mr.Neelakanni Hettiarachchige Thimal Ishan Perera | of Colombo or failing him |
| Mr. Amal Dushan Tudawe | of Colombo or failing him |
| Mr. Tyrone Wilfrid De Silva | of Colombo or failing him |
| Mr. Ravi Anuruddha Dassanayake | of Colombo or failing him |
| Dr. Ratnayake Mudiyanseleage Karunasinghe Ratnayake | of Colombo or failing him |
| Mr.Walatharage Don Rohan Crishantha | of Colombo or failing him |
| Mr. Thiyagarajah Dharmarajah | of Colombo or failing him |
| Dr. Keeragala Arachchilage Sumanapala Keeragala | of Colombo or failing him |
| Ms. Chandrasekara Mudiyanseleage Deepa Nayanakanthi
Kumarihamy Seneviratne | of Colombo or failing her |

Mr./Mrs./Miss(NIC No.....)

of

as my proxy to represent me and vote on my behalf at the Annual General Meeting of the Company to be held on 2023 and at any adjournment thereof and at every poll which may be taken in consequence of the aforesaid meeting and to VOTE as indicated below:

		FOR	AGAINST
1.	To receive and consider the Report of the Board of Directors on the State of Affairs of the Company and the Audited Financial Statements for the year ended 31st March 2023 with the Report of the Auditors thereon.	<input type="checkbox"/>	<input type="checkbox"/>
2.	To declare a First & Final Dividend of Rs. 0.45 per share for the year ended 31st March 2023	<input type="checkbox"/>	<input type="checkbox"/>
3.	To re-elect Mr. T.W. De Silva Director who retires by rotation in terms of Article 99 of the Articles of Association of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
4.	To re-elect Mr. R.A. Dassanayake, Director who retires by rotation in terms Article 99 of the Articles of Association of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
5.	To re-elect Mr. N.H.T.I. Perera, Director who retires in terms Article 105 of the Articles of Association of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
6.	To re-appoint Dr. R.M.K. Ratnayake, who is over 70 years of age as a Director of the Company, by passing the ordinary resolution set out in the Notice of Meeting.	<input type="checkbox"/>	<input type="checkbox"/>
7.	To authorize directors to determine the remuneration of the Auditors M/s Ernst & young Chartered Accountants who are deemed to have been re-appointed as Auditors	<input type="checkbox"/>	<input type="checkbox"/>

Signed this day ofTwo Thousand and Twenty Three.

Signature:

Note:

1. Please delete the inappropriate words.
2. Instructions for completion of form of proxy are noted on the reverse
3. A proxy need not be a member of the Company

INSTRUCTIONS FOR COMPLETION OF FORM OF PROXY

1. Kindly perfect the Form of Proxy by filling in legibly your full name and address, and your instructions as to voting, by signing in the space provided and filling in the date of signature.
2. Please indicate with a 'X' in the cages provided how your proxy is to vote on the Resolutions. If no indication is given or if there is any doubt as to how the Proxy should vote by reason of the manner in which the instructions are carried out, the proxy in his/her discretion may vote as he/she thinks fit.
3. The completed Form of Proxy should be deposited at the Registered Office of the Company at No 743/5, Galle Road, Colombo 3, not less than 48 hours before the time appointed for holding the meeting.
4. If the Form of Proxy is signed by an attorney, the relative power of attorney should accompany the completed form of proxy for registration, if such power of attorney has not already been registered with the Company.

Note:

If the shareholder is a Company or body corporate, Section 138 of the Companies Act No.7 of 2007 applies to corporate shareholders of Lanka Industrial Estates Limited. Section 138 provides for representation of Companies at meetings of other Companies. A Corporation, whether a Company within the meaning of this Act or not, may, where it is a member of another Corporation, being a Company within the meaning of this Act, by resolution of its Directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company. A person authorised as aforesaid shall be entitled to exercise the same power on behalf of the Corporation which it represents as that Corporation could exercise if it were an individual shareholder of that other Company.

CORPORATE INFORMATION

NAME OF THE COMPANY

Lanka Industrial Estates Limited

LEGAL FORM

Public Company (Unlisted)

COMPANY REGISTRATION NUMBER

PB 1730

VAT REGISTRATION NUMBER

134003278-7000

REGISTERED OFFICE

73/5,DFCC Building,Galle Road,
Colombo 03

HEAD OFFICE

Lindel Industrial Estate, Pattiwila Road,
Sapugaskanda, Makola

PARENT COMPANY

DFCC Bank PLC

SUBSIDIARY

Lindel Industrial Laboratories Limited

AUDITORS

KPMG

Chartered Accountants

BANKERS

DFCC Bank PLC

Commercial Bank of Ceylon PLC

BOARD OF DIRECTORS

Mr. N.H.T.I Perera

Mr. T.W De Silva

Mr. A.D Tudawe

Mr. W.D.R Crishantha

Dr. R.M.K Ratnayake

Mr.R.A Dassanayake

Mr.T. Dharamrajah

Dr. K.A.S Keeragala

Mrs. C.M.D.N.K Seneviratne

SECRETARY

S S P Corporate Services (Pvt) Ltd

CORPORATE MEMBERSHIPS

National Chamber of Commerce

International Chamber of Commerce

TELEPHONE

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