



Esteamed



Ceylon Tea Brokers PLC
Annual Report 2023/24



Esteamed

A master in their trade and an entity that is beyond compare, Ceylon Tea Brokers has stood strong for over 60 years, and continues to rise year on year. Their integrity and work ethics are built on a solid foundation where Ceylon Tea Brokers is a trusted name amongst the tea producer clients and buyers. The variety of services offered by CTB in addition to the array of choices in tea, from their different grades to the different elevations they are sourced from, makes CTB a renowned company that is always held in high esteem.

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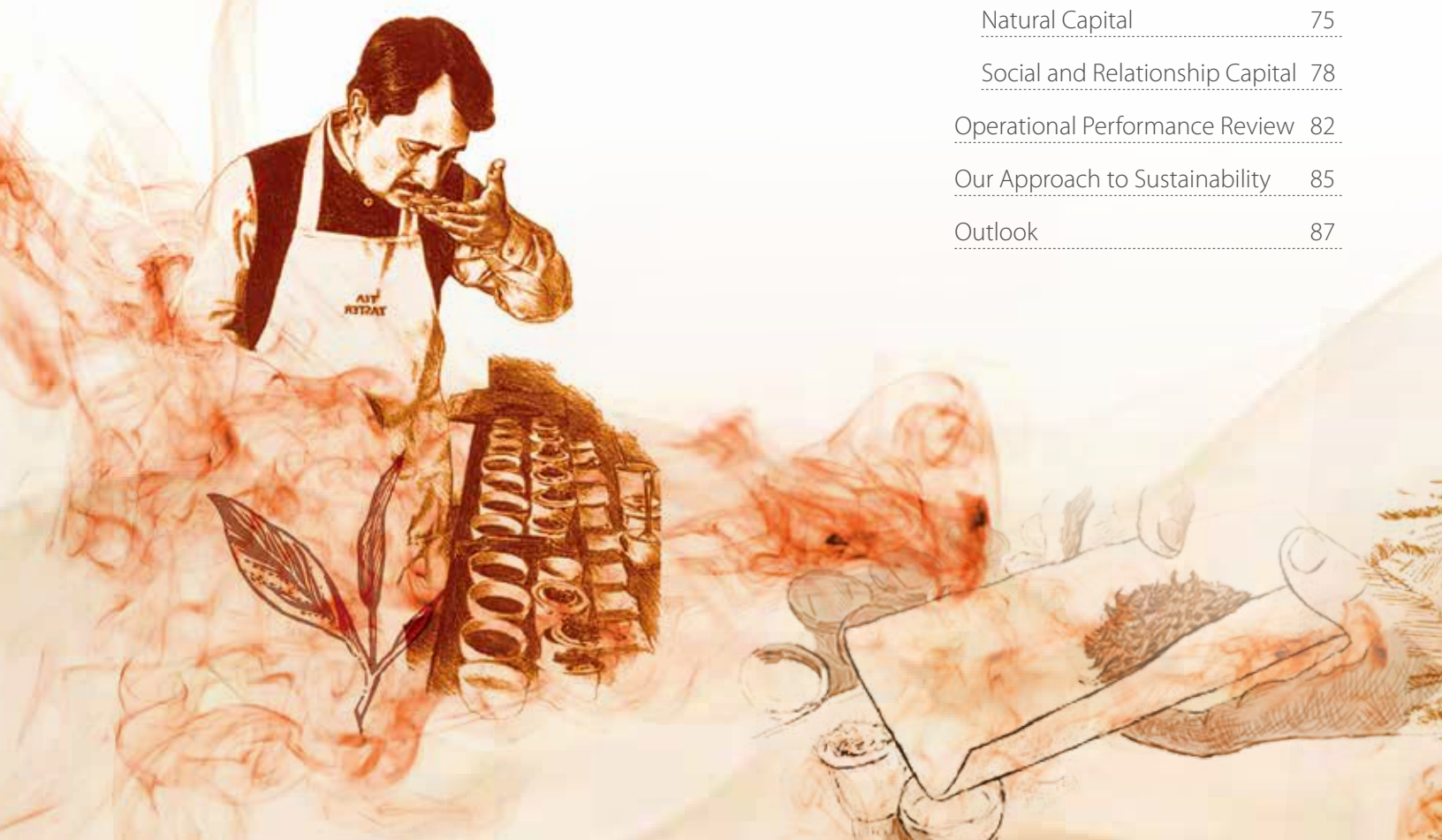
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This Annual Report is published within three months of the date of the Consolidated Statement of Financial Position. The web version is also published online on the same date as the date of issue of this Annual Report at www.ceylonteabrokers.com/key-financials



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WELCOME TO OUR 6TH INTEGRATED REPORT

We are pleased to present our sixth Integrated Report, prepared in alignment with the International <IR> Framework of the International Integrated Reporting Council (IIRC). The report brings together a comprehensive overview of our financial performance, operational highlights, Environmental, Social and Governance (ESG) performance and strategic initiatives over the year 2023/24. It also reflects our commitment to transparency, accountability, and sustainable growth.

Our vision is to be a dynamic and leading service organization, which we aim to achieve through stakeholder engagement, reducing our environmental impact, developing our people, and creating sustainable value through our business model. Our annual report (hereinafter referred to as the 'report') demonstrates our continued commitment to conducting business in a responsible and sustainable manner. Our focus is on creating sustainable value in our economy, society and environment.

Basis of Preparation

Reporting Period

The Annual Report 2023/24 of Ceylon Tea Brokers PLC reports for the 12 months period from 1st April 2023 to 31st March 2024. This period is consistent with the Company's usual annual reporting cycle.

Reporting Scope and Boundary

The contents of this report relate to the operations of Ceylon Tea Brokers PLC "Company" including its fully owned subsidiary, Logicare (Pvt) Ltd, collectively referred to as "Group". The Company does not have any other subsidiaries, associates, joint ventures, overseas operations, or other businesses for the purpose of reporting except for Logicare (Pvt) Ltd. The Company's shareholding structure, operations and its geographical presence are disclosed on page 201 and 06 respectively. Non-financial information presented in this report refers to the Group unless explicitly stated.

Standards and Frameworks

Financial Statements	Narrative Report	Sustainability Reporting	Corporate Governance Report
<ul style="list-style-type: none"> ▪ Sri Lanka Financial Reporting Standards ▪ Companies Act No.7 of 2007 ▪ Listing Requirements of the Colombo Stock Exchange ▪ Sri Lanka Accounting Standards 	<ul style="list-style-type: none"> ▪ Integrated Reporting Framework ▪ Guidelines for the presentation of Annual Reports issued by CA Sri Lanka 	<ul style="list-style-type: none"> ▪ GRI Standards (2021) of the Global Reporting Initiative ▪ Non-Financial Reporting Guidelines issued by CA Sri Lanka ▪ Gender Parity Reporting Framework of CA Sri Lanka ▪ Sustainable Development Goals (SDG) ▪ 10 principles of the UN Global Compact 	<ul style="list-style-type: none"> ▪ Listing Requirements of the Colombo Stock Exchange ▪ Companies Act No.7 of 2007 ▪ Code of Best Practice on Corporate Governance issued by CA Sri Lanka (2023)

Determining Materiality

Materiality analysis is a key process that enables the Company to define key triple bottom line issues that are vital to our business and stakeholders, both internal and external. Our focus on materiality is based on material aspects recognised by both internal and external stakeholders. This process is crucial to drive performance, improve our sustainability framework and use the corporate governance practices at all levels of the Group.

The Company conducts regular external stakeholder engagement in ascertaining aspects material to its significant stakeholders. In addition, materiality is also assessed internally in ascertaining the aspects material to the Company and to fine-tune and streamline its strategy and processes to manage these material issues.

ESG Metrics

Our Integrated Report extends beyond financial reporting to include key environmental, social and governance (ESG) performance metrics. The reporting boundary for financial and non-financial reporting remains consistent.

Restatements and Significant Changes from the Previous Report and Date of Most Recent Previous Report

The Company’s most recent report was for the financial year 2022/23. There have not been any changes in reporting scope and/or boundaries from the previous year.

Forward Looking Statements

In this Annual Report, readers will find forward-looking statements that stem from the Group’s present expectations and forecasts regarding future events. These statements inherently carry risks, uncertainties, and assumptions, many of which are tied to factors beyond the Group’s influence. It’s important for investors to be aware that these factors may diverge significantly from the expressions contained within any forward-looking statement, and the Group cautions accordingly.

Feedback

We are dedicated to continually improving the quality and readability of our Annual Report, and we value your feedback, suggestions, and comments. Please direct any input or inquiries to;

 **Mr. Ramal Samarasinghe**
 Director Finance
 ramal@ceylonteabrokers.com

Board Responsibility Statement

The Board of Directors of Ceylon Tea Brokers PLC holds the ultimate responsibility for upholding the integrity of this Report. We affirm that the 2023/24 Report comprehensively addresses all pertinent material matters and accurately represents the integrated performance of the Group. Furthermore, we confirm that the Report has been meticulously prepared in alignment with the Integrated Reporting Framework of the International Integrated Reporting Council. The Report is approved and authorised for publication.


 Chairman


 Managing Director


 Chief Executive Officer


 Chairman of Audit Committee

Navigation Icons

Throughout this report, we have incorporated the following navigation icons to illustrate the interconnectedness of relevant information.

Strategic Pillars

		
Competent Team	Operational Excellence	Service Excellence

Stakeholders

					
Investors	Customers	Employees	Suppliers	Community & Environment	Regulator

Capitals

					
Financial	Manufactured	Human	Intellectual	Natural	Social & Relationship

WHO WE ARE

PRESENTLY, OUR REACH EXTENDS ACROSS MORE THAN 168 PRODUCER CLIENTS (TEA FACTORIES) AND 329 BUYERS NATIONWIDE, REPRESENTING APPROXIMATELY 14.46% OF THE TOTAL VOLUMES TRADED AT THE COLOMBO TEA AUCTION.

As the pioneering Tea broking Company listed on the Colombo Stock Exchange, we take pride in our trailblazing status. Over time, we've emerged as a respected entity within our industry, achieving substantial growth within a remarkably brief span. Despite navigating amidst long-established broking firms, we have steadfastly upheld our unique identity and competitiveness, steadily bolstered by a robust management team.

Guided by principles of commitment, experience, and expertise, our journey to success is underpinned by a cadre of talented young professionals. Their boundless enthusiasm, adaptability, and profound industry knowledge have positioned them among the finest in the trade. Even amid the challenges posed by a global pandemic, their resilience has sustained our momentum.

Presently, our reach extends across more than 168 Producer Clients (Tea factories) and 329 buyers nationwide, representing approximately 14.46% of the total volumes traded at the Colombo Tea Auction. By consistently earning the trust of our clients, we continuously nurture and strengthen existing relationships while actively pursuing new ones to fuel our future progress.

At Ceylon Tea Brokers PLC, we are not merely participants in the tea industry; we are architects of its evolution, committed to shaping its future through innovation, integrity, and unwavering dedication to excellence.



Business Activities / Key Service Areas

We are a licensed Produce Broker for Tea registered under Sri Lanka Tea Board bearing License No. PB/102/2024.

Tea Broking / Marketing

Act as an intermediary between Tea Producers and Tea Buyers.

Manufacturing Advisory Services

Provide manufacturing advise and personalised services to producer clients (Tea Factories) in order to improve their product quality.

Financing

Provide financing facilities in the form of loans and advances to producer clients (Tea Factories) to meet their working capital requirements.

Market Served

The factories whose Teas are marketed through us cover all elevations namely Uva High, Uva Medium, Western High, Western Medium and Low Grown.

Where We Operate

Ceylon Tea Brokers PLC

Head Office¹

Level 7, 'Millennium House', 46/58, Nawam Mawatha, Colombo 02, Sri Lanka.

Sample Room²

No. 74, De Waas Lane, Grandpass, Colombo 14, Sri Lanka.

Logicare (Private) Limited

Logicare Private Limited, a fully owned subsidiary of Ceylon Tea Brokers PLC, is a premier provider of logistics and supply chain solutions in Sri Lanka. Specializing in transportation and warehousing facilities, to serve both third-party logistic clients and clients of the parent company. Logicare is dedicated to crafting tailored, sustainable logistics solutions for every client, with the goal to seamlessly integrate advanced technologies available in today's market to deliver eco-conscious logistics services.

Business Activities / Key Service Areas

Warehousing Facilities
Transportation Solutions
Value Added Services
Supply Chain Consultancy

Head Office¹

Level 7, 'Millennium House', 46/58, Nawam Mawatha, Colombo 02, Sri Lanka.

Warehouses

No. 1, Muthurajawela Road, Muthurajawela³, Sri Lanka.

No. 205, Awariwatta Road, Wattala⁴, Sri Lanka.

No. 74, De Waas Lane, Grandpass², Colombo 14, Sri Lanka.

No. 26, Welikadamulla Road, Enderamulla⁵, Wattala, Sri Lanka.

VISION, MISSION AND CORE VALUES

Our vision

To be a dynamic and leading service organisation.

Our mission

In our **core** business of **Tea broking**, to be the preferred choice of the industry.

Provide a **professional** and **fully integrated service**, thus adding value to our clients, employees, shareholders and the country.

Be a **socially responsible** corporate citizen.

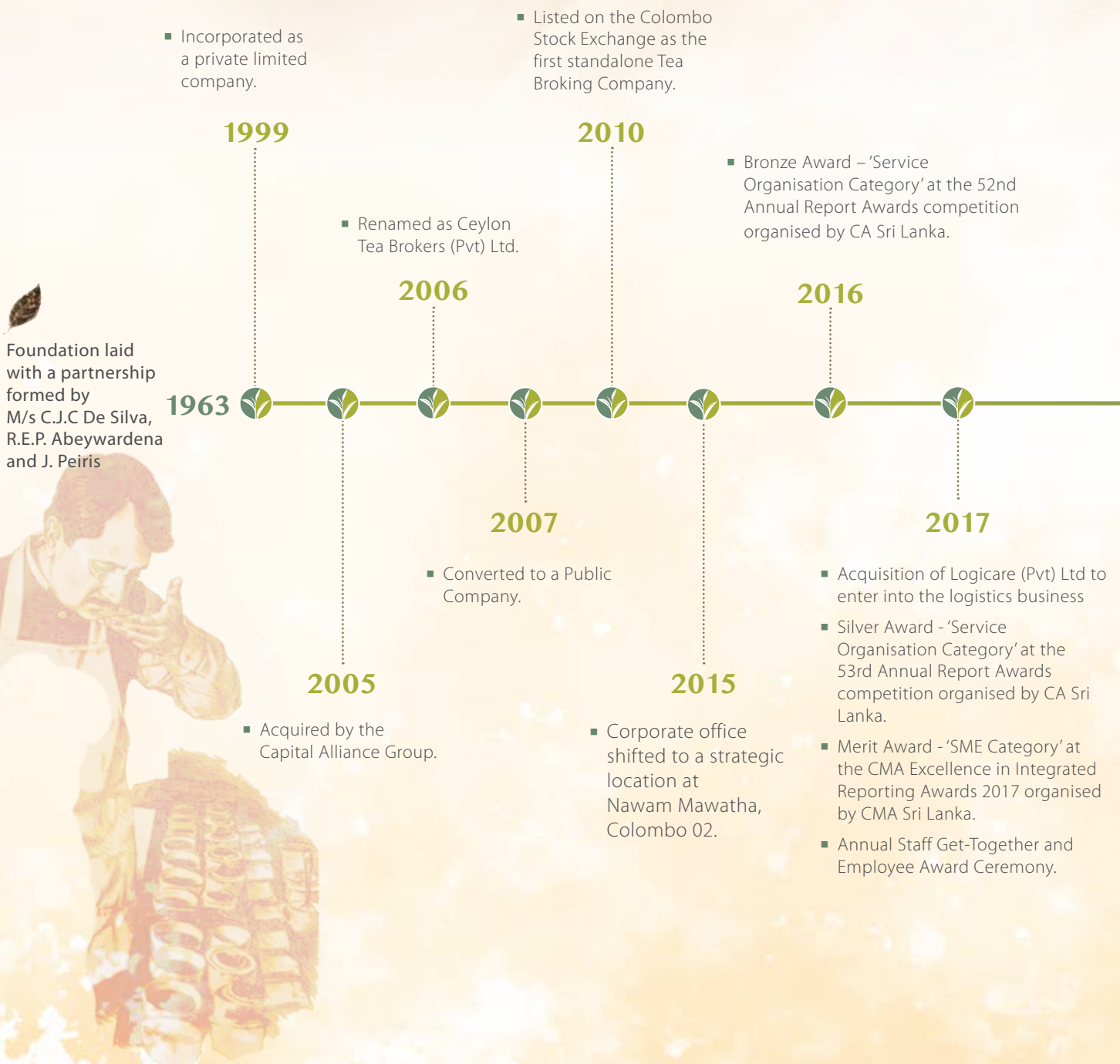
Our values

Ability | Credibility | Integrity | Teamwork



The first stand-alone tea broking company to be listed on the colombo stock exchange. Today we are one of the well respected entities in the field, having achieved considerable growth in a short period of time. Proudly holding our own and competing against the might of long established broking firms, we continue to grow in strength and stature supported by a solid management team. Commitment, experience and expertise being our guiding principles, our success is driven by a team of talented young people, whose enthusiasm and know-how has marked them out as some of the best in the trade.

MILESTONES





- First ever Rights Issue.
- Silver Award - 'Service Organisation Category' at the 54th Annual Report Awards competition organised by CA Sri Lanka.
- Best Integrated Report - 'SME Category' at the CMA Excellence in Integrated Reporting Awards 2018 organised by CMA Sri Lanka.
- Overall Merit Award at the CMA Excellence in Integrated Reporting Awards 2018 organised by CMA Sri Lanka.

- Commencement of Online Auctions by the Tea Trade.

2021

- Achieved the highest ever revenue and profit after tax of Rs. 1,154.97 Mn and Rs.239.68 Mn respectively for the year ended 31st March 2023.
- Silver Award - "Service Organizations Category" at the 57th Annual Report Awards competition organised by CA Sri Lanka.
- Best Integrated Report - "SME Category" at the CMA Excellence in Integrated Reporting Awards 2022 organised by CMA Sri Lanka.
- Overall Merit Award at the CMA Excellence in Integrated Reporting Awards 2022 organised by CMA Sri Lanka.

2018

2019

- Achieved a profit after tax of Rs. 113.55 Mn for the year ended 31st March 2019.
- Silver Award - 'Service Organisation Category' at the 55th Annual Report Awards competition organised by CA Sri Lanka.
- Best Integrated Report - 'SME Category' at the CMA Excellence in Integrated Reporting Awards 2019 organised by CMA Sri Lanka.
- Overall Merit Award at the CMA Excellence in Integrated Reporting Awards 2019 organised by CMA Sri Lanka.

2022

- Bronze Award- "Service Organisation Category" at the 56th Annual Report Awards competition organised by CA Sri Lanka.
- Achieved a market share of 15.77% on the value of Teas sold.

2023

2024

- Joint Bronze Award – "Service (Excluding Financial Services & Communication & IT Sector)" at the Best Presented Annual Report Awards, Integrated Reporting Awards and SAARC Anniversary Awards for Corporate Governance Disclosure 2022 organised by South Asia Federation of Accountants (SAFA)
- Silver Award - "Service Sector Category" at the TAGS Awards 2023 organised by CA Sri Lanka.
- Best Integrated Report - "SME Category" at the CMA Excellence in Integrated Reporting Awards 2023 organised by CMA Sri Lanka.
- "Next Ten Best Integrated Reports" Award at the CMA Excellence in Integrated Reporting Awards 2023 organised by CMA Sri Lanka.
- "Runner Up - Logistics & Transport Sector" at the National Business Excellence Awards 2024 organized by the National Chamber of Sri Lanka – Logicare

AWARDS

- 1 Joint Bronze Award – “Service (Excluding Financial Services & Communication & IT Sector)” at the Best Presented Annual Report Awards, Integrated Reporting Awards and SAARC Anniversary Awards for Corporate Governance Disclosure 2022 organised by South Asia Federation of Accountants (SAFA).
- 2 Silver Award - “Service Sector Category” at the TAGS Awards 2023 organised by CA Sri Lanka.
- 3 Best Integrated Report - “SME Category” at the CMA Excellence in Integrated Reporting Awards 2023 organised by CMA Sri Lanka.
- 4 “Next Ten Best Integrated Reports” Award at the CMA Excellence in Integrated Reporting Awards 2023 organised by CMA Sri Lanka.
- 5 “Runner Up - Logistics & Transport Sector” at the National Business Excellence Awards 2024 organized by the National Chamber of Sri Lanka - Logicare



ESG PERFORMANCE

As a responsible corporate citizen, we remain committed to continuous improvement in our ESG initiatives to drive meaningful change and build a more sustainable future.

Our Purpose
Be a Socially Responsible Corporate Citizen

Environmental
We are dedicated to minimizing our environmental footprint while seizing opportunities to shape a greener future.

Social
Together, we strive and thrive, united in our pursuit of a better tomorrow.

Governance
As a responsible and responsive corporate citizen, we uphold the highest standards of integrity and accountability in all our endeavors.

Consolidated Statement of ESG Performance

	2023/24	2022/23
Environmental Performance		
Fuel Consumption (Liters)	70,057	43,166
Water Consumption for Operations (m ³)	4,322	4,174
Paper Usage (Sheets/Mn)	2.70	0.79
Social Performance		
Employee turnover (%)	18.9%	11.8%
Total number of female employees as a percentage of total employees (%)	22%	18%
Female employees in decision making roles	9	6
Total number of injuries	-	-
Average training hours per employee	8	5
Total Employee Benefits Distributed (Rs Mn)	414.30	400.50
Income Tax Paid (Rs Mn)	105.90	42.45
Donation and Other Social contributions(Rs Mn)	0.89	0.98
Governance Performance		
Number of total audits conducted on management systems	1	2
Data privacy trainings (No of Hours)	22	8
Number of meetings conducted by the Audit Committee	5	6

External Assurance

The Group's External Auditors, Messrs. KPMG Chartered Accountants have provided assurance for the Group's Financial Statements and Sustainability Reporting criteria presented in the Integrated Annual Report 2024.

AT CEYLON TEA BROKERS PLC, SUSTAINABILITY ISN'T JUST A BUZZWORD, IT'S AN INTEGRAL PART OF OUR DNA. IN 2023/2024, ESG TOOK CENTRE STAGE AS WE LET OUR ACTIONS SPEAK LOUDER THAN OUR WORDS. INCREASED DISCLOSURE OF RELEVANT ESG METRICS AND CLEARER NARRATIVE OF ESG WORK ENHANCING TRANSPARENCY, ACCOUNTABILITY AND STAKEHOLDER TRUST. INTEGRATION OF ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) CONSIDERATIONS IS ONE OF OUR TOP PRIORITIES AND CEYLON TEA BROKERS PLC IS COMMITTED TO AN ENVIRONMENTALLY SUSTAINABLE FUTURE AS WELL AS FOSTERING AN ENGAGED, DIVERSE, AND INCLUSIVE WORKPLACE.

Fuel Consumption

70,057

Liters

2022/23 - 43,166 Liters

Employee Benefits

414.3

Rs. Mn

2022/23 - 400.5 Rs. Mn

Training on Data Privacy

22

Hours

2022/23 - 08 Hours

FINANCIAL HIGHLIGHTS

Revenue - Company



1,082.43 Rs. Mn

2022/23 - 1,154.97 Rs. Mn

Shareholder Funds - Company



866.01 Rs. Mn

2022/23 - 850.09 Rs. Mn

Total Assets - Company



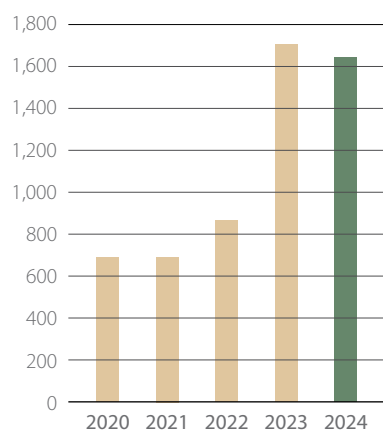
2,901.24 Rs. Mn

2022/23 - 2,777.66 Rs. Mn

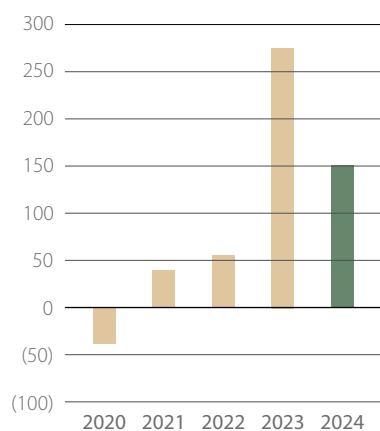
Five Years Summary

Five Year Summary as at 31st March	Group	Company	Group	Company	Group	Company	Group	Company	Group	Company
	2024	2024	2023	2023	2022	2022	2021	2021	2020	2020
Revenue (Rs. Mn)	1,648.66	1,082.43	1,711.45	1,154.97	867.31	580.67	693.59	518.68	692.63	580.64
Expenses (Rs. Mn)	(1,496.81)	(871.05)	(1,434.93)	(823.00)	(811.30)	(434.35)	(653.88)	(373.50)	(731.62)	(543.15)
Profit / (Loss) Before Taxation (Rs. Mn)	151.84	211.38	276.52	331.97	56.01	146.32	39.71	145.18	(38.99)	37.49
Profit / (Loss) After Taxation (Rs. Mn)	69.78	141.91	184.35	239.68	19.10	109.80	1.00	107.53	(62.5)	21.54
Total Assets (Rs. Mn)	3,634.01	2,901.24	3,360.07	2,777.66	2,908.86	2,276.82	2,547.21	1,968.18	2,228.34	1,663.82
Shareholder's Funds (Rs. Mn)	654.29	866.01	620.11	850.09	510.35	675.00	431.02	633.44	449.45	541.98
Return on Shareholder's Funds After Tax (%)	10.66	16.39	29.73	28.19	3.74	16.27	0.23	16.98	(13.91)	3.97
Return on Assets After Tax (%)	1.92	4.89	5.49	8.63	0.66	4.82	0.04	5.46	(2.80)	1.29
Net Assets Per Share (Rs.)	3.59	4.75	3.40	4.66	2.80	3.70	2.36	3.47	2.46	2.97
Earnings Per Share (Rs.)	0.38	0.78	1.01	1.31	0.105	0.60	0.005	0.59	(0.34)	0.12
Dividend Per Share (Distribution from during the year profit) (Rs.)	0.44	0.44	0.68	0.68	0.36	0.36	0.35	0.35	0.08	0.08
Current Ratio (Times)	1.18	1.30	1.26	1.34	1.24	1.28	1.05	1.22	1.39	1.52
Total Asset Turnover (Times)	0.45	0.37	0.51	0.42	0.30	0.26	0.27	0.26	0.31	0.35
Market Price (Rs.)	5.00	5.00	4.1	4.1	3.2	3.2	3.1	3.1	2.3	2.3
P/E Ratio (Times)	13.16	6.41	4.06	3.13	30.48	5.33	620.00	5.25	(6.76)	19.17
Earning Yield (Rs.)	0.08	0.16	0.25	0.32	0.03	0.19	0.0016	0.19	(0.15)	0.05
Price/Book value ratio (Times)	1.39	1.05	1.21	0.88	1.14	0.86	1.31	0.89	0.93	0.77

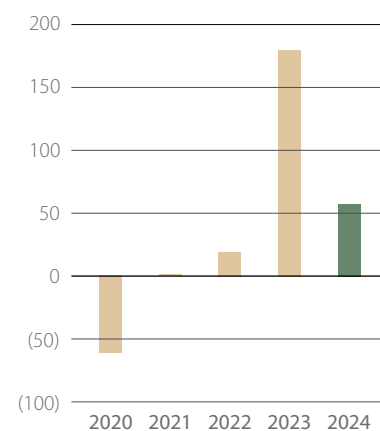
Financial Performance - Group



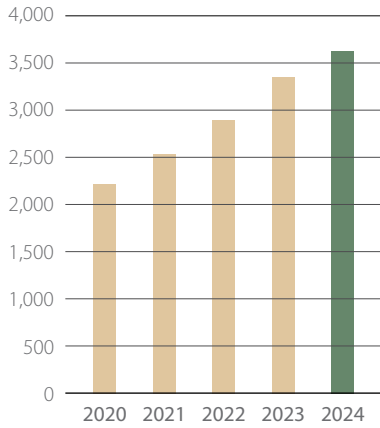
Revenue (Rs. Mn)



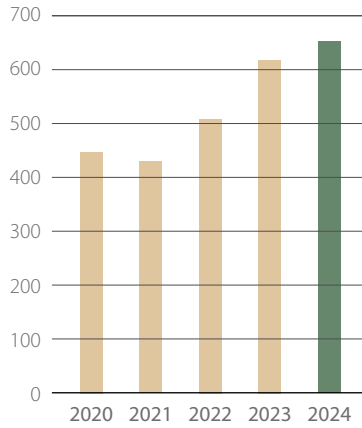
Profit / (Loss) Before Taxation (Rs. Mn)



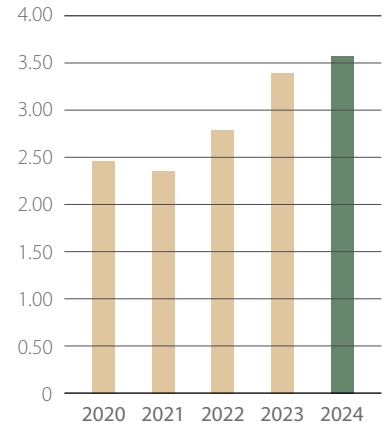
Profit / (Loss) After Taxation (Rs. Mn)



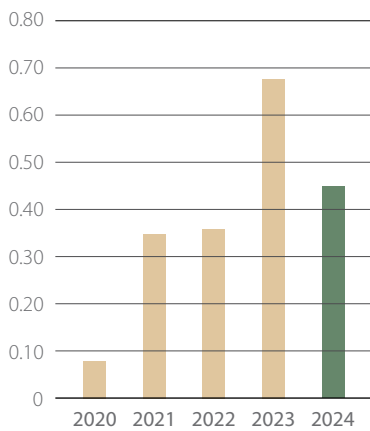
Total Assets (Rs. Mn)



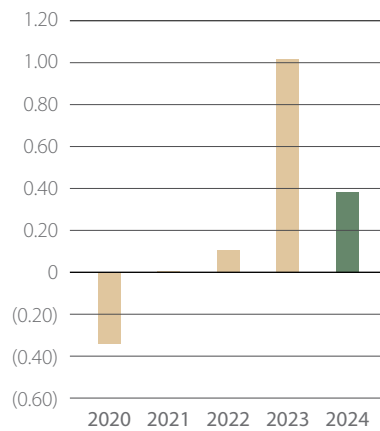
Shareholder's Funds (Rs. Mn)



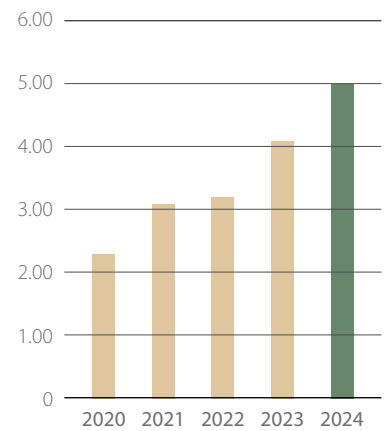
Net Assets Per Share (Rs.)



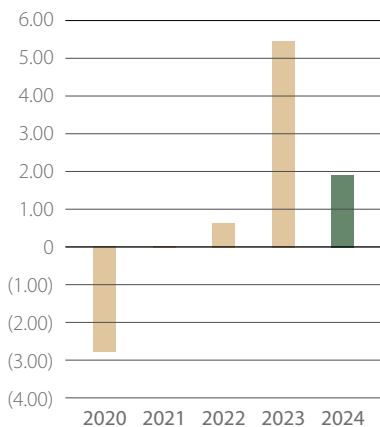
Dividend Per Share (Rs.)



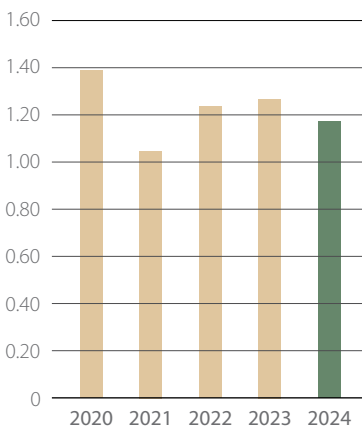
Earnings Per Share (Rs.)



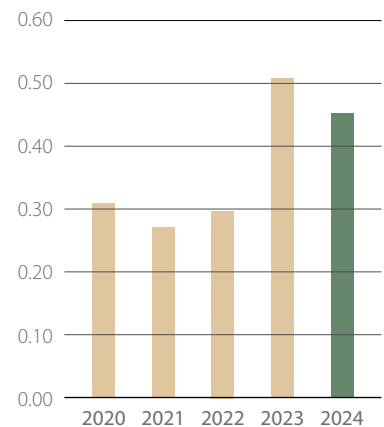
Market Price (Rs.)



Return on Assets After Tax (%)


























Current Ratio (Times)



Total Asset Turnover (Times)

NON-FINANCIAL HIGHLIGHTS

 <h3>Operational Performance</h3>	 <h3>Manufactured Capital</h3>	 <h3>Human Capital</h3>
<p>Market Share on Quantity Sold </p> <p>14.46 % 2022/23 - 14.75 %</p>	<p>Tea Tasting, Sampling and Auction Rooms</p> <p>1,302 Sq Ft Tea Tasting Room</p> <p>5,900 Sq Ft Tea Sampling Room</p> <p>363 Sq Ft Auction Rooms</p>   	<p>Total Employees</p> <p>123 nos</p>
<p>Market Share on Value of Teas Sold </p> <p>14.88 % 2022/23 - 15.26 %</p>	<p>Warehouse Capacity (Leased/Own)</p> <p>224,637 Sq Ft</p>	  <p>Employees 75 nos</p> <p>Employees 48 nos</p>
<p>Quantity Sold </p> <p>36.85 Mn Kg 2022/23 - 36.01 Mn Kg</p>	<p>No of Warehouse (Location)</p> <p>4 Nos</p>	<p>Gender Diversity</p> <p> 78%  22%</p>
<p>Tea Broking Revenue </p> <p>433.43 Rs. Mn 2022/23 - 518.69 Rs. Mn</p>	<p>PPE & Leasehold Land </p> <p>974 Rs Mn 2022/23 - 881 Rs. Mn</p> 	<p>Number of Training Hours </p> <p>969 Hrs 2022/23 - 576 Hrs</p>
<p>LRA Assigned Rating with a Stable Outlook (SL) BBB 2022/23 - (SL) BBB - LRA</p>	<p>Total Compensation </p> <p>414.3 Rs. Mn 2022/23 - 400.5 Rs. Mn</p>	<p>Total Compensation </p> <p>414.3 Rs. Mn 2022/23 - 400.5 Rs. Mn</p>
 		

 **Intellectual Capital**

Service Organisation Category

Silver Award

at the TAGS Awards 2023
Organised by CA Sri Lanka

2022/23 - Silver Award



New Product Development

Loginext 4.0

Designed to streamline transportation
and logistics processes

LogiNext on the road

Mobile companion to optimize
navigation and real-time monitoring

Great Place to Work® Certification

Logicare

has received the prestigious
Great Place to Work® certification,
recognizing our commitment to
creating an excellent workplace culture.



 **Natural Capital**

Fuel Consumption



70,057 Liters

2022/23 - 43,166 Liters

Paper Usage (Sheets)



2.70 Mn

2022/23 - 0.79 Mn


Water Consumption



4,322 m³

2022/23 - 4,174 m³



 **Social & Relationship Capital**

CSR Initiatives

0.025 Rs.

Allocated Per Kilo of Tea Sold

Donation and Other Social Contributions



0.89 Rs. Mn

2022/23 - 0.98 Rs. Mn

Customers Handled During the Year

168

Tea Producers

329

Tea Buyers

32

Logistic Clients





Versatilitea

Tea is one of the most versatile drinks out there. It's typically a blank canvas that gives us the freedom to mix and match or not at all. Whether you like it hot, cold, slightly sour or with milk, tea's got the capacity to fulfill your preference.

However, all teas be it black tea, white tea, green or oolong tea, come from the same plant - Camellia Sinensis. They taste, look and smell different only because of the difference in the method of processing.



TEASER

THERE ARE OVER 3000 DIFFERENT VARIETIES
OF TEA AND MILLIONS OF DIFFERENT BLENDS.

CHAIRMAN'S MESSAGE



Another year with an impressive performance, though the top and bottom lines fell short of those of the previous year. It will be recalled that I described the performance of the last financial year as “unprecedented”. The economic environment of the financial year 2023/2024 was different from 2022/2023.

Tea Marketed (CTB)

36.8 Mn Kg

2022/23 - 36.0 Mn Kg



Tea Production (SL)

256.09 Mn Kg

2022/23 - 251.50 Mn Kg



Another year with an impressive performance, though the top and bottom lines fell short of those of the previous year. It will be recalled that I described the performance of the last financial year as “unprecedented”. The economic environment of the financial year 2023/2024 was different from 2022/2023, largely dominated by the Sri Lankan Rupee moving in the opposite direction to what prevailed a year earlier. I will devote more time to the company’s performance later in the report.

Economy

Introduction

In 2023, Sri Lanka began its journey toward economic recovery after a period of severe hardship. The year under review marked a pivotal phase as the nation grappled with the aftermath of the COVID-19 pandemic and a significant economic downturn. Despite enduring its first-ever loan default and a declaration of bankruptcy, compounded by a pegged exchange rate against the US Dollar, Sri Lanka initiated a path toward stabilization and growth.

Governance and Economic Stabilization

The government’s ongoing strategic economic stabilization measures into 2023 and 2024 facilitated a gradual but perceptible recovery. A key milestone was the IMF’s release of the first tranche of the Extended Fund Facility (EFF) of USD 336 million in October 2023, followed by the second tranche in December 2023. Moreover, successful negotiations on debt restructuring with several countries and sovereign bondholders placed the country on firmer ground. However, the path to sustained recovery hinges on the successful execution of the debt restructuring program and necessary structural reforms.

CHAIRMAN'S MESSAGE

Economic Indicators: Signs of Progress

The economy contracted by 7.9% in the first half of 2023, following a 7.8% decline in 2022. Key sectors such as construction, manufacturing, real estate, and financial services faced substantial challenges, exacerbating the adverse effects of income loss and job reductions from the previous year. Nonetheless, a significant decrease in inflation from 69.8% in September 2022 to 0.9% in May 2024, alongside the Central Bank's monetary policy easing, began to relieve some pressures on household welfare and prevent further food insecurity among the poorest.

External Sector and Fiscal Challenges

The external sector experienced some relief, with the trade deficit as a percentage of GDP decreasing to 5.8% in 2023 (6.7% in 2022) and the current account recording a surplus of 1.8% as a percentage of GDP compared to -1.9% the previous year. Strong remittance flows and tourism earnings boosted foreign reserves to USD 2.4 billion by the end of July 2023. Additionally, the Sri Lankan Rupee appreciated by 19% against the US Dollar from January 2023 to July 2024. Despite these positive developments, the fiscal deficit widened in the first four months of the year due to high-interest payments, underscoring the need for targeted measures to mitigate poverty, particularly given the disproportionate impact of indirect taxes and rising energy prices on the poor and vulnerable.

Imports and Exports

The strengthening currency benefited imports, which began to increase slightly after two full years of a ban. However, exports were significantly affected, particularly when tea production increased and global demand slackened during the summer. Nevertheless, the short supply of Ceylon tea enabled a partial recovery towards the latter part of the year.

The Path Forward

As early indicators of economic stabilization emerged, Sri Lanka's future outlook remains closely tied to debt restructuring, structural reforms, and the implementation of targeted fiscal measures to ensure a resilient and sustainable recovery. The nation stands at a critical juncture, with the potential for sustained growth and prosperity within reach. As the world watches, Sri Lanka continues to navigate its path toward economic stability and growth, driven by the hopes and aspirations of its people.

The Sri Lankan economy, as per the Central Bank's annual report for 2023, recorded a real GDP contraction of 2.3% compared to a contraction of 7.3% in 2022. The real GDP from agriculture, forestry, and fishing-related activities improved during the year by 2.6% compared to a contraction of 4.2% in 2022. Total tea production in 2023 increased by 1.1% compared to the decrease of 16% recorded for the previous year. Service-related activities and the industry sector decreased by 0.2% and 9.2% in 2023, as against contractions of 2.6% and 16.0%, respectively, in 2022.

The per capita GDP was reported as US\$ 3,830 in 2023 compared to US\$ 3,464 in 2022.

The service sector contributed 59.9% to the GDP in 2023 compared to 57.0% reported in 2022. The Agriculture, Forestry, and Fisheries sector contributed 8.3% to the GDP, down from 8.5% stated in 2022. Industrial activities contributed 25.6% in the year under review compared with 29.8% reported in 2022.

The unemployment rate remained unchanged at 4.7% in 2023 compared to the preceding year, although the labor force participation declined further in 2023. Inflation, which reached a historically high level in September 2022, recorded a rapid disinflation process since then, reaching lower single-digit levels towards the end of 2023. Accordingly, CCPI-based year-on-year headline inflation was recorded at 4.0% (2021=100) by the end of 2023 compared to 57.2% (2013=100) by the end of 2022, while CCPI-based annual average headline inflation in 2023 decelerated to 17.4% (2021=100) from 46.4% (2013=100) recorded in 2022.



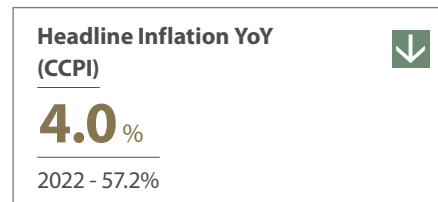
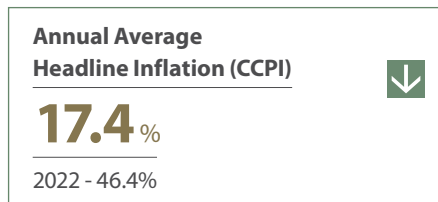
TEASER

ROBERTA LAWSON AND MARY MCLAREN OF MILWAUKEE, WISCONSIN FILED FOR A PATENT FOR A 'TEA LEAF HOLDER' IN 1901.

The merchandise trade deficit for 2023 reached its lowest level since 2010, largely driven by a notable decline in import expenditure relative to the decline observed in export earnings. Export earnings dipped in 2023, with a sizeable contraction of industrial exports, driven by garments. Meanwhile, a significant drop in import expenditure was observed due to subdued economic activity, lower disposable income, import restrictions, and tight monetary and fiscal conditions. Accordingly, the deficit in the trade account narrowed to US\$ 4,900 million compared to US\$ 5,185 million recorded in 2022. As a percentage of GDP, the trade deficit narrowed to 5.8% in 2023 from 6.7% in 2022.

The overall Balance of Payment (BOP) which represents the change in net international reserves recorded a significantly higher surplus by end 2023 after recording higher deficits in previous years since 2020. Gross official reserves increased significantly mainly due to the significant net absorption of foreign exchange by the Central Bank from the domestic foreign exchange market and receiving large inflows from multilateral institutions.

There was a declining trend in Average Weighted Prime Lending Rate (AWPLR) and weekly AWPLR is stated at 9.05% as at 9th August 2024.



Sri Lankan Tea Industry

Tea Production (Mn. Kilos)

Elevation	2023	2022	2021	2020	2019
High Grown	58.64	56.32	65.27	62.20	63.05
Mid Grown	42.34	40.18	50.91	46.55	47.17
Low Grown	155.11	154.99	183.16	169.73	189.90
Total	256.09	251.50	299.34	278.49	300.12

Although recording a marginal gain of 4.6 Mn kilos in 2023, annual tea production is still one of the lowest for the last 20 years. Whilst the years 2010 to 2015 produced well over 300 Mn kilos annually reaching highs of 340 & 338 million kilos in 2013 and 2014 respectively, the next 4 years witnessed a drastic decline to around 300 million kilos per annum with only 2017 recording 307.7 million kilos. The decade beginning from 2020 failed to maintain even these levels dropping to 278, 299, 251 and 256 million kilos, thus necessitating an investigation for the causes of such a decline.

In dissecting the annual production into elevations, the issues become even more glaring. High-grown elevation, which achieved annual production levels of around 75 Mn kilos between 2010 and 2015, dropped to 64 Mn kilo levels in the following 6 years (2016 to 2021) and declined further to 56 – 58 Mn kilos in the last 2 years. Similarly, Medium-grown elevation hovering around 51 to 56 Mn kilos between 2010 and 2015 declined to 44 – 47 Mn kilos in the following 6 years and further lower to 40 and 42 Mn kilos in 2022 and 2023. Low-grown recording over 196 Mn kilos in the years 2010 – 2015 with a record high of 210 Mn kilos in 2014, lost significantly to around 183 – 190 Mn kilos in the next 6 years to 2021 with a high of 197 in 2017 and a low of 169 in 2020. The decline continued with the last 2 years showing a marked decrease to 155 Mn kilos, attributed mainly to the sparse application of fertilizer by smallholders, scant respect for plucking standards driven mainly by the proliferation of factories and scarcity of workers. Another significant factor that needs immediate consideration is that the smallholder tea bushes have gone beyond their optimum and are now on a decline, as they are almost 45 years since planting. It is in the best interest of the government to seriously consider investing on mass-scale replanting to overcome this issue.

At the time of compiling this report, the production for the first half of 2024 has been released which shows a 7 million kilo deficit against the corresponding period of last year. This further confirms the impact of the ageing tea bushes particularly in the low grown smallholder sector.

CHAIRMAN'S MESSAGE

Colombo Auction Average Prices (Per Kilo)

Elevation	2023		2022		2021		2020		2019	
	LKR	Approx. USD	LKR	Approx. USD	LKR	Approx. USD	LKR	Approx. USD	LKR	Approx. USD
High Grown	1,072.48	3.27	1,093.10	3.37	587.13	2.95	580.90	3.13	513.19	2.87
Mid Grown	1,012.35	3.09	1,030.82	3.18	550.80	2.77	553.94	2.99	468.73	2.62
Low Grown	1,252.15	3.82	1,339.86	4.13	644.23	3.24	666.32	3.59	577.18	3.23
Total	1,171.29	3.58	1,234.24	3.80	615.44	3.09	628.21	3.39	546.33	3.06

With the Sri Lankan rupee strengthening from around May 2023, the tea prices began to dip, with Low-growns being the most affected, losing approx. Rs 87/- per kilo, while the higher elevations declined by approx. Rs 20/-. The national average was Rs 63/-, behind the previous year's corresponding average.

In US Dollar terms, the all-tea average at USD 3.58 per kilo was 22 US cents below 2022, largely due to low-grown prices taking a hit of 30 US cents per kilo. High and Medium elevations were around 10 US cents lower than in 2022. The US Dollar tea prices of 2017 remain the highest.

Tea Exports (including re-exports with imported teas)

Year	Qty. Mn/Kg	Value (Rs/Bn)	Average FOB Price per Kg (Rs.)	Value (USD/Bn)	Average FOB Price per Kg (USD)
2023	241.91	428.29	1,770.44	1.31	5.41
2022	250.19	411.09	1,643.11	1.27	5.06
2021	286.02	263.35	920.76	1.32	4.63
2020	265.57	230.17	866.70	1.24	4.67
2019	292.66	240.64	822.25	1.35	4.60
2018	282.36	231.75	820.75	1.43	5.05
2017	288.98	233.34	807.44	1.53	5.30
2016	288.77	184.78	639.88	1.27	4.39
2015	306.97	182.05	593.08	1.34	4.36
2014	327.87	212.91	649.37	1.63	4.97
2013	319.66	199.44	623.91	1.54	4.83
2012	319.95	180.43	563.94	1.41	4.42
2011	322.56	164.85	511.08	1.49	4.62
2010	324.36	162.79	501.88	1.44	4.44

AT THE TIME OF COMPILING THIS REPORT, THE PRODUCTION FOR THE FIRST HALF OF 2024 HAS BEEN RELEASED WHICH SHOWS A 7 MILLION KILO DEFICIT AGAINST THE CORRESPONDING PERIOD OF LAST YEAR. THIS FURTHER CONFIRMS THE IMPACT OF THE AGEING TEA BUSHES PARTICULARLY IN THE LOW GROWN SMALLHOLDER SECTOR.

**Tea Exports
(including re-exports)**



241.91 Mn Kg

2022 - 250.19 Mn Kg

The total quantity exported for the year under reference declined further to almost 242 million kilos, the lowest since 1996 when 234.3 million kilos was exported. This was in spite of a marginally higher annual production. However, the negative carryover from 2022 to 2023 could be attributed to this decline. Export revenue reached a record Rs 428 billion, gaining by Rs 17 billion on the previous year. The foreign exchange revenue also increased to USD 1.32 billion from USD 1.27 billion a year earlier. The FOB price per kilo at Rs 1770/- was a gain of Rs 127/- compared to 2022. In US Dollar terms, achieving an average of USD 5.41 against USD 5.06 is also a record, surpassing the previous record of USD 5.30 in 2017.

The Global Perspective

According to the International Tea Committee supplementary bulletin 2023, the top 5 tea-producing, exporting, and consuming countries are as follows:

Producers			Exports			Importers		
No	Country	Qty (Mn/kg)	No	Country	Qty (Mn/kg)	No	Country	Qty (Mn/kg)
1	China*	3,250.00	1	Kenya	522.92	1	Pakistan	236.06
2	India	1,367.70	2	China	367.44	2	Russian Federation	130.00
3	Kenya	570.26	3	Sri Lanka	241.91	3	USA	104.24
4	Turkey	265.00	4	India	225.00	4	Other CIS Countries	90.00
5	Sri Lanka	256.09	5	Vietnam	121.00	5	United Kingdom	83.55
*Predominantly Green Tea			Includes imported tea re-exported where applicable					

The top 5 producing nations remain the same as the previous year, but the quantities have further increased. China accounted for almost 50% of the global cake, while India accounted for nearly 25%, leaving the rest of the tea-producing countries with the remaining 25%. Sri Lanka's production share is less than 5%. This is the second successive year that Sri Lanka has fallen behind Turkey among tea-producing nations. Kenya continues to be the leading tea-exporting country, with China in second place at a slightly lower volume than in 2022. Sri Lanka retains third place, accounting for a 14% share as a supplier.

Pakistan continues as the leading importer of tea, with Russia and the USA holding the next two slots respectively with slightly less quantities than 2022.

Sri Lanka losing its commanding position as a global supplier does not augur well going forward. The confidence of many tea-importing nations is diminishing, which needs speedy correction. One of the reasons that Ceylon tea is almost USD 2/- per kilo more expensive than any other black tea-producing country is due to the shortage of quantity. Most leading global packers look forward to stable prices. This could stand as a factor, if not addressed immediately, for packers to shift bulk of their purchases elsewhere.

THE VALUE OF THE TEA MARKETED THROUGH THE COMPANY WAS RS. 8.5 BILLION LESS THAN THE RS. 51.9 BILLION MARKETED IN THE FINANCIAL YEAR 2022/2023 WHICH WAS AN EXCEPTIONAL YEAR.

Company Performance

Although the revenue for the year under review was 6.3% lower to the financial year 2022/2023, the top line cleared a billion rupees for the second successive year. The profit after tax though less than the previous year, is still higher than all of the preceding years.

The value of the tea marketed through the company was Rs. 8.5 billion less than the Rs 51.9 billion marketed in the financial year 2022/2023 which was an exceptional year. Although the quantity thus marketed was marginally higher, it was yet lower than the quantities sold in the years 2019/20, 2020/21 and 2021/22.

Every effort to increase the company's market share continues to be made by the marketing team. However, the declining low grown quantities does not help, falling short on both volume and value shares. Be that as it may, I am confident that our dynamic team will reach higher market share in the ensuing year.

CHAIRMAN'S MESSAGE

The specific details which reflect these achievements and are of interest to the shareholders are set out below.

	Quantity of Tea Marketed through the company (Mn/Kg)	Value of Tea Marketed through the company (Rs./Mn)	Revenue generated by the company (Rs./Mn)	Profit After Tax (Rs./Mn)	Total Equity (Rs./Mn)
2023/24	36.8	43,301.41	1,082.4	141.91	866.01
2022/23	36.0	51,869.70	1,153.5	239.7	850.1
2021/22	44.4	28,965.30	580.7	109.8	675.0
2020/21	42.5	28,049.00	518.7	107.5	633.4
2019/20	41.2	23,119.00	580.6	21.5	542.0
2018/19	35.0	22,830.00	767.6	115.3	582.6
2017/18	34.3	22,402.00	655.9	106.8	471.3
2016/17	29.9	16,114.36	419.7	41.5	237.7
2015/16	31.3	12,518.90	334.0	25.9	208.7
2014/15	34.7	16,073.49	435.5	54.7	212.4

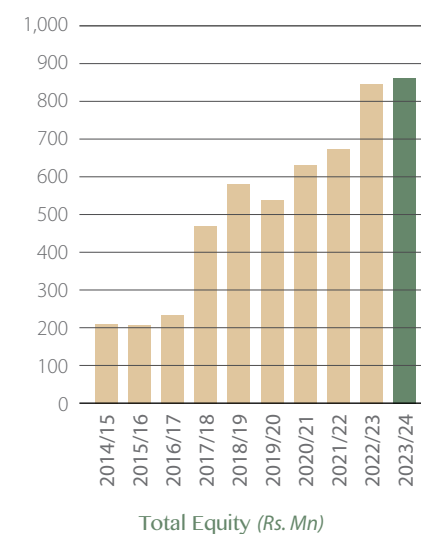
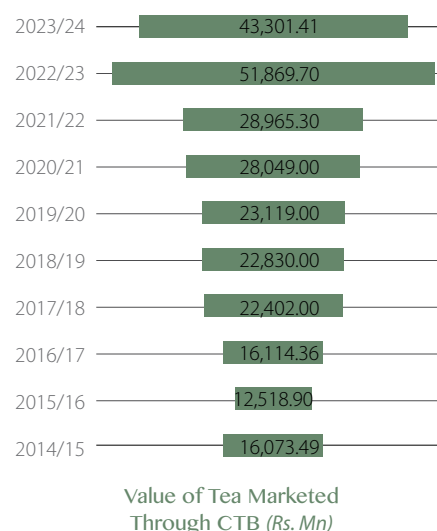
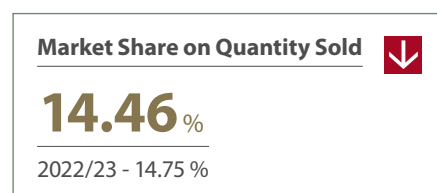
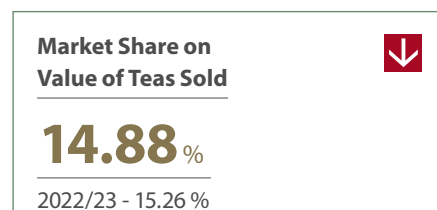
I also give below the performance at a glance depicting some salient comparative data on market share.

Strengthening Sri Lankan rupee particularly during summer months of May and June where a larger volume of tea was offered for sale was a challenging period with tea prices declining significantly against the levels that prevailed during the corresponding period in 2022. During such situations taking judicious decisions on sale by the Marketing team was excellent. The team must be commended for managing the lending task with maturity which helped the producer clients in no small measure.

50 tea auctions were successfully conducted on the live environment (electronic platform) in 2023.

Corporate Development and Market Focus

Whilst we are pleased to report robust results in a turbulent and challenging year, the results also reflect the turmoil the plantation industry over came as climate change and resulting high temperatures reacted on the very essence of the agricultural inputs we delivered to our many loyal customers. Continuing on the growth trajectory carefully planned and built over the past years, the cohesive and motivated team focused on delivering excellence to our many customers which has propelled us to the pinnacle of this industry in a short period after we restructured the company enhancing accountability and transparency by offering an opportunity to the many stakeholders who have shared our vision over the past years. In the low grown category, which represents our rural entrepreneur class, we have retained our number one position, in the face of fierce competition.



Our team has earned the trust and respect of the many clients who have grown with us over the years. In the high grown sector dominated by the plantation companies where expertise and experience has been honed over a hundred years, entry continued somewhat difficult with established broking houses well entrenched with the industry specialists. Here our progress has been slower. Our young team has developed a vibrant input value addition which in turn is now winning us market share helping the company to solidify its position as the second largest broker overall. Our aspiration is to be the preferred service provider delivering best by test advice driving both our clients and the industry forward. Our team will navigate this industry with innovation, integrity and transparency delivering sustainable results to grow this industry for the benefit of our clients and other stakeholders.

Logicare Private Limited

The logistics arm of the Group, Logicare Private Limited, despite the challenging market conditions, recorded a significant growth during the year under review. The revenue grew to Rs. 655.44 million, representing a 17.8% year-on-year increase compared to the previous year. The Gross Profit also increased to Rs. 136.43 million, recording a 32.6% growth compared to the previous year, with special emphasis on cost reduction via process optimization. The company focused on diversifying its product portfolios to mitigate risk and boost overall topline growth. Logicare will continue to prioritize innovative solutions and process enhancements to drive further growth and efficiency.

During the year under review, Logicare achieved compliance with C-TPAT (Customs-Trade Partnership Against Terrorism). This accomplishment

underscores our steadfast commitment to the highest standards of supply chain security. Additionally, Logicare was honored with the prestigious Silver Award in the Logistics & Transport Sector at the National Business Excellence Awards 2024. This recognition is a testament to the dedication and hard work of our exceptional team, whose unwavering efforts continue to fuel our success.

While challenges are expected to persist in the short term for the logistics business, the normalization of local consumption, coupled with the stabilization of import and export volumes, is anticipated to drive increased volumes, positively impacting the business. The outlook for third-party logistics (3PL) remains promising in the medium to long term, with growth expected primarily from fast-moving consumer goods (FMCG) and export industries.

Dividend

I am pleased to report that the Directors have declared a dividend of =/ 44 cents per share for the financial year 2023/24 compared with =/68 cents per share in 2022/23 which I must reiterate was an exceptional year. The total payout amounts to Rs. 80.26 Mn which is a 57% payout ratio of the distributable profits. The balance amounting to Rs. 61.66 Mn has been transferred to reserves thereby enhancing the total equity of the company.

Acknowledgement

I extend my sincere gratitude to my colleagues on the board for their active contribution and valuable guidance in the company's decision-making process. My heartfelt thanks to the Management and Staff at all levels for their zeal,

dedication and expertise that enabled our company to achieve these results despite the challenges faced.

I also express deep appreciation and sincere gratitude to all our clients for the trust placed in us and for their loyalty. To our bankers, the Colombo Brokers' Association, the Colombo Tea Traders' Association, the Sri Lanka Tea Factory Owners' Association, the Planters' Association of Ceylon, the Tea Exporters' association, the Association of Small & Medium Exporters of Tea, the Sri Lanka Tea Board, the Ministry of Agriculture and Plantation Industries and all organizations that we work with, thank you for your unstinted cooperation and assistance.

Finally, I wish to convey our heartfelt gratitude to our shareholders for their support and confidence in the company, which provides the stimulus needed to achieve greater success in the future.

Concluding Thought

Keeping with the tradition of previous years, I close with our corporate theme for 2024 which was shared with our management at the start of the year.

RESILIENCE



Niraj De Mel
Chairman

23rd August 2024

CHIEF EXECUTIVE OFFICER'S REVIEW



Ceylon Tea Brokers has reaffirmed its position as a formidable force within the Sri Lankan tea industry. During the year under review, we solidified our leadership in the Low Grown sector. Our influence extended across the High and Medium categories as well. This resulted in an overall market share of 14.46% in terms of quantity sold for the financial year 2023/2024.

It is with great pride and gratitude that I present to you the annual report for Ceylon Tea Brokers PLC for the financial year 2023/2024. This year has been marked by our team's resilience, strategic adaptability, and unwavering dedication to excellence, even amidst a landscape of economic challenges and shifting market conditions. I am proud to share with you how we have navigated this dynamic landscape and how we continue to position ourselves for long-term success.

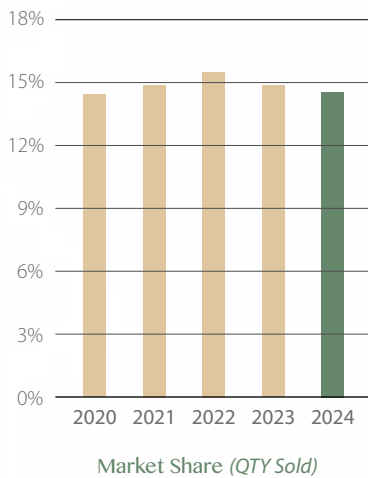
Financial Resilience in a Shifting Landscape

In the face of economic fluctuations and market volatility, our company has demonstrated remarkable stability. We achieved a revenue of Rs. 1,082 million, a 6% decline compared to the previous year's record high of Rs. 1,155 million. This reduction is largely attributable to the contrasting economic environment we faced during this financial year, particularly the reversal in the Sri Lankan Rupee's exchange rate trend. Despite these challenges, our profit after tax stood at Rs. 142 million. These figures underscore our resilience, enabling us to sustain our operations and continue delivering value to our stakeholders.

As a Group, our collective efforts resulted in a total revenue of Rs. 1,649 million and a profit after tax of Rs. 70 million.

Reinforcing Our Market Leadership

Ceylon Tea Brokers has reaffirmed its position as a formidable force within the Sri Lankan tea industry. During the year under review, we solidified our leadership in the Low Grown sector, achieving a market share of 17.70%. Our influence extended across the High and Medium categories as well, with market shares of 9.52% and 9.76%, respectively. This resulted in an overall market share of 14.46% in terms of quantity sold for the financial year 2023/2024.



These achievements are not mere numbers; they reflect our commitment to excellence and the trust placed in us by our valued clients. Our ability to maintain a strong market position and rank as the 2nd largest tea broker in terms of quantity sold is a testament to the quality of service we provide and the lasting relationships we have built with producer clients and buyers. Moving forward, we remain dedicated to upholding the high standards that have defined our success and to expanding our reach in the dynamic tea industry.

Empowering Our People, Driving Our Success

Our success is deeply intertwined with the dedication, creativity, and passion of our employees. At Ceylon Tea Brokers, we have always believed that our people are our greatest asset. This year, we have doubled our efforts to create an environment where our team members can thrive and grow.

We have fostered a culture of empowerment, where each individual is encouraged to take ownership of their roles, contribute ideas, and drive positive change. This culture has been instrumental in our ability to navigate the challenges of this year and will

continue to be a cornerstone of our success in the future. Our commitment to our people goes hand in hand with our commitment to our clients—by investing in our team, we are better positioned to exceed customer expectations and deliver exceptional value.

We are committed to making a positive impact—not only on our clients and the tea industry but also on the broader community and society at large. Our culture is not just a set of values; it is the lifeblood of our organization, guiding our actions and decisions every day. As we look to the future, we will continue to invest in our people, fostering an environment of collaboration, trust, and open communication, ensuring that every voice is heard, and every idea is valued.

Commitment to Sustainability and Innovation

Our responsibility extends beyond business metrics. As a conscientious corporate citizen, Ceylon Tea Brokers is deeply committed to sustainability and social responsibility. We actively work to ensure that our business practices contribute positively to economic, social, and environmental well-being.

In addition to our sustainability efforts, we have embraced technological innovation to drive operational efficiency and enhance value for our stakeholders. Significant investments in IT infrastructure, data analytics, and digital platforms have allowed us to optimize our systems, improve supply chain management, and enrich customer interactions. This digital transformation positions us to adapt swiftly to market changes and make informed, data-driven decisions.

Looking Ahead: A Future of Promise and Potential

As we close this financial year and look ahead, I am filled with a sense of optimism and confidence. While we anticipate continued challenges in the global and local markets, we are well-equipped to navigate them. Our strategy is clear: to build on our strengths, embrace innovation, and deepen our commitment to sustainability.

We will continue to prioritize our relationships with our clients, ensuring that we not only meet but exceed their expectations. Additionally, we will seek out opportunities for growth, as we strive to expand our market presence and deliver value to our shareholders.

A Heartfelt Thanks

None of our achievements this year would have been possible without the unwavering support of our employees, shareholders, customers, and partners. Your trust and dedication have been the driving force behind our progress, and for that, I extend my deepest gratitude. Together, we have navigated this year with resilience and determination, and I am confident that we will continue to achieve great things in the years to come.



















Thank you for your continued support.

Waruna De Silva
Director/ Chief Executive Officer




23rd August 2024

BOARD OF DIRECTORS





- | | |
|---|---|
| <p>1 Ajith Fernando   </p> <p><i>Managing Director</i></p> | <p>4 Waruna de Silva  </p> <p><i>Director / Chief Executive Officer</i></p> |
| <p>2 Dinesh Fernando  </p> <p><i>Director / Chief Operating Officer</i></p> | <p>5 Shiromal Cooray  </p> <p><i>Non-Executive Director</i></p> |
| <p>3 Niraj De Mel       </p> <p><i>Chairman / Independent Non-Executive Director</i></p> | <p>6 Thilina Nonis  </p> <p><i>Executive Director</i></p> |

Board Composition

-  5 Executive Directors
-  3 Independent/Non-Executive Directors
-  3 Non-Executive Directors

Male : Female Ratio






  **9:2**


2022/23 - 10:2



7 Zameel Mohamed  
Executive Director

10 Sharmali Perera   
Non-Executive Director

8 Chrisantha Perera     
Independent Non-Executive Director

11 B.R.L. Fernando      
Independent Non-Executive Director

9 Saminda Deshapriya 
Non-Executive Director

Committees

-  Audit Committee
-  Remuneration Committee
-  Nomination Committee
-  Related Party Transaction Review Committee
-  Risk Management Committee

BOARD OF DIRECTOR'S PROFILES

Niraj De Mel

*Chairman / Independent
Non-Executive Director*

Date of Appointment:

1st April 2019

Qualifications & Experience:

Commenced career at Forbes & Walker Limited and has over 40 years of experience in the tea industry.

Other Current Appointments:

- Founder/Director of The Mel's Ceylon (Pvt) Ltd.
- Chairman of Sri Lanka Tea Board

Previous Appointments:

Managing Director of Hayleys Global Beverages (Pvt) Ltd, Vanrees (Ceylon) Ltd and Bosanquet & Skrine Ltd. Chief Operating Officer of C.S. Asia Teas (Pvt) Ltd and a former Director of Mabroc Teas (Pvt) Ltd. Chairman of the Sri Lanka Tea Board 2004/05 and the Tea Exporters' Association 2011/12. Chief Executive Officer of the Tea Association of Sri Lanka and In-Country Manager of Ethical Tea Partnership (ETP), UK. Vice Chairman of Colombo Tea Traders Association & Chairman of Colombo Brokers Association (2022).

Shareholding:

80,000 shares

Membership of Board Subcommittees:

- Chairman of the Risk Management Committee
- Chairman of Remuneration Committee
- Chairman of Nomination Committee
- A Member of the Related Party Transactions Review Committee
- A Member of the Audit Committee

Ajith Fernando

Managing Director

Date of Appointment:

1st February 2005

Qualifications & Experience:

A Fellow of the Chartered Institute of Management Accountants, UK and holds a Master of Arts (MA) in Financial Economics from the University of Colombo. He has over 30 years' experience in the money and capital markets.

Other Current Appointments:

Founder of the Capital Alliance Group and currently functions as a Director. Chairman of Logicare (Pvt) Ltd and Sri Lanka Technology Campus (Pvt) Ltd.

Previous Appointments:

He has worked with some of the leading financial institutions in Sri Lanka.

Shareholding:

48,837,837 Shares

Membership of Board Subcommittees:

- A Member of the Risk Management Committee
- A Member of the Nomination Committee

Waruna de Silva

Director / Chief Executive Officer

Date of Appointment:

23rd March 2009

Qualifications & Experience:

He has over 21 years of experience in Tea broking. Joined Ceylon Tea Brokers in 2008 and was appointed as the Chief Executive Officer of the Company on 01st May 2017. He holds a Master of Business Administration (MBA) from the Cardiff Metropolitan University, UK. He also has completed an Executive MSc in Supply Chain Management, an Executive MSc in Human Resource Management and an Executive MSc in Project Management from Asia E-University Malaysia. A passed finalist of CMA Australia. He also completed his Executive education on Strategy and Leadership from Wharton Business School Philadelphia (USA) and holds the ADP Certificate and completed Executive education on Strategy & Enterprise-wide Transformation from Rice University Texas (USA) & MIT Sloan School of Management, Boston (USA). He also completed the Leadership development and high-performance teams from USC Marshall school of Business (USA). Doctor of Business Administration candidate at University of Kelaniya.

Other Current Appointments:

- A Director of Logicare (Pvt) Ltd
- A Director of Colombo Brokers' Association (CBA)

Previous Appointments:

Manager-Tea at Forbes & Walker Limited.

Shareholding:

None

Membership of Board Subcommittees:

- A Member of the Risk Management Committee

Dinesh Fernando

Director / Chief Operating Officer

Date of Appointment:

24th May 2019

Qualifications & Experience:

Master of Business Administration (MBA) from the University of Colombo. He holds a Bachelor of Arts (Hons) degree in Business & Marketing from the Coventry University, UK. A member of the Association of Chartered Certified Accountants (ACCA), UK and a Member of the Association of Business Executives (MABE), UK.

He joined Ceylon Tea Brokers PLC in 2016 as a General Manager and has over 21 years of experience in tea broking.

Other Current Appointments:

None

Previous Appointments:

A Senior Manager at Mercantile Produce Brokers Limited

Shareholding:

None

Membership of Board Subcommittees:

- A Member of the Risk Management Committee

Thilina Nonis

Executive Director

Date of Appointment:

24th May 2019

Qualifications & Experience:

He joined Ceylon Tea Brokers in 2006 and was appointed as the Head of Marketing of the Company on 1st of April 2017. He has over 22 years of experience in tea broking.

Other Current Appointments:

None

Previous Appointments:

He commenced his career at Asia Siyaka Commodities PLC and later worked at Somerville & Company (Pvt) Ltd and Bartleet Produce Marketing (Pvt) Ltd.

Shareholding:

10,000 shares

Membership of Board Subcommittees:

- A Member of the Risk Management Committee

Zameel Mohamed

Executive Director

Date of Appointment:

24th May 2019

Qualifications & Experience:

Master of Business Administration (MBA) from the London Metropolitan University, UK. He joined Ceylon Tea Brokers PLC in 2018 as a Senior General Manager and has over 24 years of experience in tea broking.

Other Current Appointments:

A Member of the Colombo Tea Traders Association (CTTA) Steering Committee

Previous Appointments:

- Senior General Manager at Bartleet Produce Marketing (Pvt) Ltd
- The "Tea Convener" of the Tea Sub-Committee of the Colombo Brokers' Association (CBA)

Shareholding:

None

Membership of Board Subcommittees:

- A Member of the Risk Management Committee

BOARD OF DIRECTOR'S PROFILES

Chrisantha Perera

Independent Non-Executive Director

Date of Appointment:

30th October 2009

Qualifications & Experience:

Associated with the Tea Industry for over 60 years. Retired as Chairman/CEO of Forbes & Walker Ltd in 2005 after serving for 44 years. Served as Chairman Ceylon Tea Brokers PLC till April 2022 and continues to serve as an Independent Non-Executive Director.

Other Current Appointments:

Presently serves on the Boards of two listed Plantation Companies and their respective holding Companies as well as other public listed and private companies. A Director of Logicare (Pvt) Ltd.

Previous Appointments:

Chairman of the Sri Lanka Tea Board, Sri Lanka Insurance Corporation Ltd., Public Enterprises Reform Commission and Bank of Ceylon.

He served as an Appointed Member of the Monetary Board of the Central Bank of Sri Lanka.

Shareholding:

3,500,000 Shares

Membership of Board Subcommittees:

- A Member of the Risk Management Committee
- A Member of the Audit Committee

B.R.L. Fernando

Independent Non-Executive Director

Date of Appointment:

5th May 2010

Qualifications & Experience:

A Fellow member of the Institute of Chartered Accountants of Sri Lanka (CASL). A senior professional with wide experience in the private sector in number of industries.

Other Current Appointments:

Non-Executive Chairman of the Commercial Development Company PLC, Noorani Estate's (Pvt) Ltd., First Guardian Equities (Pvt) Ltd, Tropical Abundance (Pvt) Ltd, and Tropibar (Pvt) Ltd. Functions as a Non-Executive Director of St Nicholas Education Services Ltd and Lanka Hydraulics institute.

Previous Appointments:

Chairman of CIC Holdings PLC, Chemanex PLC and CIC Group of Companies and Deputy Chairman of the Commercial Bank of Ceylon PLC.

Shareholding:

22,640 Shares

Membership of Board Subcommittees:

- Chairman of the Related Party Transactions Review Committee
- A Member of the Audit Committee
- A Member of the Risk Management Committee
- A Member of the Remuneration Committee
- A Member of the Nomination Committee

Shiromal Cooray

Non-Executive Director

Date of Appointment:

9th October 2006

Qualifications & Experience:

A Fellow Member of the Chartered Institute of Management Accountants, UK and holds a Master of Business Administration (MBA) from the University of Colombo. A senior finance professional with wide experience in the private sector in number of industries.

Other Current Appointments:

Chairman and Managing Director of Jetwing Travels (Private) Limited – one of the leading inbound/outbound travel management companies in Sri Lanka. An Independent Non-Executive Director of Commercial Bank of Ceylon PLC. She is also an Independent Non-Executive Director of Allianz Insurance Lanka Limited and Allianz Life Insurance Lanka Limited, and holds other directorates in hotels, finance, investment banking.

Previous Appointments:

Chairman of the Sri Lanka Institute of Directors (SLID), and the President of the Sri Lanka Association of Inbound Tour Operators (SLAITO). Director – Finance and Administration on the Board of J Walter Thompson. Non-Executive Director on the Boards of Capital Alliance Finance PLC, Trade Finance and Investments PLC and served on the Boards of many other private and public companies.

Shareholding:

10,908,751 Shares

Membership of Board Subcommittees:

- A Member of the Remuneration Committee

Sharmali Perera

Non-Executive Director

Date of Appointment:

9th October 2006

Qualifications & Experience:

An Associate Member of the Chartered Institute of Management Accountants, UK. A founding member of Capital Alliance Group and has been with Capital Alliance since its inception in year 2000. A senior finance professional with well over 20 years of experience in the finance industry.

Other Current Appointments:

Chief Risk and Compliance Officer of the Capital Alliance Group and a Director of Capital Alliance Securities (Pvt) Limited, Capital Alliance Investments Limited, Finnovation (Pvt) Limited, Capital Alliance Partners Limited and Logicare (Pvt) Limited

Previous Appointments:

Director of Tempest P E Partners (Pvt) Limited and has worked with some of the leading financial institutions in Sri Lanka.

Shareholding:

1,390,492 Shares

Membership of Board Subcommittees:

- Chairperson of the Audit Committee
- A Member of the Related Party Transactions Review Committee

Saminda Deshapriya

Non-Executive Director

Date of Appointment:

1st April 2016

Qualifications & Experience:

A Member of the Chartered Institute of Logistics & Transport (MCILT) UK, the Association of Business Executives (MABE), UK and the Chartered Institute of Marketing (MCIM), UK. He holds a Master of Business Administration (MBA) from Australian Institute of Business (AIB), Australia and a Master of Science in Logistics and Supply Chain Management (MSc) from Birmingham City University, UK.

Other Current Appointments:

Director / Chief Executive Officer of Logicare (Pvt) Ltd.

Previous Appointments:

Chief Operating Officer at Ceylon Tea Brokers PLC

Shareholding:

None

Membership of Board Subcommittees:

None

CORPORATE MANAGEMENT



Waruna de Silva
Chief Executive Officer



Dinesh Fernando
Chief Operating Officer



Thilina Nonis
Executive Director



Zameel Mohamed
Executive Director



Ramal Samarasinghe
Director Finance



Tharake Nilaweera
General Manager – Marketing



Sahan Gunatilake
General Manager - Manufacturing



Nishan Abeygunawardana
Senior Manager Operations



Deemantha Ekanayake
Senior Manager – Tea



Harshana Perera
Senior Manager – Tea



Madawa Jayaratne
Senior Manager – Sample Room



Mahesh de Zoysa
Manager IT



Sanethri Beminiwatte
Manager - Human Resources



Kasun Seneviratne
Finance Manager



Janaki Rupasinghe
Finance Manager



Sachitra Warusevitane
Manager - Risk & Compliance



Mario Silva
Manager – Tea



Thenuka Karunasena
Manager – Tea



Sonia Arif
Manager – Administration



A C K Pathirana
Manufacturing Consultant



Janaka Epa
Manufacturing Consultant



Shaveendra Hettiarachchi
Senior Assistant Manager – Tea



Sadhananthan Shivani
Senior Assistant Manager – Tea



Senuri De Silva
Assistant Finance Manager



Teshan Baduge
Assistant Manager – Manufacturing



Thilini Subhashini
Assistant Finance Manager



Rochelle Fernando
Assistant Manager – Administration



Pulina Senevirathne
Senior Business Analyst



Indika Abeyrathna
Assistant Finance Manager



Darshani Perera
Assistant Manager – Cataloguing



Darshana Kumara
Manufacturing Consultant

OUR STRATEGY

OUR STRATEGIC APPROACH CENTERED AROUND THREE PILLARS: FOSTERING A COMPETENT TEAM, ACHIEVING OPERATIONAL EXCELLENCE, AND DELIVERING SERVICE PAR EXCELLENCE. THROUGH THE ALIGNMENT OF PROCESSES, PEOPLE, AND TECHNOLOGY, WE AIMED TO NOT ONLY UPHOLD OUR VISION AND MISSION BUT ALSO SURPASS OUR STRATEGIC OBJECTIVES.

In the fiscal year 2023/2024, Ceylon Tea Brokers PLC remained steadfast in its commitment to excellence across all facets of its operations. Our strategic approach centered around three pillars: fostering a competent team, achieving operational excellence, and delivering service par excellence. Through the alignment of Processes, People, and Technology, we aimed to not only uphold our vision and mission but also surpass our strategic objectives.



Competent Team

Central to our strategy is the cultivation of a proficient team equipped with the requisite skills, expertise, and dedication. We continued to invest significantly in acquiring and enhancing human resources to better serve our clientele. A robust Human Resource Policy

was instrumental in managing, retaining, and attracting top talent within the Group. We remained dedicated to providing ample training and development opportunities to our employees, nurturing both their interpersonal and technical proficiencies.

In line with our belief in the collective effort inherent in tea broking, we intensified our focus on team building endeavors. Recognizing that a motivated team is indispensable to serving our clients effectively, we bolstered our ranks by enlisting young, dynamic professionals. The exceptional capabilities displayed by our relatively youthful team propelled the Company to new heights, ensuring extraordinary levels of customer satisfaction.



Operational Excellence

Striving for operational excellence remained a cornerstone of our strategy, aimed at optimizing costs and enhancing efficiencies. Despite business expansion, we successfully contained operational costs through continuous process improvements. Integration of our systems played a pivotal role in minimizing paperwork, eliminating delays, and mitigating errors. By streamlining our processes and adhering to industry best practices, we achieved a dual objective of cost reduction and heightened efficiency. These measures collectively contributed to delivering superior service to our valued clients.



Service Excellence

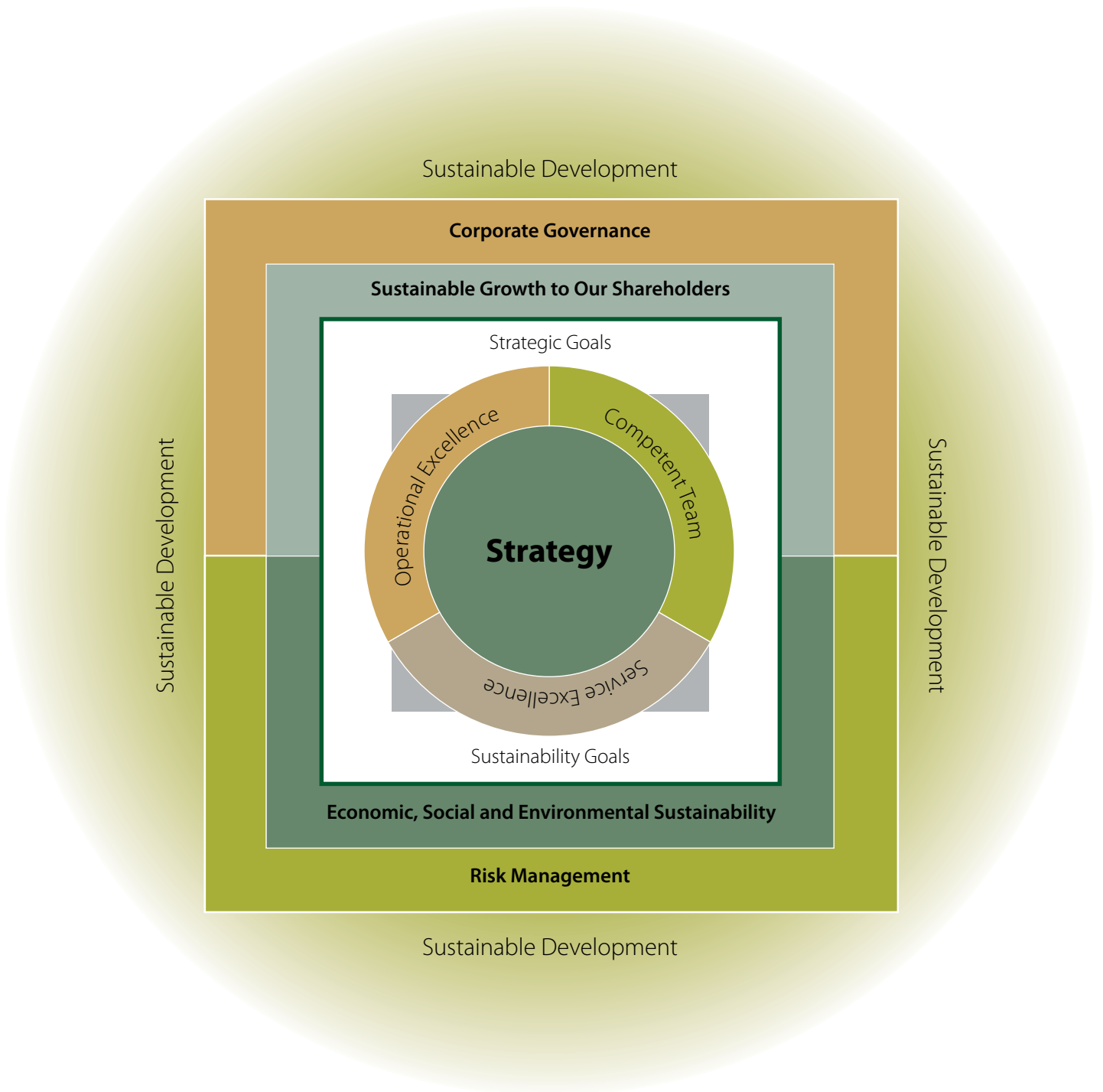
Given the service-centric nature of tea broking, our unwavering commitment to service excellence remained paramount for sustained growth. We prioritized the continual enhancement of our services through investments in human capital and technological resources. By aligning our efforts with evolving client expectations, we aimed to provide a professional and unparalleled service experience.



Sustainable Development

Embedded within our corporate strategy is a commitment to sustainable development, underscoring our role as a socially responsible corporate entity. We recognize that our long-term viability hinges on the positive impact of our business activities on the economy, society, and environment. Thus, our strategic direction is geared towards creating value for all stakeholders while vigilantly monitoring the repercussions of our actions on broader economic, social, and environmental landscapes.

Our Strategic direction to sustainable development is graphically depicted on page 35.





Diversitea

Tea's global journey has given rise to an incredible diversity of types, each with its unique flavor profile and characteristics. Tea processing is a delicate dance that transforms the freshly plucked leaves into the final product.

Around the world, tea is more than just a beverage; it's a ritual, steeped in cultural traditions and ceremonies.



TEASER

TEA NOW GROWS IN 52 COUNTRIES, THE OLDEST TREE, IN CHINA, IS 3,200 YEARS OLD.

OPERATING LANDSCAPE

The operating landscape for Ceylon Tea Brokers PLC in the past fiscal year has been shaped by a dynamic interplay of global and domestic factors. This section delves into the various elements that have influenced our operations, from international market trends and changes to local economic conditions and industry specific developments. By providing a comprehensive overview of these factors, we aim to offer a clear understanding of the environment in which we operate and how it has impacted our performance and strategic decisions.

Global Economy

Global GDP

GDP Growth Rate	2023 (%)	Projections	
		2024 (%)	2025 (%)
World Output	3.20	3.20	3.20
Advanced Economies	1.60	1.70	1.80
United States	2.50	2.70	1.90
Euro Area	0.40	0.80	1.50
Japan	1.90	0.90	1.00
United Kingdom	0.10	0.50	1.50
Canada	1.10	1.20	2.30
Other Advanced Economies	1.80	2.00	2.40
Emerging Market and Developing Economies	4.30	4.20	4.20
China	5.20	4.60	4.10
India	7.80	6.80	6.50
ASEAN-5	4.10	4.50	4.60
Russia	3.60	3.20	1.80

Source: IMF World Economic Outlook, April 2024

Global growth, estimated at 3.2 percent in 2023, is projected to maintain this pace through 2024 and 2025. Advanced economies are expected to see a slight increase in growth, primarily driven by a recovery in the Euro area from low growth in 2023, while emerging market and developing economies are anticipated to experience stable growth through 2024 and 2025, albeit with regional variations.

In advanced economies, growth is projected to rise from 1.6 percent in 2023 to 1.7 percent in 2024 and 1.8 percent in 2025. The United States is expected to see growth increase to 2.7 percent in 2024 before slowing to 1.9 percent in 2025, due to gradual fiscal tightening and a softening labor market reducing aggregate demand. The Euro area is projected to recover from a low growth rate of 0.4 percent in 2023, impacted by the war in Ukraine, to 0.8 percent in 2024 and 1.5 percent in 2025, driven by stronger household consumption as the shock from energy prices subsides and falling inflation boosts real incomes. In the United

GLOBAL GROWTH, ESTIMATED AT 3.2 PERCENT IN 2023, IS PROJECTED TO MAINTAIN THIS PACE THROUGH 2024 AND 2025

Global headline inflation



2024 (Projected) **5.9** %
2025 (Projected) - 4.5%

World Trade Volume (Goods and Services)



2024 (Projected) **3.0** %
2025 (Projected) - 3.3%

OPERATING LANDSCAPE

Kingdom, growth is projected to rise from 0.1 percent in 2023 to 0.5 percent in 2024 as the negative effects of high energy prices diminish, and further to 1.5 percent in 2025 as disinflation eases financial conditions and real incomes recover. Japan's growth is expected to slow from 1.9 percent in 2023 to 0.9 percent in 2024 and 1.0 percent in 2025 due to the fading of temporary factors, such as a surge in inbound tourism, that supported growth in 2023.

In emerging market and developing economies, growth is expected to remain stable at 4.2 percent in 2024 and 2025. This stability includes a moderation in emerging and developing Asia, offset by rising growth in the Middle East and Central Asia and sub-Saharan Africa.

Growth in China is projected to slow from 5.2 percent in 2023 to 4.6 percent in 2024 and 4.1 percent in 2025, as the effects of one-off factors like the post-pandemic boost to consumption and fiscal stimulus wane, and the property sector remains weak. India is expected to maintain strong growth at 6.8 percent in 2024 and 6.5 percent in 2025, supported by robust domestic demand and a growing working-age population. Russia's growth is projected to decline from 3.2 percent in 2024 to 1.8 percent in 2025, as the effects of high investment and strong private consumption, supported by wage growth in a tight labor market, begin to fade.

Global headline inflation is expected to fall from an annual average of 6.8 percent in 2023 to 5.9 percent in 2024 and 4.5 percent in 2025. The drivers of declining core inflation differ by

country but include the effects of still-tight monetary policies, a related softening in labor markets, and fading pass-through effects from earlier declines in relative prices, notably in that of energy.

World trade growth is projected to be 3.0 percent in 2024, rising slightly to 3.3 percent in 2025. However, significant shifts in trade patterns are occurring, driven by geopolitical fractures, especially following the war in Ukraine. Trade growth between geopolitical blocs has declined significantly compared to within blocs, amid rising cross-border trade restrictions alongside increasing concerns about supply-chain resilience and national security.

Sri Lankan Economy

In 2023, the Sri Lankan economy showed signs of rebound with a moderate contraction of 2.3 percent, in comparison to a significant contraction of 7.3 percent observed in 2022. The gradual yet steady rebound in 2023 was evident, particularly in the second half of the year, during which the Gross Domestic Product (GDP) recorded positive growth rates. This was underpinned by renewed macroeconomic stability amidst softening inflation and easing of external sector pressures. GDP at current market prices grew by 14.8 percent to Rs. 27,629.7 billion in 2023, owing to the price impact. In US dollar terms, GDP per capita in 2023 was 3,830, compared to 3,464 in 2022, driven by the growth in nominal GDP and the decline in mid-year population.

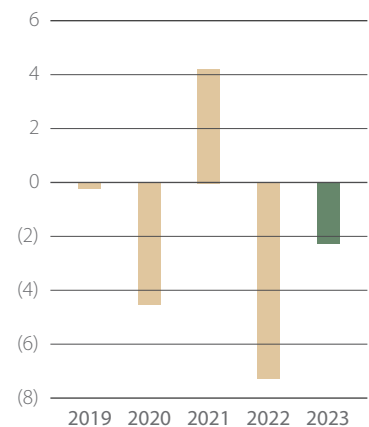
THE GRADUAL YET STEADY REBOUND IN 2023 WAS EVIDENT, PARTICULARLY IN THE SECOND HALF OF THE YEAR, DURING WHICH THE GDP RECORDED POSITIVE GROWTH RATES.

GDP Growth Rate (Sri Lanka)

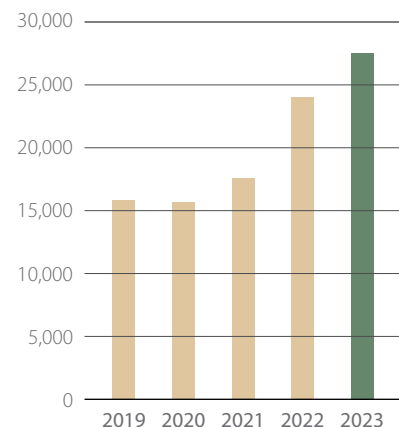


(2.3) %

2022/23 - (7.3) %



Real GDP Growth (%)



GDP at Market prices (Rs/Bn)

Macroeconomic Performances (2018-2023)

Indicator	Unit	2018	2019	2020	2021	2022	2023
Real GDP Growth	%	2.3	(0.2)	(4.6)	4.2	(7.3)	(2.3)
GDP at Market prices	Rs./Bn	15,352	15,911	15,646	17,612	24,064	27,630
Per Capita GDP	USD	4,372	4,082	3,851	3,999	3,464	3,830
CCPI YoY Headline Inflation	%	2.8	4.8	4.2	12.1	57.2	4.0
NCPI YoY Headline Inflation	%	0.4	6.2	4.6	14.0	59.2	4.2

Source: Central Bank of Sri Lanka

GDP Growth – Sector wise

In 2023, Sri Lanka's agriculture sector grew by 2.6%, rebounding from a 4.2% decline in 2022, due to better supply conditions for fertilizers, agrochemicals, and fuel. Key contributors were rice, fruits, vegetables, tea and fishing, while rubber, and coconut suffered due to adverse weather. Industry activities contracted by 9.2%, driven by a sharp decline in construction and manufacturing, particularly textiles and apparel, due to weak global demand. However, there was a recovery in food, beverages, tobacco, and petroleum manufacturing later in the year. Services activities saw minimal contraction at 0.2%, supported by a tourism revival and stable power supply, despite negative impacts from high interest rates on financial services and real estate.

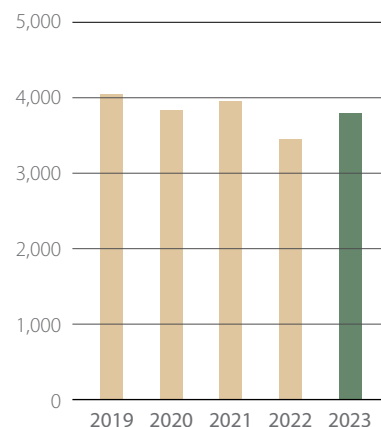
Major economic activities of GDP (percentage change)

Sector	2018	2019	2020	2021	2022	2023
Agriculture, Forestry and Fishing	6.30	0.50	(0.90)	1.00	(4.20)	2.6
Industries	(1.10)	(4.10)	(5.30)	5.70	(16.00)	(9.2)
Services	4.30	2.90	(1.90)	3.40	(2.60)	(0.2)

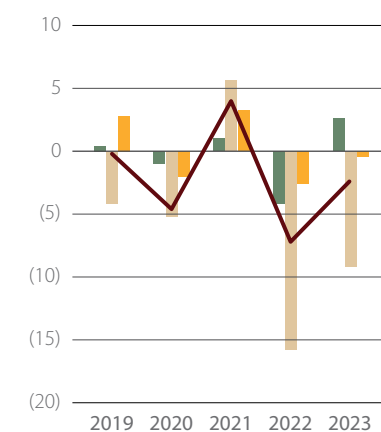
Source: Central Bank of Sri Lanka

Unemployment

The unemployment rate in Sri Lanka remained stable at 4.7% in 2023, consistent with the previous year. This stability resulted from simultaneous declines in both the unemployed population and the overall labor force. In 2023, the number of unemployed individuals slightly decreased to 398,000 from 399,000 in 2022. Similarly, the employed population saw a reduction, falling to 8.01 million in 2023 from 8.148 million the previous year.



Per Capita GDP (USD)



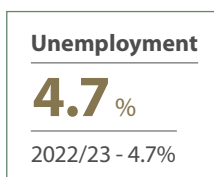
■ Agriculture, Forestry and Fishing

■ Industries

■ Services

— Real GDP Growth

Annual GDP Growth Rates



OPERATING LANDSCAPE

Inflation

Inflation in Sri Lanka, which peaked in September 2022, experienced a rapid decline, reaching low single-digit levels by the end of 2023. This disinflation was primarily driven by subdued demand resulting from tight monetary conditions, complemented by stringent fiscal measures. Improved domestic supply conditions, moderation of global commodity prices, and a strengthening Sri Lanka rupee also contributed significantly. Food and transport prices, major contributors to the previous year's high inflation, saw deflation in several months of 2023 due to normalized supply chains and cost-reflective fuel pricing.

Accordingly, CCPI-based year-on-year headline inflation was recorded at 4.0 percent (2021=100) by end 2023 compared to 57.2 percent (2013=100) by end 2022. The National Consumer Price Index (NCPI) based year-on-year headline inflation also followed a similar path, dropping to 4.2 percent (2021=100) by end 2023, compared to 59.2 percent (2013=100) recorded at end 2022.

VAT

The increase in the Value Added Tax (VAT) rate from 15% to 18%, along with the removal of certain exemptions at the start of 2024, caused a brief surge in inflation beginning in January. However, a reduction in electricity tariffs in early March 2024, coupled with several subsequent price cuts, helped mitigate the immediate and spillover effects of the tax changes. This was reflected in a significant reduction in inflation in March 2024, influenced by these factors and a favorable statistical base effect.

VAT on Tea

The introduction of VAT in 2024 had notable impacts on Sri Lanka's tea industry. Initially, stakeholders experienced confusion, especially regarding the registration processes for VAT and SVAT (Simplified Value Added Tax), leading to delays in the first Colombo Tea Auction of the year. Despite these challenges, the auction yielded favorable prices, suggesting a positive outlook for the year.

Economically, the increased VAT is expected to impose additional financial pressure on tea producers by raising operating costs. This, coupled with ongoing economic recovery efforts, makes stakeholders cautiously optimistic yet wary of potential cost increases and inflation.

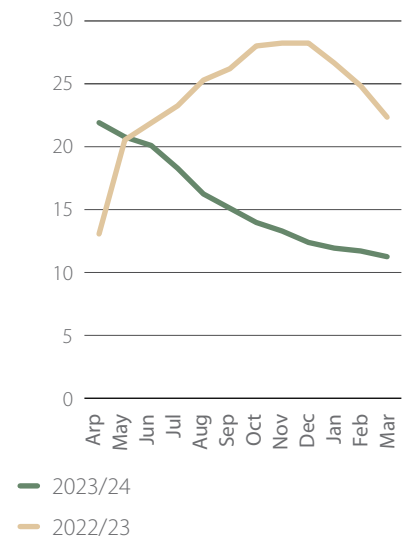
The introduction of VAT comes as the tea industry is recovering from previous years' production declines due to the impact of acute shortages in domestic fertilizers and agrochemicals. In 2023, tea production saw a slight increase compared to 2022. Industry leaders are hopeful that stabilization and strategic planning will drive continued growth in production and exports in 2024.

Overall, while the VAT introduction presents challenges, including higher costs and administrative adjustments, the Sri Lankan tea industry is using these changes to advance strategically and technologically, aiming to maintain high standards and boost productivity in the long run.

Market Interest Rate

In 2023, market interest rates in Sri Lanka declined significantly from the high levels of 2022, driven by accommodative monetary policy

THE INTRODUCTION OF VAT COMES AS THE TEA INDUSTRY IS RECOVERING FROM PREVIOUS YEARS' PRODUCTION DECLINES DUE TO THE IMPACT OF ACUTE SHORTAGES IN DOMESTIC FERTILIZERS AND AGROCHEMICALS. IN 2023, TEA PRODUCTION SAW A SLIGHT INCREASE COMPARED TO 2022. INDUSTRY LEADERS ARE HOPEFUL THAT STABILIZATION AND STRATEGIC PLANNING WILL DRIVE CONTINUED GROWTH IN PRODUCTION AND EXPORTS IN 2024.



Movement of Monthly Average Weighted Prime Lending Rate (AWPLR)

measures initiated in June 2023 and supported by several factors. These included administrative measures and moral suasion aimed at reducing excessive rates, the rapid disinflation process, moderated inflation expectations, and decreased risk premia on government securities following the Domestic Debt Optimization (DDO) operation. Administrative actions in August 2023 further reduced excessive lending rates and induced a gradual decline in other market lending rates, particularly for rupee loans and advances. Consequently, the Average Weighted Prime Lending Rate (AWPLR) dropped by 15.11 percentage points in 2023. While lending rates for SMEs also decreased, they remained relatively high for smaller loans due to associated risks. The downward trend in market interest rates continued into early 2024, indicating potential for further reductions.

Distribution of Loans and Advances by Licensed Commercial Banks

In June 2023, Licensed Commercial Banks ended the longest streak of monthly contractions in credit to the private sector, aided by a gradual easing of monetary policy and improved economic conditions. However, in January 2024, credit unexpectedly contracted due to VAT adjustments and businesses settling short-term festive season loans. Additionally, the appreciation of the Sri Lankan rupee exacerbated this contraction. Nonetheless, credit expanded slightly in February 2024 and is expected to grow further with anticipated reductions in market interest rates and better economic activity.

In the first half of 2023, credit to major economic sectors contracted but began recovering thereafter. Notably, credit to the Agriculture and Services sectors grew by 0.9% and 2.1% respectively, with significant expansions in tea, paddy, fisheries, wholesale and retail trade, communication, IT, shipping, aviation, and freight forwarding. Conversely, credit to the Industry sector declined by 5.6% year-on-year, largely due to setbacks in construction, textiles and apparel, and food and beverages, affected by fiscal constraints, rising raw material prices, and high interest rates from 2022 to early 2023, though some recovery was seen in the latter half of the year.

Sectoral Distribution of Loans & Advances granted by Licensed Commercial Banks

Sector	2022 Rs. Billion	2023 Rs. Billion	% Share in 2023	Change %
Agriculture and Fishing	644.0	649.0	8.7	0.9
Industry	3,117.0	2,943.0	39.4	(5.6)
Services	2,028.0	2,071.0	27.7	2.1
Personal Loans & Advances	1,813.0	1,809.0	24.2	(0.2)
Total	7,602.0	7,473.0	100.0	(1.7)

Source: Central Bank of Sri Lanka

Export Performance

Exports underperformed in 2023, with earnings reaching USD 11,911 million, a 9.1% decrease from 2022. This decline was driven by global factors such as high living costs, economic downturns in major export markets, and geopolitical tensions, leading to reduced demand for Sri Lankan exports. Domestically, higher operating expenses and supply constraints also impacted competitiveness. The most significant contributor to the decline was the industrial exports sector, particularly textiles and garments. Petroleum product exports also fell due to lower bunker and aviation fuel prices, and most other industrial goods had subdued performances. Despite these challenges, exports of gems, diamonds, jewelry, transport equipment, machinery, and mechanical appliances grew. Agricultural exports saw a slight dip, with gains in tea, spices, and unmanufactured tobacco offset by declines in coconut, rubber, and seafood. Tea exports increased in value due to higher prices, even though volumes decreased. Mineral exports also dropped, mainly due to reduced titanium ore exports.



TEASER

TEA IS THE MOST WIDELY CONSUMED BEVERAGE IN THE WORLD AFTER WATER WITH THE FIRST RECORDED USE OF TEA DATING BACK TO CHINA IN 2737 BC.

OPERATING LANDSCAPE

Composition of Exports

Category	2022		2023		Change in Value USD Million	Y-o-Y change %
	Value USD Million	Share %	Value USD Million	Share %		
Agricultural Exports	2,568.0	19.6	2,566.5	21.5	(1.5)	(0.1)
Industrial Exports	10,465.3	79.8	9,277.7	78.0	(1,187.6)	(11.3)
Mineral Exports	50.0	0.4	38.5	0.3	(11.5)	(23.1)
Unclassified Exports	23.2	0.2	28.0	0.2	4.8	20.8
Total Exports	13,106.4	100.0	11,910.7	100.0	(1,195.7)	(9.1)

Source: Central Bank of Sri Lanka

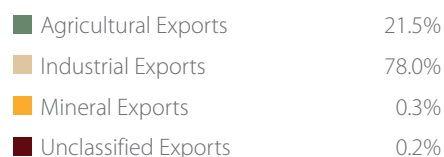
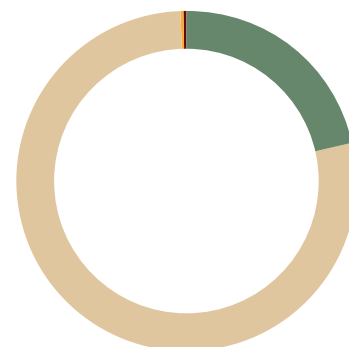
Import Performance

In 2023, import expenditure contracted notably, dropping by 8.1% to USD 16,811 million compared to 2022. This decline was influenced by restrictions on non-essential imports, subdued economic activity, and constrained public spending due to tight monetary and fiscal policies. The decrease was primarily driven by reduced imports of intermediate and investment goods, despite an increase in both food and non-food consumer goods imports. Notably, rice imports fell significantly in volume, although this was offset by higher spending on other food items such as sugar, oils, and milk powder. Non-food consumer goods imports rose, especially for medical and pharmaceutical products and mobile phones, with an upward trend in the latter part of the year due to relaxed import restrictions. Intermediate goods imports decreased significantly, particularly textiles, in line with reduced apparel exports. Fuel imports also declined due to lower prices for crude oil, refined petroleum, and coal. Reflecting lower economic activity, most other intermediate goods imports also fell. Investment goods imports decreased across all main categories—machinery and equipment, building materials, and transport equipment mainly due to import restrictions and reduced construction activity.

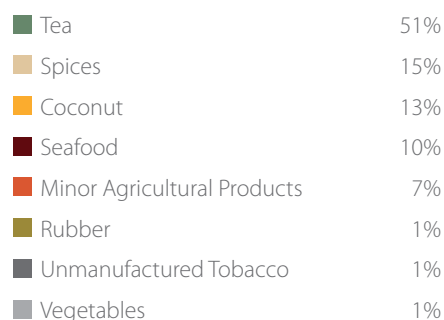
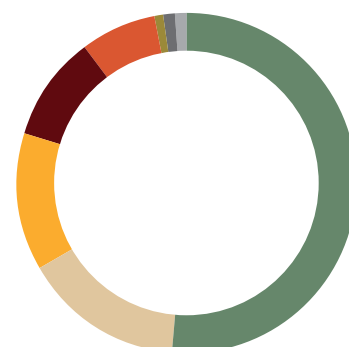
Composition of Imports

Category	2022		2023		Change in Value USD Million	Y-o-Y change %
	Value USD	Share %	Value USD	Share %		
Consumer Goods	2,813.0	15.4	3,043.9	18.1	230.9	8.2
Intermediate Goods	12,438.8	68.0	11,006.6	65.5	(1,432.2)	(11.5)
Investment Goods	3,030.5	16.6	2,744.6	16.3	(285.9)	(9.4)
Unclassified Imports	8.8	0.1	16.0	0.1	7.2	82.9
Total Imports	18,291.1	100.0	16,811.1	100.0	(1,480.0)	(8.1)

Source: Central Bank of Sri Lanka



Composition of Export Revenue % (2023)



Composition of Agricultural Export Revenue % (2023)

Exchange Rates

In 2023, the Sri Lankan rupee appreciated sharply by 12.1%, following a 44.8% depreciation in 2022, under a market-based exchange rate policy by the Central Bank, despite occasional volatility. Significant appreciation occurred after the Central Bank enhanced forex liquidity and allowed greater exchange rate flexibility, removing mandatory foreign exchange sales to the Central Bank by licensed banks on 7 March 2023. Improved market sentiments post the IMF-EFF arrangement in March 2023, increased forex inflows from exports, remittances, and foreign investments, along with subdued import demand, contributed to the appreciation. Notable appreciation was recorded in May and early June due to loans from ADB and the World Bank. However, during the third quarter, the rupee experienced some depreciation due to tight liquidity and banks covering foreign currency positions related to Sri Lanka Development Bonds. The Central Bank intervened to provide liquidity support. Despite the expected pressure from relaxed import controls, the rupee appreciated again in the latter part of the year, bolstered by improved remittances, services sector inflows, and continued favorable market sentiments due to additional IMF-EFF, ADB, and World Bank funds.

Global Tea Industry

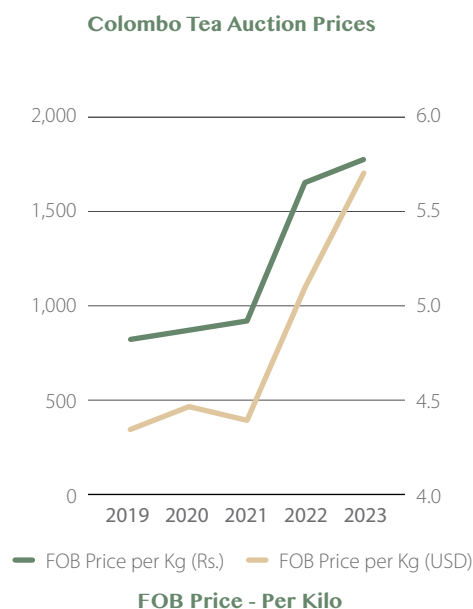
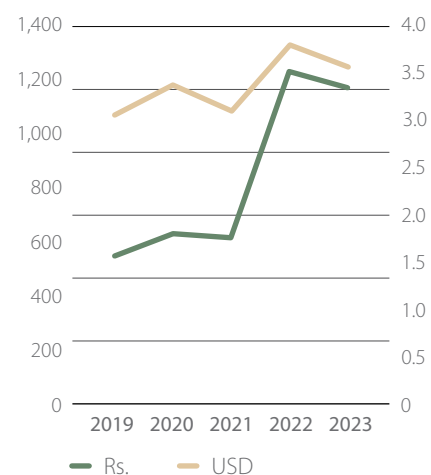
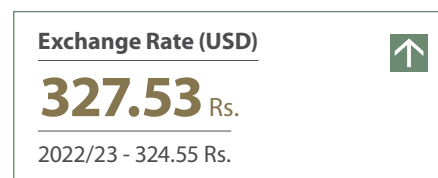
In 2023, the global tea industry experienced a growth of 1.9 percent, with total production rising from 6,481.61 million kilos in 2022 to 6,603.81 million kilos. China continued to dominate as the world's leading tea producer, achieving a production volume of 3,250 million kilos, which marked a 2.2 percent increase from the previous year. Other significant tea-producing nations also reported growth in their outputs: Turkey's tea production surged by 7.8 percent, Kenya saw a rise of 6.6 percent, Sri Lanka experienced a modest increase of 1.8 percent, and India reported a slight growth of 0.2 percent.

World Production of Tea

Country	2022	2023	Variance	
	(Mn/Kg)	(Mn/Kg)	(Mn/Kg)	%
China (Mainland)	3,181.04	3,250.00	68.96	2.2
India	1,365.23	1,367.70	2.47	0.2
Kenya	535.04	570.26	35.22	6.6
Turkey	245.77	265.00	19.23	7.8
Sri Lanka	251.50	256.09	4.59	1.8
Other	903.03	894.76	(8.27)	(0.9)
Total	6,481.61	6,603.81	122.20	1.9

Source: Sri Lanka Tea Board and International Tea Committee

The global tea export market in 2023 saw a slight increase of 0.39 percent, with the total export volume rising from 1,729.94 million kilos in 2022 to 1,736.74 million kilos. Kenya upheld its status as the leading tea exporter, with its exports climbing from 450.33 million kilos in 2022 to 522.91 million kilos in 2023. Despite Kenya's strong performance, other top tea-exporting countries such as China,



OPERATING LANDSCAPE

Sri Lanka, India, and Vietnam faced declines in their export volumes. China's tea exports decreased by 2.08 percent, Sri Lanka's by 3.31 percent, India's by 1.32 percent, and Vietnam's by a significant 13.57 percent.

World Export of Tea

Country	2022	2023	Variance	
	(Mn/Kg)	(Mn/Kg)	(Mn/Kg)	%
Kenya	450.33	522.91	72.58	16.12
China (Mainland)	375.25	367.44	(7.81)	(2.08)
Sri Lanka	250.19	241.91	(8.28)	(3.31)
India	228.00	225.00	(3.00)	(1.32)
Vietnam	140.00	121.00	(19.00)	(13.57)
Other	286.17	258.48	(27.69)	(9.68)
Total	1,729.94	1,736.74	6.80	0.39

Source: Sri Lanka Tea Board and International Tea Committee

On the import side, global tea imports for consumption fell by 6.03 percent, with the total quantity dropping from 1,760.90 million kilos in 2022 to 1,654.70 million kilos in 2023. Among the leading tea importers, Pakistan emerged as the largest, importing 236.06 million kilos. Russia followed as the second-largest importer with 130.0 million kilos of tea imported.

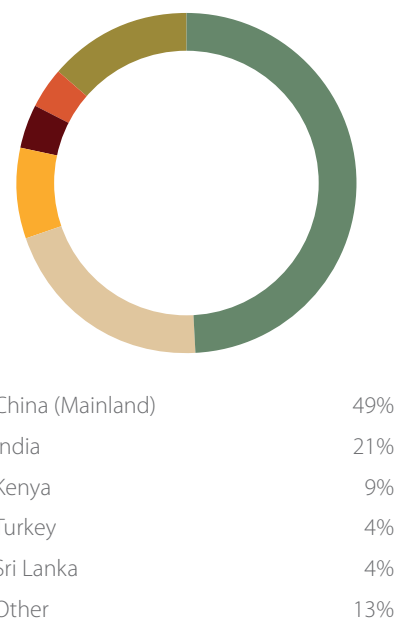
Tea Imports for Consumption

Country	2022	2023	Variance	
	(Mn/Kg)	(Mn/Kg)	(Mn/Kg)	%
Pakistan	236.50	236.06	(0.44)	(0.19)
Russian Federation	137.50	130.00	(7.50)	(5.45)
USA	119.64	104.24	(15.40)	(12.87)
UK	99.59	83.55	(16.04)	(16.11)
Other CIS	95.00	90.00	(5.00)	(5.26)
Other	1,072.67	1,010.85	(61.82)	(5.76)
Total	1,760.90	1,654.70	(106.20)	(6.03)

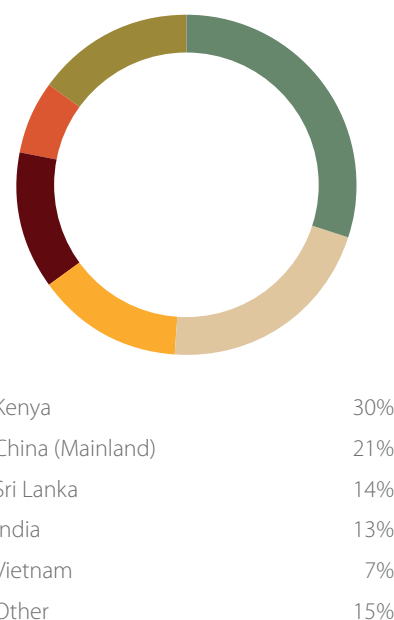
Source: International Tea Committee

Sri Lankan Tea Industry

In 2023, the production of tea in Sri Lanka experienced a marginal increase of 1.8 percent compared to the previous year. This growth can be primarily attributed to improved supply conditions, particularly in the availability of fertilizers, other agrochemical inputs, and fuel. The increase in tea production impacted various categories differently. High-grown tea, which accounted for approximately 23 percent of the total production, saw a notable increase of 4.1 percent. Medium-



World Production of Tea - 2023



World Export of Tea - 2023 (%)

SL Tea Production

256.09 Mn/Kg

2022/23 - 251.50 Mn/Kg



grown tea, contributing around 16 percent of the total production, experienced an even more substantial increase of 5.4 percent. Low-grown tea, which comprises the majority of tea production at 61 percent, also saw an increase, albeit a modest one of 0.1 percent. Despite being the largest category, the growth was limited. Overall, the improved availability of essential agricultural inputs played a crucial role in boosting tea production across different categories in 2023, leading to the observed marginal increase in total production.

In 2023, tea prices at the Colombo Tea Auction (CTA) experienced a decline compared to the previous year. The average price of tea fell by 5.1 percent, dropping from Rs. 1,234.24 per kilo in 2022 to Rs. 1,171.29 per kilo. This downward trend was evident across all tea categories. High-grown tea prices decreased by 1.9 percent, medium-grown tea prices saw a reduction of 1.8 percent, and low-grown tea prices experienced a significant decline of 6.5 percent.

Tea Production (Mn/Kg)

Elevation	2022		2023		Variance	
	Mn/Kg		Mn/Kg		Mn/Kg	%
High Grown	56.32		58.64		2.32	4.1
Mid Grown	40.18		42.34		2.15	5.4
Low Grown	154.99		155.11		0.12	0.1
Total	251.50		256.09		4.59	1.8

Source: Sri Lanka Tea Board

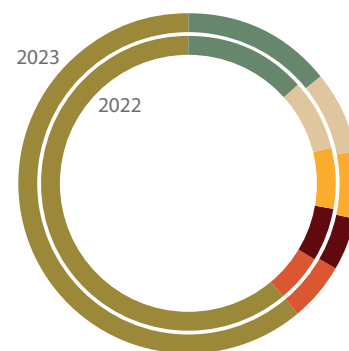
Colombo Auction Averages

Elevation	2022		2023		Variance		Variance %	
	LKR	USD	LKR	USD	LKR	USD	LKR	USD
High Grown	1,093.10	3.37	1,072.48	3.27	(20.62)	(0.09)	(1.9)	(2.78)
Mid Grown	1,030.82	3.18	1,012.35	3.09	(18.47)	(0.09)	(1.8)	(2.69)
Low Grown	1,339.86	4.13	1,252.15	3.82	(87.71)	(0.31)	(6.5)	(7.40)
Total	1,234.24	3.80	1,171.29	3.58	(62.95)	(0.23)	(5.1)	(5.96)

Source: Sri Lanka Tea Board

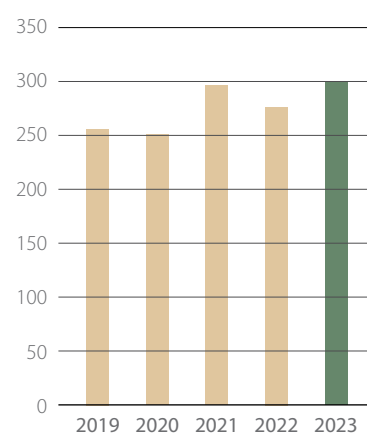
Tea Exports (Including re-exports with imported Teas)

During 2023, the average export price (FOB) of tea witnessed a rise of 6.9 percent, reaching US dollars 5.41 per kilogramme, as compared to US dollars 5.06 per kilogramme in the previous year. Sri Lanka's tea exports, including re-exports with imported teas, amounted to 241.91 million kilos, reflecting a decline of 3.3 percent compared to the previous year. However, despite the decrease in export volume, the value of total tea exports showed an increase from Rs. 411.09 billion to Rs. 428.29 billion. The rise in earnings from tea exports can be attributed to the overall increase in tea prices on average, despite the drop in volumes.



	2023	2022
Pakistan	14%	13%
Russian Federation	8%	8%
USA	6%	7%
UK	5%	6%
Other CIS	5%	5%
Other	61%	61%

Top 5 Importers of Tea 2022 vs. 2023



Sri Lankan Tea Production: 2019-2023 (Mn/kg)

Tea Export Value

428.29 Rs. Bn

2022/23 - 411.09 Rs. Bn

Average Auction Price

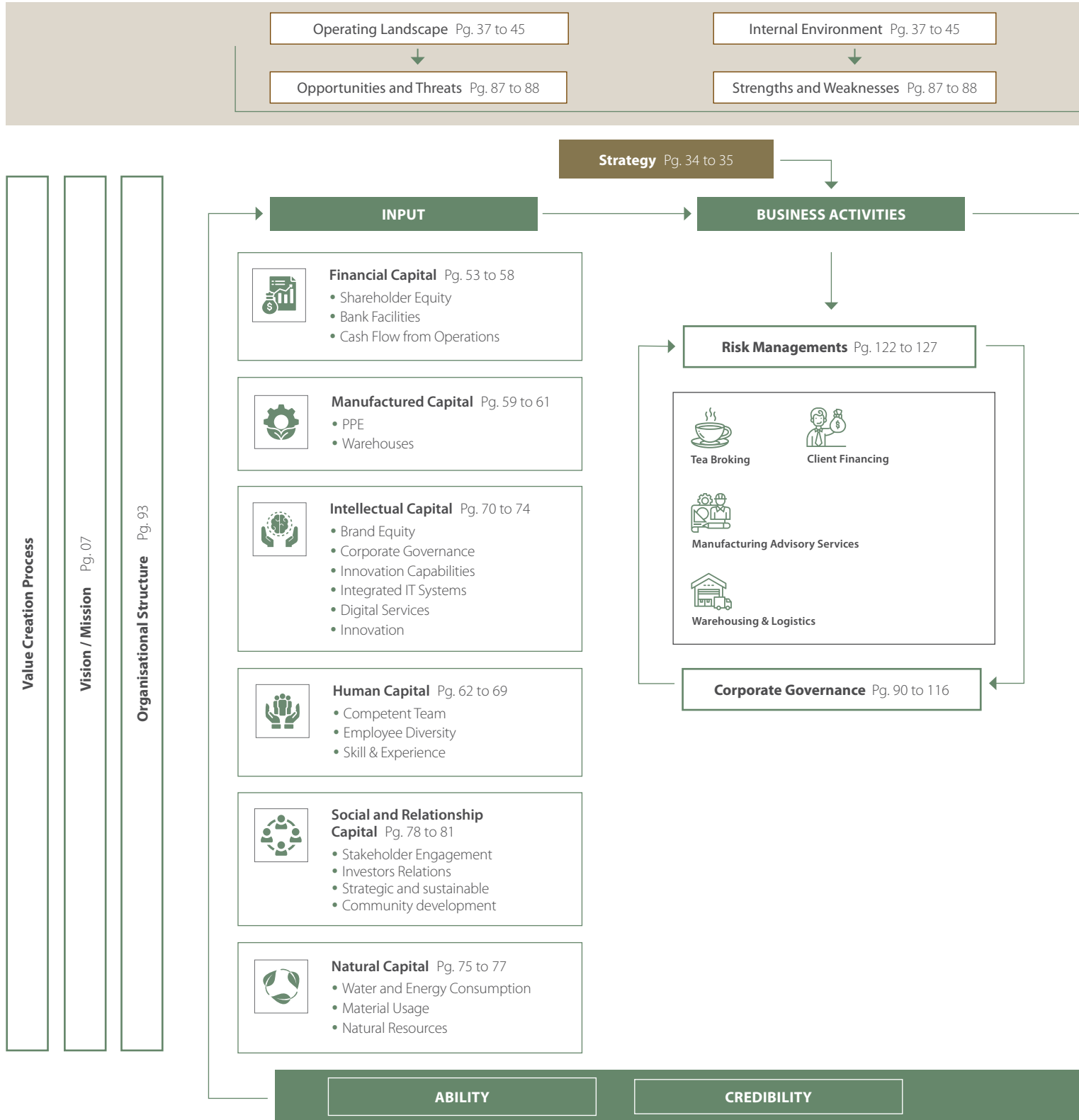
1,171.29 Rs.

2022/23 - 1,234.24 Rs.

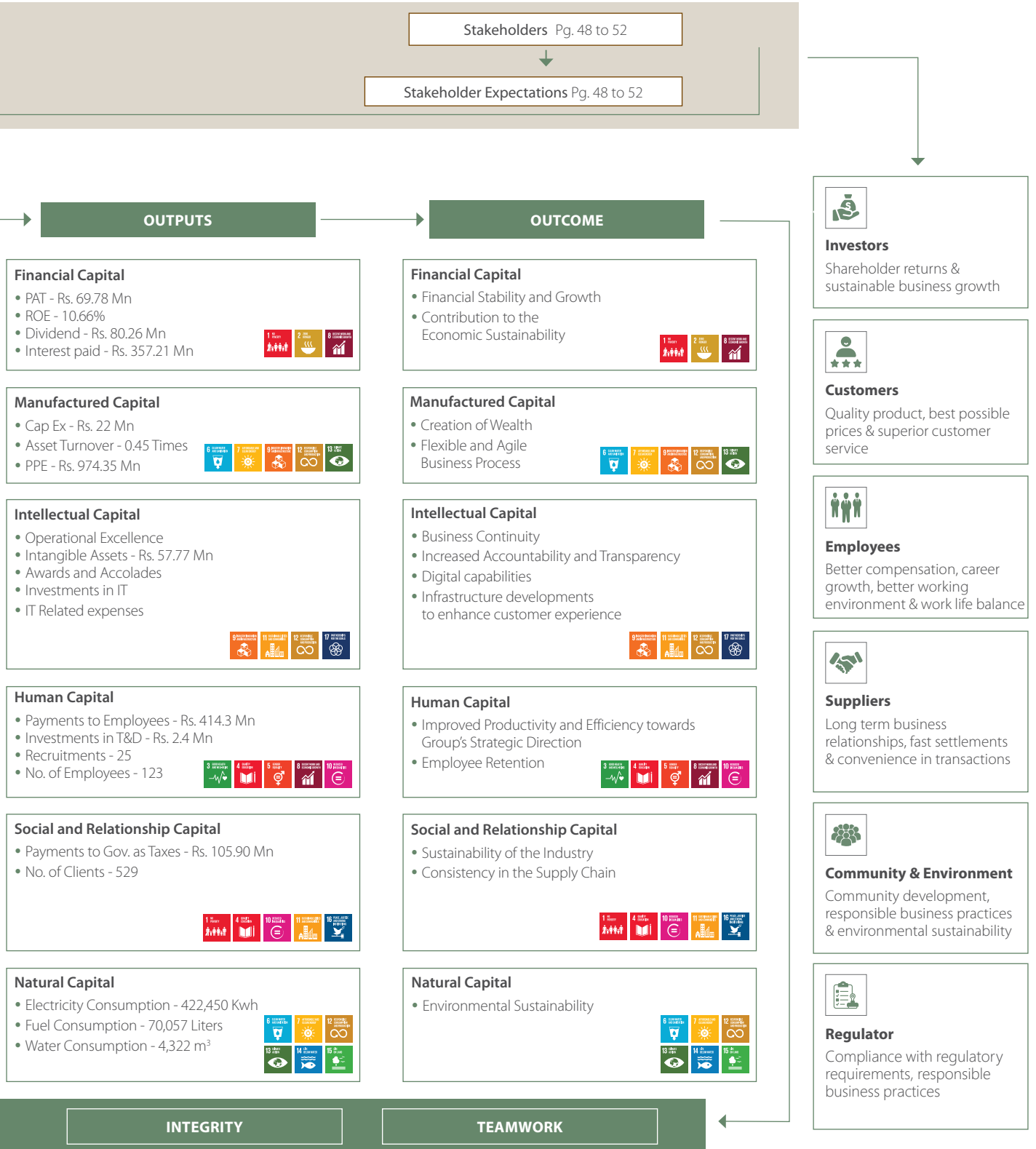
OUR BUSINESS MODEL

Our business model explains how we create value using our capital and transform them through our business activities and their output and impact to our stakeholders, society and environment.

We regularly review our external environment and identify the risks and opportunities relevant to our Group and revise the components of the business model and our strategies accordingly.



As a socially responsible corporate citizen we continuously improve our processes and technology to reduce the adverse social and environmental effects that may arise from our business model.



Stakeholders Pg. 48 to 52

Stakeholder Expectations Pg. 48 to 52

OUTPUTS

OUTCOME

Financial Capital

- PAT - Rs. 69.78 Mn
- ROE - 10.66%
- Dividend - Rs. 80.26 Mn
- Interest paid - Rs. 357.21 Mn

Financial Capital

- Financial Stability and Growth
- Contribution to the Economic Sustainability

Manufactured Capital

- Cap Ex - Rs. 22 Mn
- Asset Turnover - 0.45 Times
- PPE - Rs. 974.35 Mn

Manufactured Capital

- Creation of Wealth
- Flexible and Agile Business Process

Intellectual Capital

- Operational Excellence
- Intangible Assets - Rs. 57.77 Mn
- Awards and Accolades
- Investments in IT
- IT Related expenses

Intellectual Capital

- Business Continuity
- Increased Accountability and Transparency
- Digital capabilities
- Infrastructure developments to enhance customer experience

Human Capital

- Payments to Employees - Rs. 414.3 Mn
- Investments in T&D - Rs. 2.4 Mn
- Recruitments - 25
- No. of Employees - 123

Human Capital

- Improved Productivity and Efficiency towards Group's Strategic Direction
- Employee Retention

Social and Relationship Capital

- Payments to Gov. as Taxes - Rs. 105.90 Mn
- No. of Clients - 529

Social and Relationship Capital

- Sustainability of the Industry
- Consistency in the Supply Chain

Natural Capital

- Electricity Consumption - 422,450 Kwh
- Fuel Consumption - 70,057 Liters
- Water Consumption - 4,322 m³

Natural Capital

- Environmental Sustainability

Investors

Shareholder returns & sustainable business growth

Customers

Quality product, best possible prices & superior customer service

Employees

Better compensation, career growth, better working environment & work life balance

Suppliers

Long term business relationships, fast settlements & convenience in transactions

Community & Environment

Community development, responsible business practices & environmental sustainability

Regulator

Compliance with regulatory requirements, responsible business practices

INTEGRITY

TEAMWORK

STAKEHOLDER RELATIONSHIPS AND MATERIALITY

Stakeholder Relationships

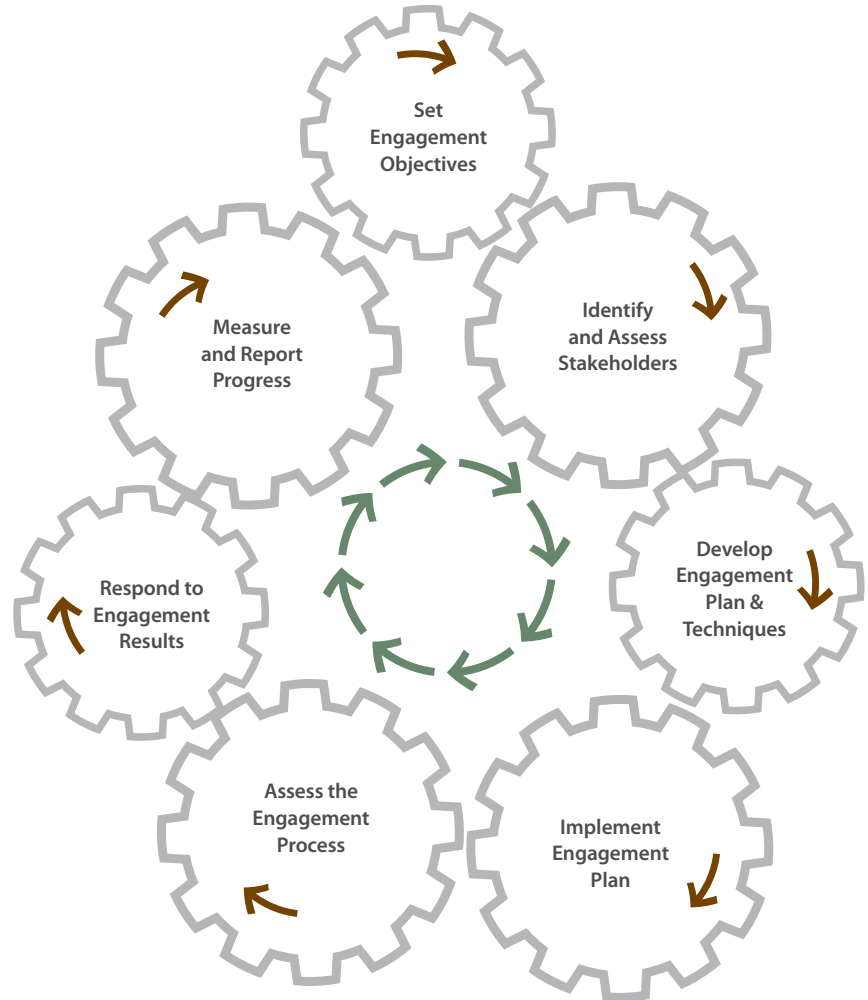
Our Stakeholders



The Group assesses the importance and the impact of each Stakeholder to the Group and relevant management actions are implemented accordingly. The Group has identified six stakeholder groups who can be significantly affected by its business activities, output or outcomes or whose actions significantly affect the ability of the Group to create value over time. The said stakeholders are graphically depicted.

Stakeholder Engagement Process

The Group believes that stakeholder engagement is a strategic activity and it is vital to sustainable development and promoting good governance. Thus, connecting with our many and varied Stakeholders is an essential aspect of our operations.





Stakeholder engagement is the process used by the organisation to ensure effective engagement of relevant Stakeholders for the purpose of achieving Group Objectives. Under the stakeholder management framework of the Group, Stakeholders are identified, analysed, engaged and the effectiveness of engagement is measured on a regular basis through feedback. The Group's stakeholder engagement process is as follows:



Power	High	Keep satisfied 	Actively engage and manage closely 
	Low	Minimal effort 	Keep informed 
		Low	High
Interest			





Stakeholder Engagement

Annually - A Quarterly - Q Monthly - M Weekly - W As Required - R

Stakeholder	Expectations	Mode of Engagement	Frequency				
			A	Q	M	W	R
 Shareholders/ Investors	<ul style="list-style-type: none"> Shareholder returns and growth Risk Management Business Continuity Strengthening the Corporate Governance Practices 	Annual General Meeting	✓				
		Annual Report	✓				
		Interim Financial Statements		✓			
		Corporate Website					✓
		Announcements in CSE					✓
 Tea Producers	<ul style="list-style-type: none"> Best prices for their produce Financial support to meet their working capital requirements Technical advisory support to improve the quality of the produce Efficient communication and convenience in transactions Efficient service in warehousing activities 	One to one meetings					✓
		Monthly and Quarterly performance reviews		✓	✓		
		Weekly Tea Market Snapshot and other market related information				✓	
		Regular factory visits by the Manufacturing advisors and marketing executives				✓	✓
		Conduct seminars for factory owners and their staff on 'importance of maintaining quality of Tea'	✓				
		Customer Satisfaction survey					✓
 Tea Buyers	<ul style="list-style-type: none"> Quality product at a reasonable price Efficient communication and convenience in transactions Efficient service in warehousing activities 	One to one meetings with buyers					✓
		Weekly market reports and other information sharing				✓	✓
		Customer satisfaction survey					✓
 Employees	<ul style="list-style-type: none"> Industry competitive remuneration packages Career growth Better working environment Work-life balance Equal Opportunity Health and Safety Job security 	Regular staff meetings		✓			✓
		Formal and informal discussions			✓		✓
		Internal communication channels					✓
		Training programs					✓
		Recreational activities	✓				
		Employee survey					✓

STAKEHOLDER RELATIONSHIPS AND MATERIALITY

Annually - A Quarterly - Q Monthly - M Weekly - W As Required - R

Stakeholder	Expectations	Mode of Engagement	Frequency				
			A	Q	M	W	R
 Supplier and Service providers	<ul style="list-style-type: none"> Favourable terms and conditions Speed and on time settlements Long Term business relationship Convenience in transactions Business growth 	<ul style="list-style-type: none"> Written Communications 					✓
		<ul style="list-style-type: none"> Regular meetings 					✓
 Industry bodies/ Associations	<ul style="list-style-type: none"> Sustainability of the Industry Developments of the relevant community groups 	<ul style="list-style-type: none"> The Company actively engaged with the industry bodies and associations such as Sri Lanka Tea Board, the Colombo Tea Traders' Association, Tea Exporters' Association, Sri Lanka Tea Factory Owners' Association and participated at meetings, events, and AGM's organised by such associations 					✓
 Community and Environment	<ul style="list-style-type: none"> Community Development Responsible Business practices Employment Opportunities Environment Sustainability 	<ul style="list-style-type: none"> Providing training opportunities and internships to graduates and under graduates 					✓
		<ul style="list-style-type: none"> CA Sri Lanka certified training partner for students 					✓
		<ul style="list-style-type: none"> Actively participate in seminars organised by Tea Smallholders to educate the Tea Producer clients 					✓
		<ul style="list-style-type: none"> CSR Initiatives 					✓
 Government and Regulators	<ul style="list-style-type: none"> Compliance with requirements under governing bodies Responsible business practices Support in surveillances carried out 	<ul style="list-style-type: none"> Directives and Circulars 					✓
		<ul style="list-style-type: none"> Meetings and consultations 					✓
		<ul style="list-style-type: none"> Press releases 					✓
		<ul style="list-style-type: none"> Periodic returns 	✓	✓			✓
		<ul style="list-style-type: none"> Attend meetings 					✓
		<ul style="list-style-type: none"> Written Communication 					✓

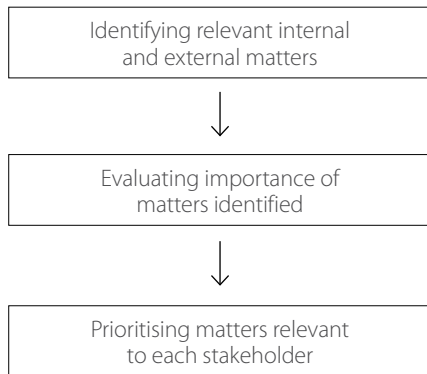
Materiality

Materiality of issues can be considered as the issues which substantially affect the Group's value creation process and sustainability over the short, medium and long term. Meeting the needs and aspirations and addressing the material issues of our stakeholders is the foundation of the Group's strategy. Our focus on materiality is based on material aspects recognised by both internal and external stakeholders.

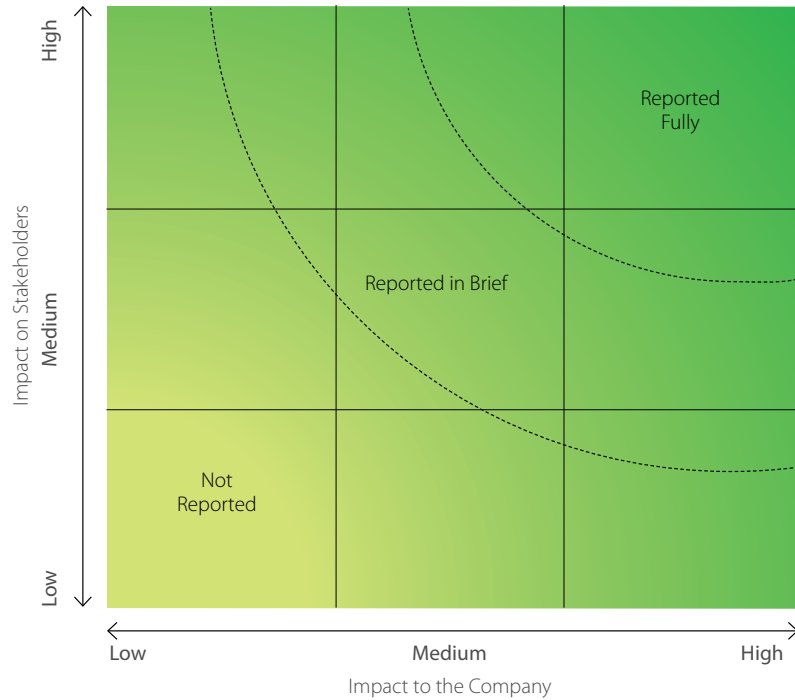
Materiality Determination Process

Materiality analysis is a key process that enables the Group to define key triple bottom line issues that are vital to our business and stakeholders, both internal and external. This process is crucial to drive performance, improve our sustainability framework and use the corporate governance practices at all levels of the Group. The Group conducts regular external stakeholder engagement in ascertaining aspects material to its significant Stakeholders. In addition, materiality is also assessed internally in ascertaining the aspects material to the Group and to fine-tune and streamline its strategy and processes to manage these material issues.

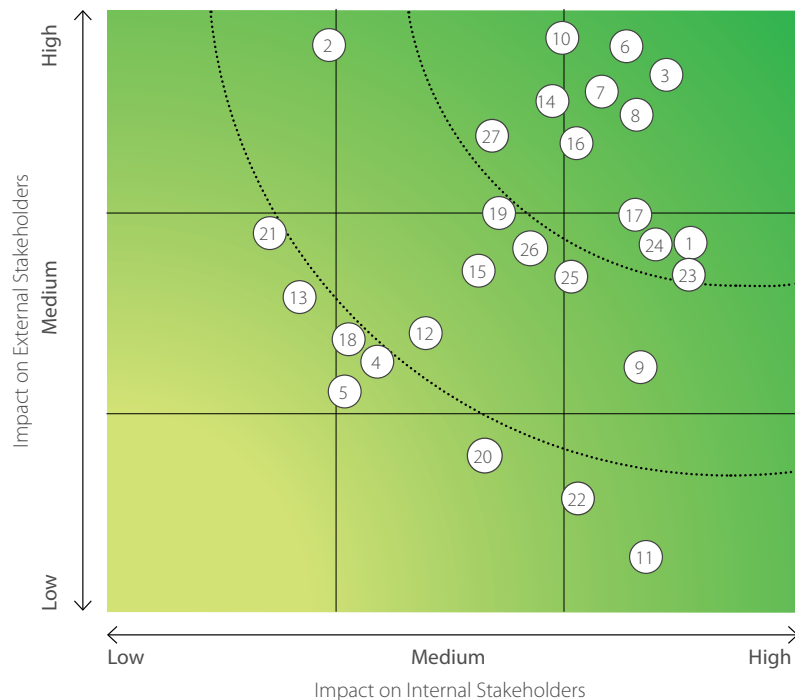
Materiality determination process of the Group is graphically depicted below;



Once we prioritise the material issues, relevant disclosures are made based on the impact of the each material issue to each Stakeholder and to the Group as illustrated below;



Key issues that were rated as the most material in respect of the key stakeholders are graphically depicted below;



STAKEHOLDER RELATIONSHIPS AND MATERIALITY

No.	Material Issue	Relevant GRI Standard
1	Anti corruption	GRI 205: Anti-corruption 2016
2	Child labour	GRI 408: Child Labor 2016
3	Climate change	GRI 201: Economic Performance 2016
4	Community development	GRI 413: Local Communities 2016
5	Competition	GRI 206: Anticompetitive Behavior 2016
6	Corporate governance	GRI 2: General Disclosures 2021
7	Customer satisfaction	GRI 416: Customer Health and Safety 2016 GRI 418: Customer Privacy 2016
8	Direct economic value generated	GRI 201: Economic Performance 2016
9	Disaster recovery plans	GRI 201: Economic Performance 2016
10	Economic performance	GRI 201: Economic Performance 2016
11	Employee training and development	GRI 404: Training and Education 2016
12	Energy consumptions	GRI 302: Energy 2016
13	Environment protection	GRI 304: Biodiversity 2016
14	Ethical conduct	GRI 2: General Disclosures 2021
15	Forced labour	GRI 409: Forced or Compulsory Labor 2016
16	Global economy	GRI 201: Economic Performance 2016
17	Health and safety	GRI 403: Occupational Health and Safety 2018
18	Human rights	GRI 2: General Disclosures 2021 GRI 410: Security Practices 2016
19	Innovation in process and services	Not covered in GRI
20	Labour relations	GRI 402: Labor/Management Relations 2016
21	Non discrimination	GRI 406: Nondiscrimination 2016
22	Operational cost	GRI 201: Economic Performance 2016
23	Regulatory compliance	GRI 2: General Disclosures 2021
24	Reputation	Not covered in GRI
25	Risk management	GRI 2: General Disclosures 2021 GRI 201: Economic Performance 2016
26	Talent acquisition and retention	GRI 401: Employment 2016
27	Waste management	GRI 306: Effluents and Waste 2016

Board of Directors' Oversight on Sustainability

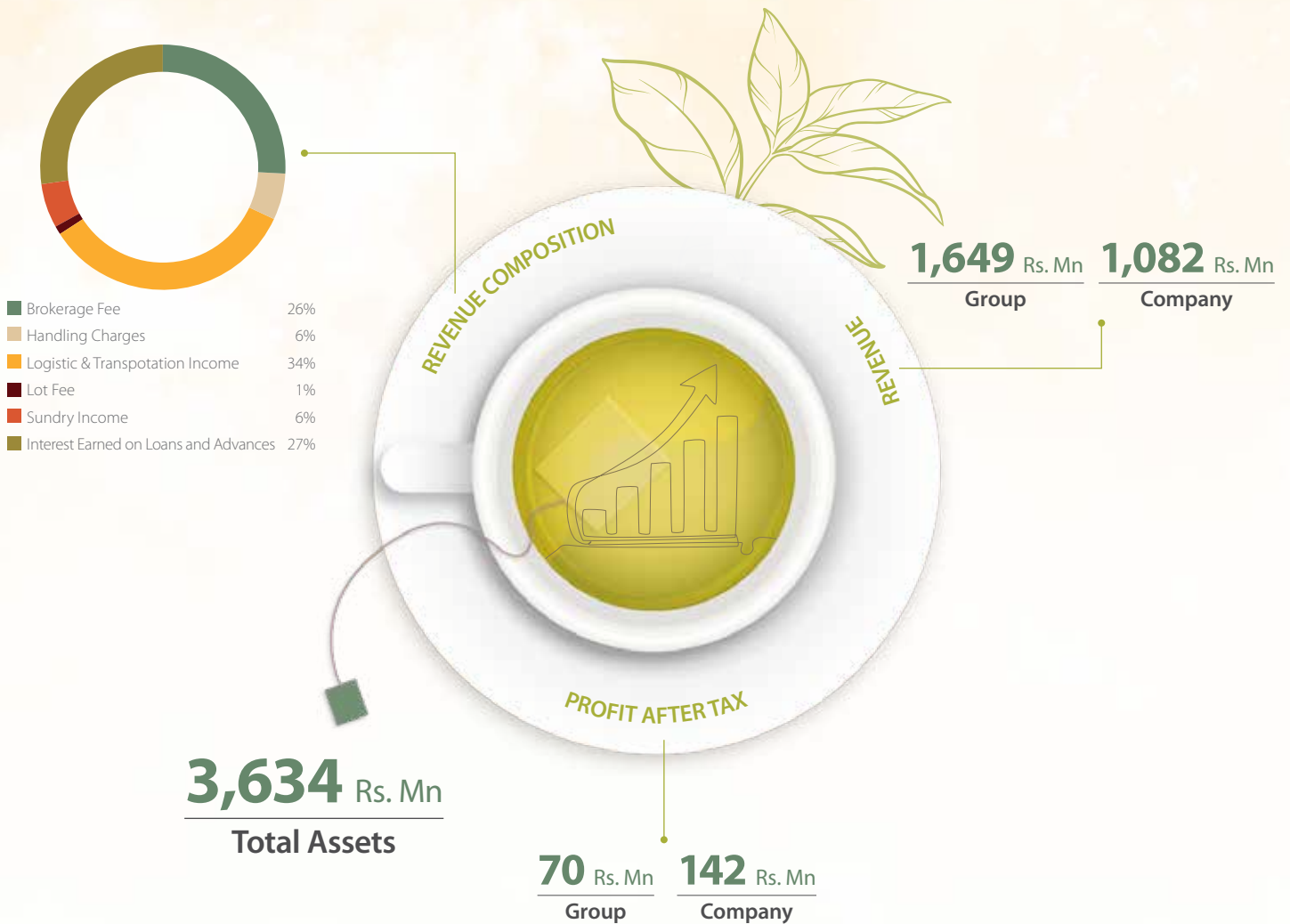
The Board of Directors play a pivotal role in overseeing the company's sustainability strategies and initiatives. As the highest governance body, the BOD is responsible for ensuring that the company's approach to sustainability aligns with its overall strategic objectives and ethical standards. The Board regularly reviews and approves material matters related to environmental, social, and governance (ESG), ensuring that these are integrated into the company's business practices and decision-making processes.

Disclosures in this report pertaining to the above key issues are given in the GRI Content Index from Page 203 to 211.

CAPITAL MANAGEMENT REPORTS

Financial Capital

Our financial capital, a cornerstone of our sustained growth, reflects our commitment to prudent resource allocation, effective cost management, and value creation for our stakeholders. This section provides a detailed overview of our financial performance, key metrics, and the strategies that have fortified our position as a leading player in the tea brokerage industry, ensuring long-term sustainability and profitability.



FINANCIAL CAPITAL CONTRIBUTION IN VALUE CREATION

Sustained Profitability and Shareholder Returns	Strategic Resource Allocation to drive operational excellence	Strengthening Financial Resilience to navigate market volatility and secure long-term stability	Enhancing Market Competitiveness to offer better services to clients
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CAPITAL MANAGEMENT REPORTS

Financial Capital

Revenue (Rs.)

	2024	2023	Variance	% change
Group Revenue	1,648,655,978	1,711,453,064	-62,797,086	-4%
Company Revenue	1,082,426,650	1,154,969,049	-72,542,399	-6%

In 2024, the Group's revenue decreased by 4% dropping from Rs.1,711.5 Mn in 2023 to Rs. 1,648.7 Mn in 2024. Similarly, the company revenue decreased by 6% from Rs. 1,154.9 Mn in 2023 to Rs. 1,082.4 in 2024. The decrease in both group and company revenue was primarily due to the decrease in brokerage fees and sundry income, which overshadowed the gains made from increased interest earned on loans and advances, handling charges, and logistic and transportation income.

Group Revenue Composition

	2024	2023	Variance	% change
Brokerage Fee	433,432,696	518,697,388	(85,264,692)	-16%
Handling Charges	102,413,334	83,249,613	19,163,721	23%
Logistic & Transportation Income	563,342,128	555,312,095	8,030,033	1%
Lot Fee	7,398,390	7,352,083	46,307	1%
Sundry Income	93,124,145	129,369,703	(36,245,558)	-28%
Interest Earned on Loans and Advances	448,945,285	417,472,182	31,473,103	8%

Despite a 2.4% increase in the quantity of tea handled by CTB, the average price declined by 18%, from Rs. 1,437.65 to Rs. 1,175.14. This significant drop was largely driven by the appreciation of the rupee against the USD, which in turn led to a decrease in brokerage fees. Additionally, a notable contributor to the decline in group revenue was a reduction in sundry income by Rs. 36.2 million, primarily due to the decrease in bulk tea sale income due to the drop in tea prices.

On a positive note, interest earned on loans and advances increased by Rs. 31.5 million. This was largely due to the expansion of the client portfolio seeking loans and advances during the 2023/24 financial year, despite the downward trend in both the AWPLR as well as the Minimum Lending Rate (MLR) set by the CBA. Furthermore, handling charges saw an uptick due to a rate revision implemented during the year, while the rise in logistics and transportation income can be attributed to a combination of increased volume and rate hikes within the logistics segment.

Additionally, the company secured a market share of 14.46% in terms of the quantity of tea sold and 14.88% in terms of the value of tea sold during the 2023/24 fiscal year.

THE COMPANY SECURED A MARKET SHARE OF 14.46% IN TERMS OF THE QUANTITY OF TEA SOLD AND 14.88% IN TERMS OF THE VALUE OF TEA SOLD DURING THE 2023/2024 FISCAL YEAR.

Revenue - Group



1,649 Rs. Mn

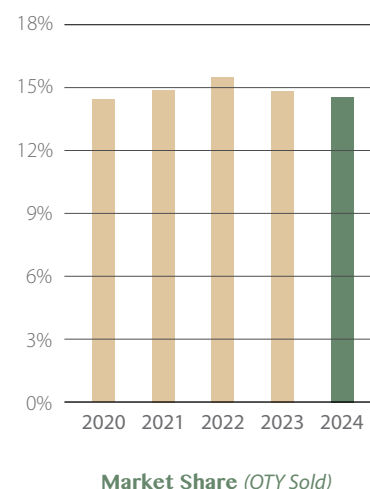
2022/23 -1,711 Rs. Mn

Revenue - Company



1,082 Rs. Mn

2022/23 -1,155 Rs. Mn



Expense Category

	Group			Company		
	2023/24	2022/23	Variance	2023/24	2022/23	Variance
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Operating Expenses	608,172,611	590,844,487	17,328,124	177,358,014	137,274,606	40,083,408
Marketing Expenses	50,190,496	39,945,654	10,244,842	32,739,455	30,068,618	2,670,837
Administration Expenses	554,870,038	529,300,102	25,569,936	445,637,898	446,012,299	(374,401)
Net Finance Expenses	283,580,569	274,840,717	8,739,852	215,312,659	209,639,680	5,672,979

Operating Expenses

	2024	2023	Variance
Group	608,172,611	590,844,487	17,328,124
Company	177,358,014	137,274,606	40,083,408

At the company level, operating expenses increased primarily due to the transfer of tea handling operations from Ceylon Tea Brokers PLC to Logicare (Pvt) Ltd, effective September 1, 2023. At the group level, operating expenses increased as a result of higher rental rates for warehouses and the reclassification of several costs from administration expenses to operating expenses following the transition of all rented warehouses to the subsidiary.

Marketing Expenses

	2024	2023	Variance
Group	50,190,496	39,945,654	10,244,842
Company	32,739,455	30,068,618	2,670,837

Marketing expenses at the company level experienced a slight increase, driven by intensified marketing activities, a trend observed in the subsidiary as well.

Administration Expenses

	2024	2023	Variance
Group	554,870,038	529,300,102	25,569,936
Company	445,637,898	446,012,299	(374,401)

At the company level, administration expenses have shown a slight decrease, despite substantial increases in salary and utility costs. This reduction is mainly attributed to lower performance based compensation compared to the previous year. Additionally, the transfer of warehouse operations to the subsidiary led to a reduction in related staff costs at the company level, however, the cost associated to the company due to the transition of the warehouse, is been reflected at the operating expenses. Furthermore, the rise in utility expenses has also contributed to the overall increase in administrative costs.

Operating Expense - Group

608.17 Rs. Mn

2022/23 - 590.84 Rs. Mn

Marketing Expenses

50.19 Rs. Mn

2022/23 - 39.95 Rs. Mn

Administration Expenses

554.87 Rs. Mn

2022/23 - 529.30 Rs. Mn

AT THE COMPANY LEVEL, OPERATING EXPENSES INCREASED PRIMARILY DUE TO THE TRANSFER OF TEA HANDLING OPERATIONS FROM CEYLON TEA BROKERS PLC TO LOGICARE (PVT) LTD, EFFECTIVE SEPTEMBER 1, 2023.

CAPITAL MANAGEMENT REPORTS

Financial Capital

Net Finance Expenses (Rs.)

	2024	2023	Variance
Group	283,580,568	274,840,717	8,739,852
Company	215,312,658	209,639,680	5,672,979

The total increase at the group level was primarily driven by higher finance costs at the company level. Although the Average Weighted Prime Lending Rate (AWPLR) declined over the 12-month period, the expansion of the lending portfolio significantly contributed to higher borrowing costs for the company.

Gross Profit (Rs.)

	2024	2023	Variance
Group	1,040,483,367	1,120,608,577	(80,125,210)
Company	905,068,636	1,017,694,443	(112,625,807)

Gross profit decreased at both the company and group levels. At the company level, this decrease was largely driven by the appreciation of the rupee against the USD which led to lower average prices at the Colombo tea auction which in turn led to a decrease in brokerage fees. Additionally, increased operating expenses further aggravated the decline in gross profit. In contrast, the subsidiary had a positive impact, with gross profits benefiting from an 18% increase in revenue compared to the previous year.

Profit Before Tax (Rs.)

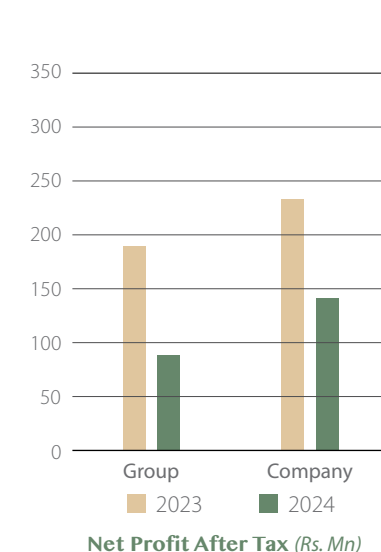
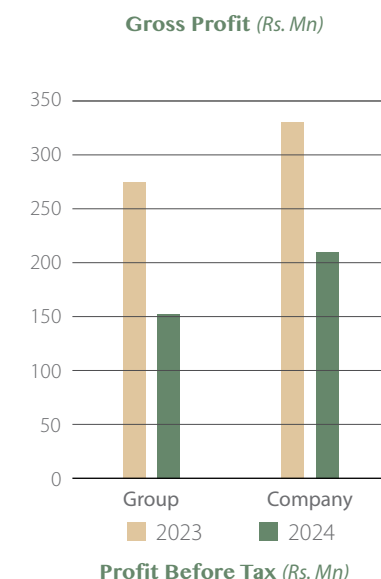
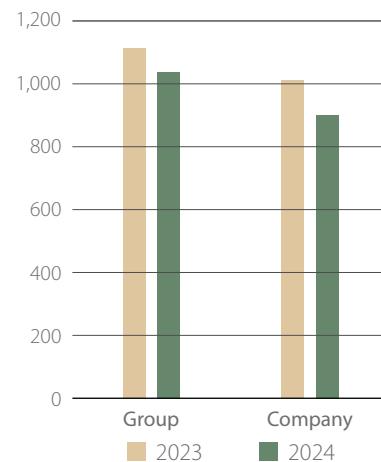
	2024	2023	Variance
Group	151,842,265	276,522,104	(124,679,839)
Company	211,378,625	331,973,847	(120,595,222)

Profit before tax declined at both the company and group levels, primarily due to this year's cost increase, which reflects the ongoing impact of last year's rise, along with decreased brokerage income.

Net Profit After Tax (Rs.)

	2024	2023	Variance
Group	69,775,427	184,345,934	(114,570,507)
Company	141,913,011	239,684,616	(97,771,605)

Net Profit after tax decreased by 62% and 41% at the group and company level respectively. This reduction is largely attributable to the contrasting economic environment we faced during this financial year, particularly the reversal in the Sri Lankan Rupee's exchange rate trend.



Group - Assets

Total assets of the group recorded Rs. 3,634.0 Mn as of March 31, 2024, compared to Rs 3,360.0 Mn on March 31, 2023. The increase was mainly due to the increase in Trade and Other Receivables.

Group - Liabilities

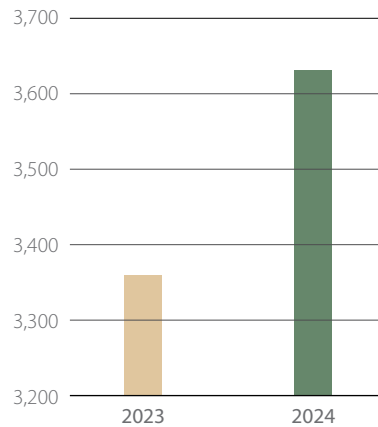
In 2024, the total liabilities of the group increased by 9% to Rs.2,979.7 Mn compared to Rs. 2,739.9 Mn in 2022/23. The main factor contributing to this increase is the rise in Interest bearing Borrowings, Trade and other Payables.

Credit Rating

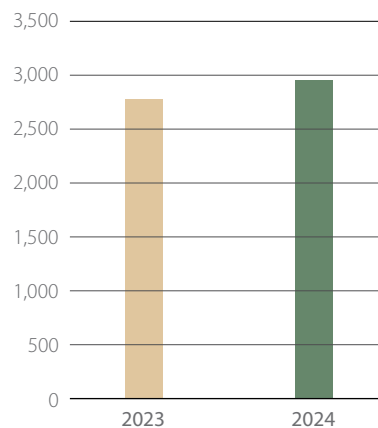
During the year under review, the company engaged one of the leading rating agencies, Lanka Rating Agency (LRA), to conduct an issuer rating. LRA assigned the company a rating of (SL) BBB with a stable outlook.

Contribution to the Economy

The economic dimension of sustainability concerns our Company's impact on the economic conditions of our stakeholders, and on economic systems at local, national, and global levels. The following section illustrates distribution flow of capital among different stakeholders, and the main economic impacts of the organization throughout society.



Group Assets (Rs. Mn)



Group Liabilities (Rs. Mn)

LRA Assigned

Rating with a Stable Outlook

(SL) BBB

2022/23 - (SL) BBB - LRA

Shareholder Funds - Company



866 Rs. Mn

2022/23 - 850 Rs. Mn

Shareholder Funds - Group



654 Rs. Mn

2022/23 - 620 Rs. Mn

OUR SUSTAINABILITY STRATEGY AIMS TO GENERATE VALUE FOR ALL STAKEHOLDERS. WE ARE COMMITTED TO CONTINUOUSLY EVALUATING THE EFFECTS OF OUR ACTIONS ON THE ECONOMY, SOCIETY, AND ENVIRONMENT. AS PART OF THIS COMMITMENT, THE COMPANY HAS DISTRIBUTED 89.56% OF THE ECONOMIC VALUE CREATED BY OUR BUSINESS TO DIFFERENT STAKEHOLDERS.

CAPITAL MANAGEMENT REPORTS

Financial Capital

Economic Value-Added Statement - Group

	2023/24	2022/23
Revenue (Total Value Created)	1,648,655,978	1,711,453,064
(Include subcategories as presented in the revenue note of the financial statements)		
Value Distributed		
Operating Costs	452,221,711	554,587,463
Employee Wages & benefits	445,690,768	446,209,832
Payments to Government	105,902,300	42,449,938
Payments to providers of capital	471,316,465	373,436,985
Community investments	1,437,988	1,348,984
Total Value Distributed	1,476,569,232	1,418,033,202
Total Value Retained	172,086,746	293,419,862
Total Value Distributed - Total Value Retained	1,304,482,486	1,711,453,064
Value Retained Expansion & Growth		
Profit Retained	69,775,428	184,345,934
Depreciation & Amortization	102,311,318	109,073,928
Total Value Retained Expansion & Growth	172,086,746	293,419,862

Value Created

1,649 Rs. Mn

2022/23 -1,711 Rs. Mn



Value Distributed

1,477 Rs. Mn

2022/23 -1,418 Rs. Mn



Value Retained

172 Rs. Mn

2022/23 - 293 Rs. Mn



Our sustainability strategy aims to generate value for all stakeholders. We are committed to continuously evaluating the effects of our actions on the economy, society, and environment. As part of this commitment, the Company has distributed 89.56% of the economic value created by our business to different stakeholders.

Financial Assistance received from/taxes paid to the government

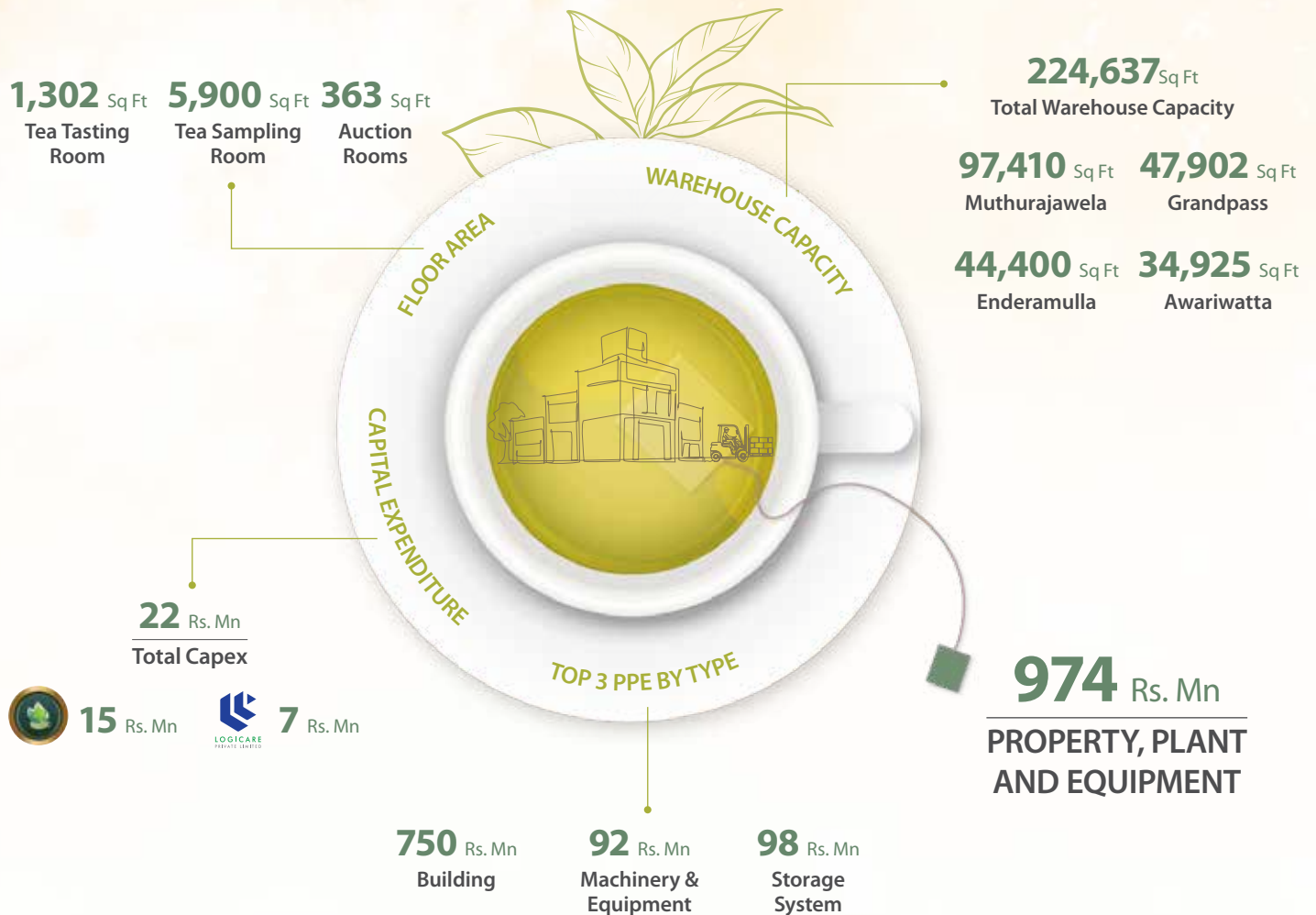
Income tax on all income categories was charged at rate of 30% for both the company and its subsidiary.

Indirect Economic Impacts

As at March 31, 2024, the Company has provided Rs. 1,296.15 million in loans and advances to our producer clients. This financial assistance aims to meet their working capital needs and facilitate the purchase of machinery. By supporting these investments, the Company contributes to the growth of the industry and provides a positive impact on the broader economy, reinforcing our commitment to fostering economic development and industry progress.

Manufactured Capital

Manufactured capital encompasses the infrastructure developed by the Group, including our corporate office, warehousing facilities, tea tasting room, and information technology systems. Leveraging this manufactured capital has enabled us to deliver superior service to our clients while reducing operational costs. Recognizing the vital role of this capital in the value creation process, the Group has focused on enhancing infrastructure to support current business activities and to meet future challenges effectively.



MANUFACTURED CAPITAL CONTRIBUTION IN VALUE CREATION

Enhancing Operational Efficiency and Productivity through State-of-the-Art Equipment and modernized facilities

Driving Innovation and Digital Transformation

Promoting Sustainability and cost savings

Ensuring Quality and Compliance

CAPITAL MANAGEMENT REPORTS

Manufactured Capital

Warehousing Facilities

During the past year, the Group managed over 224,637 sq ft of leased and rented warehousing space, including four warehouses located in Muthurajawela, Grandpass, Enderamulla, and Awariwatta, with 97,410 sq ft, 47,902 sq ft, 44,400 sq ft, and 34,925 sq ft respectively. Effective September 1, 2023, tea handling operations were transferred from Ceylon Tea Brokers PLC to Logicare (Pvt) Ltd. Logicare had previously entered into a 39-year lease agreement on July 29, 2016, with the Sri Lanka Land Reclamation and Development Corporation for land in Muthurajawela. The increased capacity of the Muthurajawela warehouse and the transfer of warehouse operations to Logicare (Pvt) Ltd led to the closure of the Elakanda warehouse in June 2023 and part of the Enderamulla warehouse in October 2023.

The Group owns a state-of-the-art warehousing complex at Muthurajawela, equipped with modern warehousing technology and machinery, designed to reduce our carbon footprint and align with our commitment to environmental sustainability. Besides the Muthurajawela warehouse, all other warehouses operated by the Group are secured through short-term to long-term rental agreements, ensuring flexible and efficient business operations.

EFFECTIVE SEPTEMBER 1, 2023, TEA HANDLING OPERATIONS WERE TRANSFERRED FROM CEYLON TEA BROKERS PLC TO LOGICARE (PVT) LTD.

Total PPE



974.4 Rs. Mn

2022/23 - 881.1 Rs. Mn

Total CAPEX



22.0 Rs. Mn

2022/23 - 12.5 Rs. Mn



Group owns a state-of-the-art warehousing complex - Logicare (Pvt) Ltd

Tea Tasting Room

CTB PLC has invested in a 1,302 sq ft Tea tasting room in its head office with a state-of-the-art lighting system to enhance the efficiency of the Tea tasting function which is one of the key areas in our business process.



Tea Tasting Room

Tea Sample Room

CTB PLC has a 5,900 sq ft Tea sample room with all equipment to carry out the sampling operation efficiently.



Auction Rooms

The Company established two auction rooms, totaling 363 sq ft, at its head office for tea auctioning purposes, enabling sellers to focus without any external disturbances.



CAPITAL MANAGEMENT REPORTS

Human Capital

The strength and success of Ceylon Tea Brokers PLC are deeply rooted in our most valuable asset: our people. During the 2023/2024 fiscal year, we have continued to place significant emphasis on nurturing and developing our human capital to drive the company's vision and strategic goals. Our dedicated workforce, marked by their expertise, commitment and innovation, remains the cornerstone of our operations and achievements in a highly competitive market.



HUMAN CAPITAL CONTRIBUTION IN VALUE CREATION

Drive operational excellence through continuous skill development

Fostering a Culture of Excellence and Engagement

Building a Resilient and Adaptable Workforce

Promoting Ethical Practices and Strong Corporate Governance

As we navigate through evolving industry landscapes and global challenges, our investment in human capital has been pivotal. We have invested in training programs, enhanced employee engagement initiatives, and fostered a culture of inclusivity and continuous improvement. These efforts ensure that our team is well-equipped to adapt, innovate, and excel in delivering exceptional value to our stakeholders.

In this section, we will highlight the key initiatives and milestones achieved in our human capital development, including our recruitment strategies, training programs, employee well-being measures, and efforts to promote diversity and inclusion. By investing in our people, we reaffirm our commitment to maintaining our leadership in the tea brokerage industry and sustaining long-term growth and success.

Our Team

Our formidable team at Ceylon Tea Brokers PLC is a rich tapestry of talent and expertise, encompassing individuals from a wide array of backgrounds who play an integral role in our value creation efforts. This diversity is our strength, enabling us to draw from a broad spectrum of perspectives and experiences, which drives operational excellence in all facets of our operations.

We are proud to have representation from diverse genders, major ethnic groups, and different generations within our workforce. This diversity underscores our steadfast commitment to being an equal opportunity employer and fostering an inclusive work environment where every employee can flourish. Our inclusive culture is not just a policy but a core value that permeates our organizational ethos.

During the year, we have continued to prioritize the growth and development of our employees. This commitment has borne fruit, with 19 individuals being promoted, advancing their careers and enhancing their contributions to the company. These promotions reflect our dedication to recognizing and nurturing talent, providing our team members with opportunities to grow and excel.

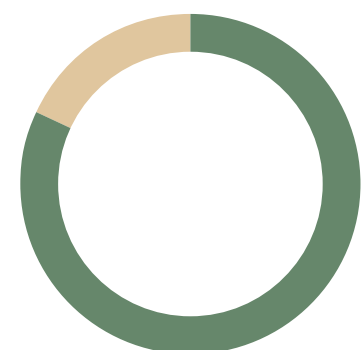
While our core team consists of permanent employees who are the backbone of our operations, we also collaborate with a cadre of contracted and outsourced professionals. These specialists bring additional expertise in key areas such as warehouse management, sample room operations, legal affairs, marketing, and IT. This strategic collaboration ensures that we have the right skills and knowledge to maintain our competitive edge and deliver exceptional service to our stakeholders.

OUR FORMIDABLE TEAM AT CEYLON TEA BROKERS PLC IS A RICH TAPESTRY OF TALENT AND EXPERTISE, ENCOMPASSING INDIVIDUALS FROM A WIDE ARRAY OF BACKGROUNDS WHO PLAY AN INTEGRAL ROLE IN OUR VALUE CREATION EFFORTS.

Total Employees

123 Nos

2022/23 - 121 Nos



■ Permanent 82%
■ Direct Employment Contract 18%
Employment Type (%)

CAPITAL MANAGEMENT REPORTS

Human Capital

At Ceylon Tea Brokers PLC, our team is more than just a workforce; it is a community of professionals who share a common vision and commitment to excellence. Together, we continue to build a dynamic and resilient organization poised for sustained growth and success in the ever-evolving tea brokerage industry.

Changes to Reporting

The Group obtained external assurance on its Human Capital for 2023/24, resultantly the total employee count for 2022/23 have been restated.

Equal Opportunity

At Ceylon Tea Brokers PLC, we are steadfast in our commitment to upholding the principles of equal opportunity employment. We believe that fostering a workplace defined by equity, inclusivity, and diversity is not just a responsibility but a fundamental aspect of our identity. We are dedicated to implementing tangible measures that ensure every employee, regardless of their background, is empowered, supported, and given equal opportunities to advance their careers.

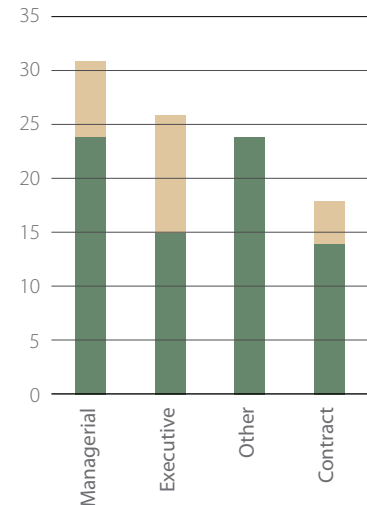
Recognizing the unique needs and aspirations of each team member, we strive to provide an environment, where personal growth and professional development are prioritized. Our policies and practices are designed to enable every individual to reach their fullest potential, thereby enhancing their contributions to the company and fostering a culture of continuous improvement and innovation.

Gender Diversity

Group	Male		Female		Total Nos
	Nos	%	Nos	%	
Managerial	30	24	9	7	39
Executive	19	15	13	11	32
Other	30	24	0	0	30
Contract	17	14	5	4	22
Total	96	78	27	22	123

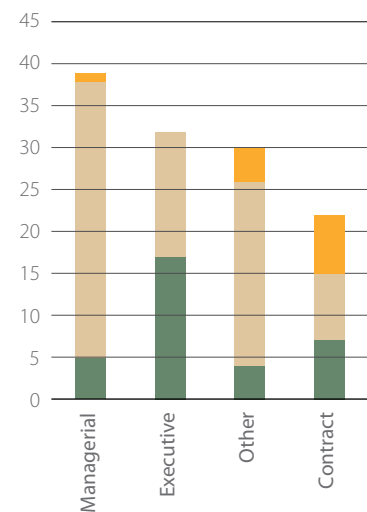
Level of Employment

Group	Nos	%
Managerial	39	32%
Executive	32	26%
Other	30	24%
Contract	22	18%



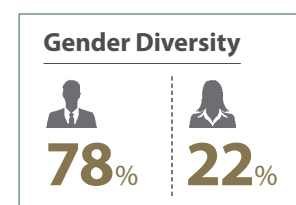
Male Female

Gender Distribution by Employment Category (%)



Below 30 Years
30-50 Years
Above 50 Years

Age Distribution (No)



Value Creation for Employees

The cornerstone of our achievements lies in our ability to create a culture that values diverse backgrounds, promotes fairness, and nurtures inclusivity. This inclusive culture has been instrumental in driving our success, enabling us to attract and retain talented individuals who are inspired and motivated to excel.

We have implemented a range of initiatives and practices to ensure that our employees are supported and encouraged in their professional journeys. These include comprehensive training programs, mentorship opportunities, and wellness initiatives, all designed to create a supportive and stimulating work environment. Our efforts to inspire and motivate our workforce have consistently translated into tangible value for our employees and the company alike.

During the year under review, our commitment to our employees is reflected in the total compensation paid, which amounted to Rs. 414.3 million, compared to Rs. 400.5 million in the previous year. This significant increase underscores our dedication to recognizing and rewarding the hard work and contributions of our team. Through these efforts, we continue to build a dynamic, resilient organization where every employee has the opportunity to thrive and contribute to our collective success.

Talent Acquisition and Management

At Ceylon Tea Brokers PLC, we uphold a fair and transparent approach to recruitment and selection, ensuring our Human Resources team assesses candidates based solely on their competencies, skills, and experience. This rigorous evaluation process is designed to meet our strategic hiring needs, enabling us to build a workforce that is both highly skilled and diverse.

Our talent acquisition channels are meticulously crafted to attract individuals with the right blend of interpersonal skills and technical proficiencies. By leveraging these channels, we have successfully demonstrated our commitment to our employees' career success. This is evidenced by our human capital analysis ratios, which show significant career progression and long-term tenure within the company.

We believe in the importance of building and nurturing a workforce that can adapt to dynamic and ever-changing external environments. Preparing our employees to thrive amidst volatility enables us to stay agile and responsive to external shifts.



Christmas Celebrations Dec'23



New Year Celebrations '24



Year End Party Dec'23

CAPITAL MANAGEMENT REPORTS

Human Capital

Employee Engagement and Recreational Activities

At Ceylon Tea Brokers PLC, we believe that fostering an engaged workforce is essential to our success. To promote camaraderie and teamwork among our staff, we organize a variety of recreational activities, including a movie eve, a scavenger hunt, and Friday Fundays. These events are designed to strengthen relationships and build a sense of community within the company.

Additionally, the HR department conducts Coffee Sessions with the CEO and COO, providing employees with a unique opportunity to connect with senior management. During these sessions, employees are encouraged to share their thoughts, ideas, and suggestions for enhancing performance. This open dialogue cultivates a strong bond between employees and senior management.

Recruitments and Resignations

Age		Recruitments	Resignations
Below 30	Male	8	4
	Female	8	4
30-50	Male	8	12
	Female	1	2
50 & Above	Male	-	1
	Female	-	-
Total		25	23

Training and Development

Our emphasis on training and development is pivotal to our strategy for continuous improvement and organizational growth. We are committed to ensuring our staff possess the skills and knowledge necessary to excel in their roles. To achieve this, our HR department has actively collaborated with esteemed external training providers to deliver high-quality training programs. Training programs have been conducted internally as well as in partnership with prominent institutions such as The Institute of Chartered Accountants of Sri Lanka, the Institute of Certified Management Accountants of Sri Lanka, and the Employers' Federation of Ceylon.

OUR EMPHASIS ON TRAINING AND DEVELOPMENT IS PIVOTAL TO OUR STRATEGY FOR CONTINUOUS IMPROVEMENT AND ORGANIZATIONAL GROWTH. WE ARE COMMITTED TO ENSURING OUR STAFF POSSESS THE SKILLS AND KNOWLEDGE NECESSARY TO EXCEL IN THEIR ROLES.



Fun Fridays



Thai Pongal Celebrations'24



Women's Day Celebrations'24



Medical Camp Mar'24

GRI 2021 : 2-7
GRI 2016 : 404-1, 404-2, 405-1

On the job training remains a cornerstone of our employee development strategy. By providing hands-on experiences, we ensure that our employees gain practical skills and insights that are directly applicable to their roles. Additionally, we have implemented cross-training initiatives, enabling staff to work proficiently across various divisions within the Group. This approach not only enhances our operational flexibility but also maximizes the potential of our workforce, creating numerous opportunities for career advancement and mobility within the organization.

Supporting our employees' career growth extends beyond internal training. We actively encourage the pursuit of professional qualifications, reimbursing annual subscription fees for memberships in professional bodies. This includes organizations such as The Institute of Chartered Accountants of Sri Lanka (CASL), the Chartered Institute of Management Accountants (CIMA), the Chartered Institute of Logistics and Transport (CILT), Association of Chartered Certified Accountants (ACCA) and Certified Management Accountants (CMA). Additionally, our company is recognized as a certified training partner by CA Sri Lanka for students underscoring our commitment to developing future industry leaders.

WE BELIEVE IN THE IMPORTANCE OF BUILDING AND NURTURING A WORKFORCE THAT CAN ADAPT TO DYNAMIC AND EVER-CHANGING EXTERNAL ENVIRONMENTS. PREPARING OUR EMPLOYEES TO THRIVE AMIDST VOLATILITY ENABLES US TO STAY AGILE AND RESPONSIVE TO EXTERNAL SHIFTS.

No of Training Hours

Group	Male		Female		Total	
	Total Hours	Avg Hours	Total Hours	Avg Hours	Total Hours	Avg Hours
Managerial	311	10	171	19	482	12
Executive	278	15	181	14	459	14
Other	12	-	-	-	12	-
Contract	11	1	6	1	17	1
Total	612	6	357	13	969	8

Average Training Hours per Employee

8 Hrs
2022/23 - 5 Hrs

Total Training Hours

969 Hrs
2022/23 - 576 Hrs

Compensation and Benefits

At Ceylon Tea Brokers PLC, our compensation and benefits program is designed to attract, retain, and motivate our employees, aligning with the organization's strategic goals. Our pay structures and scales are competitive, adhering to industry standards and ensuring that our employees are fairly compensated. Additionally, our incentive payout plan rewards both individual performance and the overall performance of the Group, fostering a culture of excellence and achievement.

To recognize and incentivize top talent, we utilize an annual performance review and increment cycle. This structured approach allows us to address the needs of our high-performing employees, rewarding their contributions and encouraging sustained performance. Beyond remuneration, our permanent employees benefit from a comprehensive package that includes life insurance coverage for themselves and their families, maternity leave, and reimbursement of professional subscriptions.

CAPITAL MANAGEMENT REPORTS

Human Capital


Our commitment to employee well-being is further demonstrated through our comprehensive medical insurance scheme, which covers surgical and hospitalization expenses, critical illness, and personal accidents. This insurance extends not only to employees but also to their spouses and children. Additionally, we offer a range of welfare and lifestyle benefits, such as staff loans, to support our employees in fulfilling their personal needs.

Overall, our compensation and benefits scheme is meticulously designed to align with industry standards, recognize outstanding performance, and provide extensive support to our employees and their families.

Gender Pay

We are committed to ensuring equitable compensation for all employees and are actively reviewing our practices to uphold this standard.

Female Representation

			
Managerial	Other	Training Hours	Recruitments
7%	0%	357 Hrs	9 Nos (36% of total recruitments)
Executive	Contract	Average Hours per Female Employee	Resignations
11%	4%	13 Hrs	6 Nos (26% of total resignations)

Female representation at Ceylon Tea Brokers PLC showcases the company's commitment to gender diversity and inclusion within its workforce. Women constitute 22% of the total workforce, with notable presence in executive roles at 11% and managerial positions at 7%. This balanced approach ensures that female employees have substantial opportunities for leadership and decision-making, reflecting the company's dedication to fostering an equitable and inclusive work environment. As the organization continues to grow, it remains focused on enhancing female participation across all levels, contributing to a more diverse and dynamic workplace.

Whistleblowing Policy

The Group has adopted a Whistleblowing Policy designed to deter, detect, and address any genuine concerns regarding malpractice and unethical behavior. This policy allows employees to report such issues to a designated person confidentially. Additionally, measures are in place to protect whistleblowers who act in good faith for the company's best interests. The Group is committed to maintaining the utmost confidentiality for staff members who raise concerns or make serious, specific allegations of malpractice or unethical behavior. Through these efforts, the Group aims to foster a healthy workplace that upholds good governance practices at every level.

FEMALE REPRESENTATION AT CEYLON TEA BROKERS PLC SHOWCASES THE COMPANY'S COMMITMENT TO GENDER DIVERSITY AND INCLUSION WITHIN ITS WORKFORCE.

GRI 2021 : 2-7, 2-30
 GRI 2016 : 202-2, 205-1, 205-2, 205-3, 401-3, 403-1, 403-4, 403-5, 403-6, 403-7, 403-9, 403-10, 405-1, 407-1

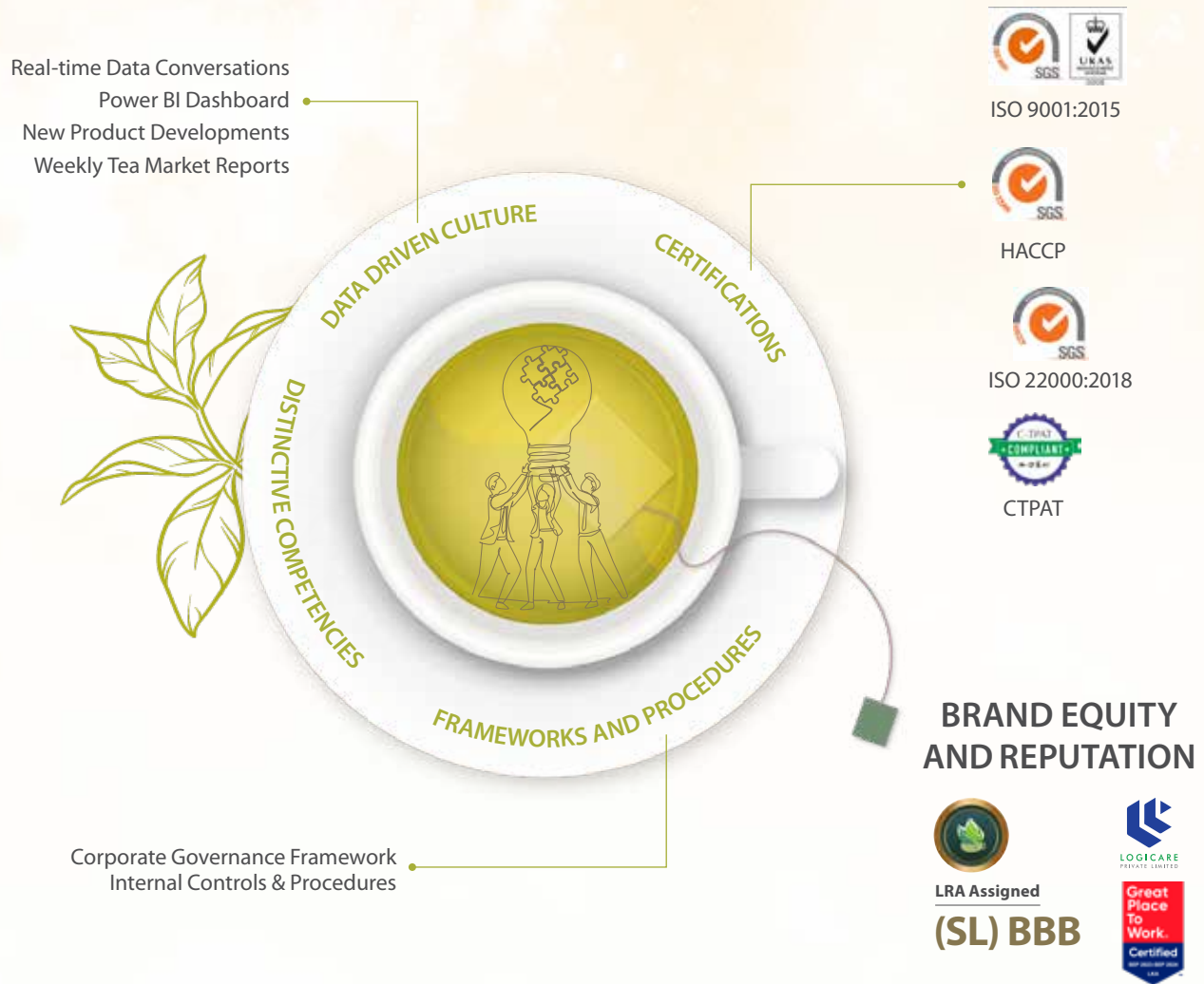
Occupational Health, Safety, and Employment Practices

Category	Details
 <p>Occupational Health and Safety</p>	<ul style="list-style-type: none"> ▪ Safety Measures: Implemented to maintain a safe work environment. ▪ Reported Incidents: None (no injuries or occupational diseases). ▪ Trainings: Logicare provided occupational health and safety training to employees, ensuring they are well-informed to ensure a safe and compliant working environment. ▪ Commitment: Accident prevention and workforce health. ▪ Committees: No trade unions or joint management-worker health and safety committees.
 <p>Labour Law</p>	<ul style="list-style-type: none"> ▪ Compliance: Adherence to the Shop and Office Employees Act No. 15 of 1954 and other relevant statutory requirements. ▪ Practices: Fair and lawful employment practices.
 <p>Defined Benefit Plan Obligations</p>	<ul style="list-style-type: none"> ▪ Gratuity Liabilities: Legal obligations followed. ▪ Actuarial Assessment: Annual assessment by an independent consultant. ▪ Transparency: Detailed information on page 180 to 181.
 <p>Collective Bargaining Agreements</p>	<ul style="list-style-type: none"> ▪ Core Values: Fairness and equal treatment. ▪ Trade Unions: None within the Group. ▪ Industrial Disputes: None throughout the year.
 <p>Ratios of Standard Entry Level Wage by Gender</p>	<ul style="list-style-type: none"> ▪ Wage Standards: Entry-level wages exceed local minimum wage requirements. ▪ Gender Equality: Equal pay for all employees at entry level.
 <p>Proportion of Senior Management Hired from the Local Community</p>	<ul style="list-style-type: none"> ▪ Local Recruitment: Workforce, including senior management, recruited exclusively from the local community. ▪ Foreign Employees: None within the Group.
 <p>Communication and Training about Anti-corruption Policies and Procedures</p>	<ul style="list-style-type: none"> ▪ Incidents of Corruption: During the reporting period, there were no reported incidents of corruption within the organization. ▪ HR Policy and Code of Conduct: Includes anti-corruption guidelines and regulations. ▪ Training: Ensures employee awareness and adherence to policies. ▪ Standards: Highest standards of integrity and transparency.
 <p>Parental Leave</p>	<ul style="list-style-type: none"> ▪ Eligibility: Exclusively provided to female employees. ▪ Usage: No instances of maternity leave availed during the reviewed period.
 <p>Minimum Notice Periods Regarding Operational Changes</p>	<ul style="list-style-type: none"> ▪ Notice Period: Minimum of two weeks before significant operational changes. ▪ Purpose: Allows employees and their representatives to prepare and adjust.

CAPITAL MANAGEMENT REPORTS

Intellectual Capital

Our organization’s intellectual capital comprises knowledge-based intangibles, which includes our Brand equity, Innovation and knowledge management, intellectual property, corporate governance framework, internal controls and procedures and the expertise of our employees. This intellectual capital sets us apart in the market and gives us a significant competitive advantage in the long term. Our commitment to fostering a culture of innovation, continuous learning, and knowledge sharing has been instrumental in enhancing our market position and value proposition.



INTELLECTUAL CAPITAL CONTRIBUTION IN VALUE CREATION

Driving Innovation and Competitive Advantage for maintaining and enhancing market position.

Enhancing Operational Efficiency by leveraging knowledge-based assets and organizational expertise

Strengthening Brand Equity and Market Reputation contributing to sustained business growth and customer loyalty

Data-Driven Decision-Making

Brand Equity and Reputation

At Ceylon Tea Brokers PLC, our brand has been meticulously developed over the years to embody the qualities of trust, stability, and strength. These attributes are the cornerstone of our identity, and we continually emphasize and reinforce them in all our operations and communications. Understanding the ever-evolving nature of the tea industry, we have proactively integrated new strengths and effectively communicated these to our stakeholders, further enhancing our brand value.

Over the past decade, our relentless pursuit of quality and excellence has played a crucial role in establishing and strengthening our brand. The trust we have built with our clients and partners is a testament to our unwavering commitment to delivering superior value. Our brand's reputation is further bolstered by our robust corporate governance framework, rigorous internal controls, and the expertise of our employees. Our brand's enduring value lies in its ability to adapt and thrive amidst change, ensuring that Ceylon Tea Brokers PLC remains synonymous with excellence in the tea industry.

Innovation and Knowledge Management

Knowledge Sharing Platforms: We have implemented robust knowledge management systems that facilitate the sharing of best practices, insights, and expertise across the organization. These platforms ensure that valuable knowledge is retained and disseminated, fostering a culture of continuous improvement.

Intellectual Property

Trademarks and Certifications: We have continued to protect and enhance our intellectual property portfolio, including trademarks and certifications that differentiate our products and services in the market. These assets are integral to maintaining our competitive edge and ensuring the authenticity of our offerings.

The certificates ISO 9001:2015, ISO 22000 : 2018, HACCP and CTPAT were obtained/renewed by Logicare during the reviewed year.

Credit Rating

The Company has been assigned an Issuer rating of [SL] BBB with a stable outlook by Lanka Rating Agency Limited.

Great Place to Work Certification

Logicare has received the prestigious Great Place to Work® certification, recognizing our commitment to creating an excellent workplace culture.

Corporate Governance Framework

At Ceylon Tea Brokers PLC, we are steadfast in our belief that exemplary corporate governance practices are vital for our competitiveness, growth, and sustainability. The Board of Directors has instituted a set of core corporate values: ability, credibility, integrity, and teamwork. These values underpin our leadership approach and ensure we adhere to high ethical standards and accountability in our commitment to good governance.

OVER THE PAST DECADE, OUR RELENTLESS PURSUIT OF QUALITY AND EXCELLENCE HAS PLAYED A CRUCIAL ROLE IN ESTABLISHING AND STRENGTHENING OUR BRAND. THE TRUST WE HAVE BUILT WITH OUR CLIENTS AND PARTNERS IS A TESTAMENT TO OUR UNWAVERING COMMITMENT TO DELIVERING SUPERIOR VALUE.



Our Brands



LRA Assigned
Rating with a Stable Outlook
(SL) BBB
2022/23 - (SL) BBB - LRA



CAPITAL MANAGEMENT REPORTS

Intellectual Capital

The Board of Directors bears the ultimate responsibility for ensuring compliance, transparency, and accountability to all stakeholders. To effectively execute policies and monitor their effectiveness, the Board has introduced a comprehensive corporate governance framework. This framework integrates both internal and external governance structures, establishing a robust system that aligns with our strategic goals and operational needs. Our commitment to good governance is reflected in our continuous efforts to improve our governance practices, ensuring they meet or exceed industry standards.

Internal Controls and Procedures

Robust internal controls and procedures are fundamental to our risk management strategy at Ceylon Tea Brokers PLC. Under the supervision and guidance of the Board of Directors, our Management and Credit Committee are tasked with implementing policies and procedures at the operational level to fortify our internal controls. These measures are designed to ensure the reliability and integrity of our operations, thereby enhancing overall governance.

Internal Auditors play a crucial role in reviewing and ensuring the effectiveness of our risk management practices and internal controls across the Group. Concurrently, External Auditors focus on assessing the internal controls related to our financial reporting process. This dual approach ensures a comprehensive evaluation of our control mechanisms, promoting a culture of continuous improvement and accountability.

Digital Platforms

Online Auction

The introduction of the first-ever Online Tea Auction in 2020 marked a transformative milestone for the Sri Lankan tea industry. Building on the success of the E-Auction, industry stakeholders continue to explore opportunities for further digitalization of auction-related support services. These ongoing discussions aim to enhance efficiency and effectiveness across the board, ensuring the auction process remains cutting-edge and highly competitive.

Digital Buyers' Portal

Our commitment to creating a seamless, end-to-end customer journey has driven us to integrate human and digital interactions more closely. In 2018, we launched a user-friendly 'Digital Buyers' Portal' for our tea buyers, providing access to detailed information on purchased teas for each sale. This portal eliminates the need for emails and calls, streamlining the selection of lots, facilitating payment processing, and allowing buyers to request delivery orders. Notifications are sent via text message when delivery orders are ready for download.

Internal Processes

To remain at the forefront of technology and continuously improve our internal processes, we have made strategic investments in system migration to the cloud, enhanced our IT infrastructure to support remote work, and implemented robust Business Continuity and Disaster Recovery plans. These efforts ensured uninterrupted service to our clients, even during unprecedented times, demonstrating our ability to adapt swiftly to challenging circumstances.



Weekly Tea Market Report






The weekly market reports of the company can be accessed using the above QR code

Transforming to a Data-Driven Culture

Our management is dedicated to fostering a data-driven culture across the Group. We have established a team of Business Analysts to provide insights for better decision-making. Our customers have also benefited from data-based analysis, which has proven valuable in shaping their businesses. Analyzing historical data has unlocked patterns in buying behavior, performance, and monitoring, paving the way for more informed and strategic decisions.

Tech/Data Developments and Impact on Company Performance

Category	Details
 <p>Tech/Data Developments During the Year</p>	<ul style="list-style-type: none"> ▪ Power BI Dashboard: Developed for the marketing department. ▪ Hosting: CTB website, user login required. ▪ Data Coverage: Comprehensive data on sold and unsold products from 2022 to present, organized into clusters. ▪ Reports: Customized reports for individual users, general, and new reports available.
 <p>Impact on Company Performance</p>	<ul style="list-style-type: none"> ▪ Bridging the Knowledge Gap: Dashboard bridges gap between tea managers/brokers and analysts, saving time and improving communication. ▪ Real-time Data Conversations: Users engage with clients using live data, speeding up decision-making, eliminating the need for multiple back-and-forth visits to request data. ▪ Identifying Trends and Patterns: Enables trend identification and uncovering hidden patterns, optimizing marketing strategies and sales performance. ▪ Improving Efficiency: Streamlines workflow, allows proactive measures and increases overall efficiency.
 <p>Future Developments</p>	<ul style="list-style-type: none"> ▪ Factory Access: Providing access to factories with limited permissions to streamline operations and improve collaboration. ▪ Expansion: Expanding dashboards to other departments to foster a data-driven culture across teams.

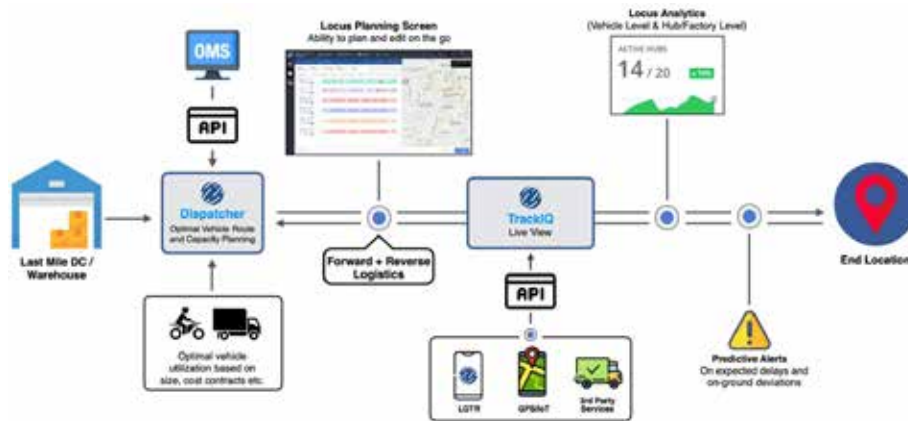
IT Governance

Investing in robust IT infrastructure and network security is critical to our operations. Our IT Steering Committee, comprising executive directors and heads of operations, finance, and IT divisions, collaborates with skilled IT consultants to systematically assess and evaluate existing IT controls. The committee regularly reviews IT policies, manages cybersecurity risks, and explores new technologies to maintain a competitive edge in service excellence.

CAPITAL MANAGEMENT REPORTS

Intellectual Capital

New Product Development



LogiNext System Architecture

LogiNext 4.0

This is a comprehensive solution designed to streamline transportation and logistics processes. It manages and coordinates the movement of goods from the point of origin to the final destination, ensuring efficiency and effectiveness throughout the supply chain.



LogiNext on the road

This isn't just an app – it's the driving force behind our logistics success. Specifically crafted for our drivers, this mobile companion ensures optimized navigation and real-time monitoring, setting the stage for a transformative journey.

Social Media Footprint

The Group utilizes diverse communication channels such as Facebook, TikTok, Instagram, and LinkedIn to ensure comprehensive reach and effective dissemination of information. These platforms are used to share updates, success stories, and educational content, enhancing our visibility and engagement with a wider audience. Our active social media presence helps us connect with stakeholders, promote our brand, and stay relevant in an increasingly digital world.



Social Media Followers

1,860

643

3,100

1,184

(Social media followers as at 2nd Jul'24)



LOGICARE
PRIVATE LIMITED

Social Media Followers

45

261

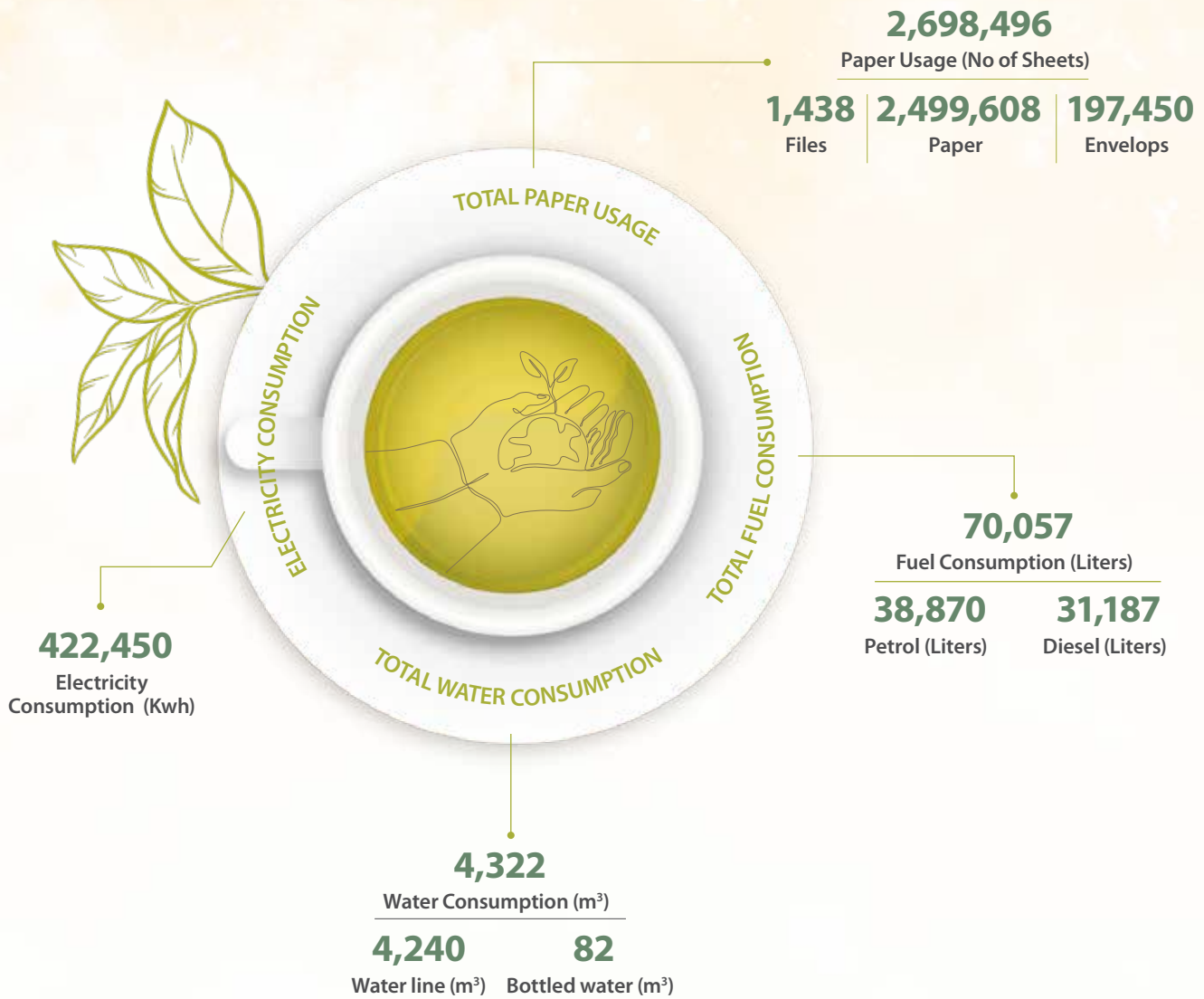
3,898

2,399

(Social media followers as at 2nd Jul'24)

Natural Capital

Ceylon Tea Brokers PLC is committed to managing its natural capital responsibly, recognizing that sustainable resource usage is vital for the long-term success of our business and the preservation of the environment. Our approach to managing natural capital focuses on the efficient use of water, paper, electricity, and fuel.



NATURAL CAPITAL CONTRIBUTION IN VALUE CREATION

Provides water, energy, and raw materials critical for the organization.

Ensures the quality and quantity of tea through healthy natural resources.

Supplies renewable and non-renewable energy for all operational needs.

Supports biodiversity and ecosystem balance, essential for sustainable business continuity.

CAPITAL MANAGEMENT REPORTS

Natural Capital

Natural Capital Management

Water Consumption

Warehouses and Headquarters: The group primarily utilizes the water line and bottled water at both warehouses and headquarters to ensure efficient water usage and minimal waste.

Paper Consumption

Business Operations: Paper is an essential resource for our day-to-day activities. We use paper, files, and envelopes extensively, particularly for placing samples into envelopes during our operations. Efforts are made to optimize paper use and explore digital alternatives where feasible.

Electricity Usage

Main Line Dependence: Our electricity consumption is managed through the use of the main electricity line, ensuring a reliable and efficient power supply for our warehouses, offices, and other facilities.


Fuel Consumption

Factory Visits and Employee Travel Allowances: Fuel is predominantly used for factory visits. Additional fuel usage comes from employee travel allowances.

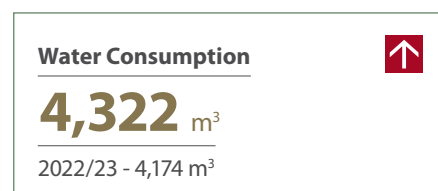
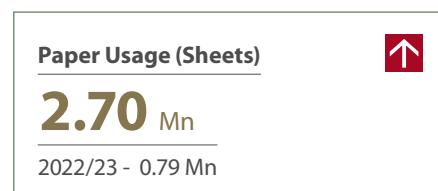
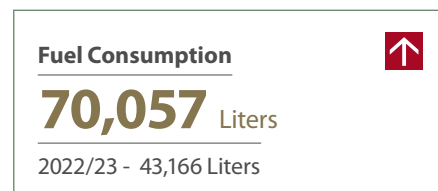
Environmental Initiatives


To minimize our environmental impact, the Group has implemented several initiatives:

Transition to a Paperless Office: Through automation and technological investments, we have significantly reduced our carbon footprint by minimizing paper usage.

Initiative	Description	Impact
 Transition to a Paperless Office	Electronic Correspondence	Routine client communications through emails and SMS.
	Digital Faxes	Incoming faxes converted to emails for individual users.
	Microsoft Teams	Digital access to board papers and virtual meetings for the Board of Directors.

These initiatives have successfully reduced our carbon footprint by minimizing paper usage, envelopes, and other printing materials. Furthermore, we have transitioned from making payments to customers via cheques to electronic methods, resulting in cost savings on paper and faster realization of payments through collaboration with leading banks in the country.



Initiative	Description	Impact
 Environmental Sustainability Practices	Natural Lighting	Utilizing natural lighting in warehousing locations and tea tasting rooms to maximize daylight usage.
	Certifications	Encouraging producer clients to obtain certifications such as the Rain Forest Alliance certificate.
	Water Treatment	Implementing a water treatment plant at the Muthurajawela warehouse to treat wastewater before disposal.
	Rainwater Harvesting	Installing a Rainwater Harvesting System (RWHS) to collect and reuse rainwater at the warehouse.



Natural lighting at warehouses



Sample evaluation using daylight



Waste Water Management System at the Muthurajawela Warehouse



Rain Water Harvesting System at the Muthurajawela Warehouse

Financial Implications and Climate Change Risks

As a company involved in the production of tea, we recognize that weather and climatic changes have a significant impact on our profitability. While we cannot directly control the implications of climate change, we closely monitor weather patterns in all agro-climatic districts and adjust our business plans accordingly.

Significant Impacts on Biodiversity

Being a service organization, our business activities and services have no significant impact on biodiversity.

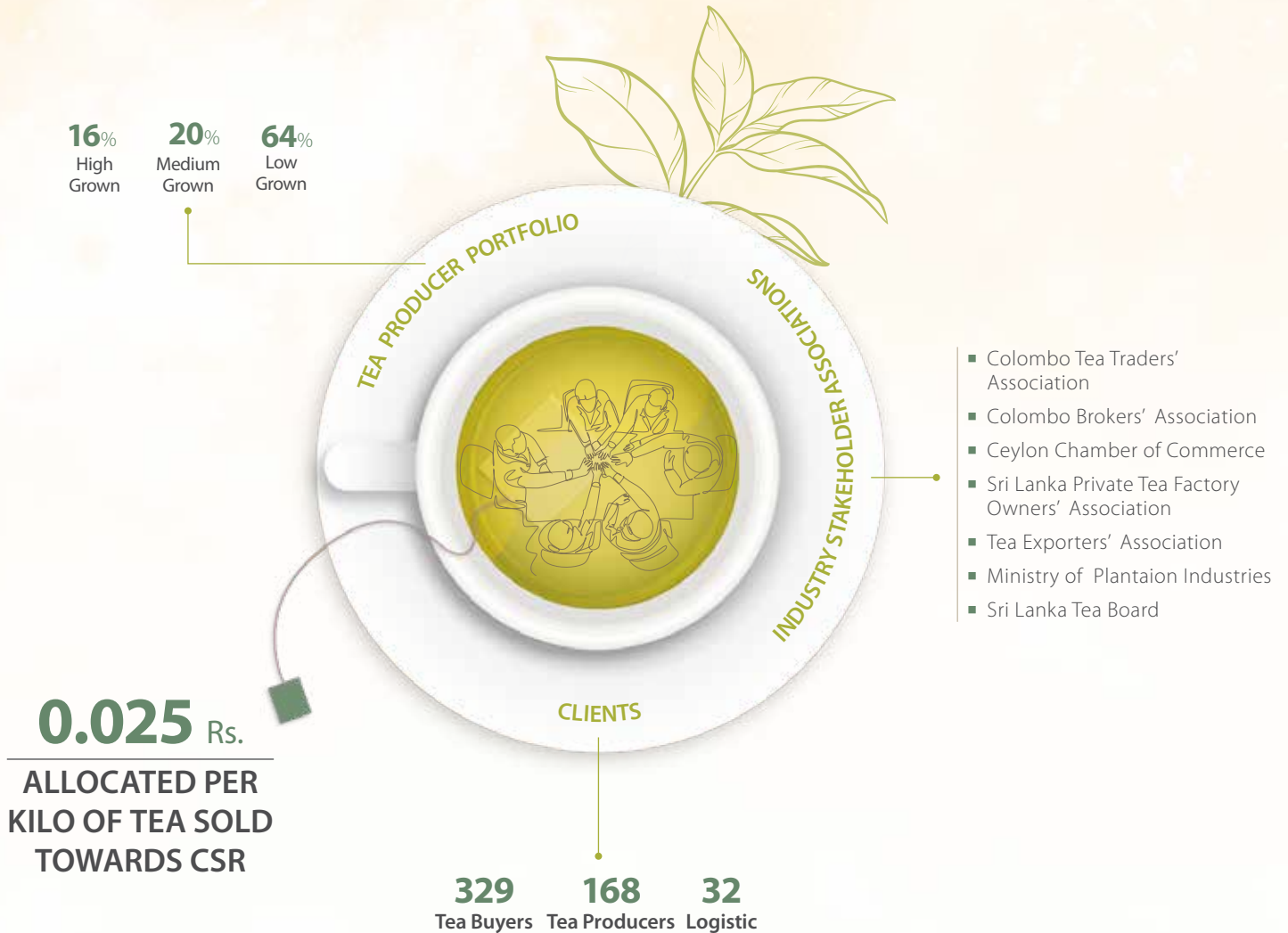
Compliance with Environmental Laws and Regulations

During the reviewed year, no incidents were reported regarding noncompliance with environmental laws and regulations. We remain committed to upholding environmental standards and complying with relevant regulations.

CAPITAL MANAGEMENT REPORTS

Social and Relationship Capital

At Ceylon Tea Brokers PLC, our social and relationship capital is foundational to our success and sustainability. We believe in fostering strong, mutually beneficial relationships with all our stakeholders, including tea producers, buyers, employees, communities, and regulatory bodies. Our commitment to social responsibility, ethical business practices, and stakeholder engagement drives our efforts to enhance value creation and ensure long-term business resilience.



SOCIAL AND RELATIONSHIP CAPITAL CONTRIBUTION IN VALUE CREATION

Strengthening supply chain resilience by maintaining robust and supportive relationships with tea producers, buyers and logistic clients

Enhancing customer loyalty and satisfaction through continuous engagement, feedback mechanisms, and tailored service offerings

Regulatory compliance and industry advocacy

Our commitment to social responsibility and ethical practices ensures the ongoing success and profitability of our business

Customers

We consistently strive to enhance our customer service proposition to earn the trust of our customers and strengthen our relationships with them. Our customer portfolio includes tea producers, tea buyers and logistic clients. Our marketing team, with statistical assistance from Business Analysts and their industrial expertise, diligently identifies buyer requirements and matches them with the capabilities of our producer clients. By fostering strong relationships with tea buyers, we ensure we secure the best possible prices for our producer clients' products.

To improve the customer experience, we promptly address customer complaints by involving relevant department heads to take appropriate corrective actions. During the reviewed year, we conducted a comprehensive customer satisfaction survey with tea producers and tea buyers to gather feedback on the quality of services provided. This feedback has been instrumental in guiding our continuous improvement efforts.

Our commitment to enhancing customer relationships is unwavering, and we actively seek to build new connections. By understanding and anticipating our customers' needs, we aim to provide exceptional service and foster long-term partnerships that drive mutual success.

OUR COMMITMENT TO ENHANCING CUSTOMER RELATIONSHIPS IS UNWAVERING, AND WE ACTIVELY SEEK TO BUILD NEW CONNECTIONS. BY UNDERSTANDING AND ANTICIPATING OUR CUSTOMERS' NEEDS, WE AIM TO PROVIDE EXCEPTIONAL SERVICE AND FOSTER LONG-TERM PARTNERSHIPS THAT DRIVE MUTUAL SUCCESS.

Supply Chain

As an intermediary between tea producers and tea buyers, our key stakeholders in the supply chain are the producers, buyers, and other service providers. At the subsidiary level, our supply chain includes warehouse providers, machinery and equipment suppliers, transporters, packaging material suppliers, manpower suppliers, and a multitude of corporate and private customers. Effective September 1, 2023, tea handling operations were transferred from Ceylon Tea Brokers PLC to Logicare (Pvt) Ltd.

Our stable and efficient supply chain ensures that we can meet the demands of our customers while maintaining high standards of quality and reliability.









Business Partners

Our business partners, including suppliers and service providers, play a vital role in ensuring the continuity of our operations. We rely on a diverse group of partners who supply the materials and services necessary for our day-to-day operations. Strengthening relationships with our business partners involves entering into service level agreements, making timely payments, and maintaining regular communication.










By establishing clear and mutually beneficial agreements, we ensure that our operations run smoothly and efficiently. Regular communication helps us address any issues promptly and collaboratively, fostering a cooperative and supportive business environment. Our commitment to maintaining strong relationships with our business partners is essential for our continued success and operational excellence.

CAPITAL MANAGEMENT REPORTS

Social and Relationship Capital

Category	Details
 Customers	<ul style="list-style-type: none"> ▪ Service Enhancement: Enhance customer service, gain trust, strengthen relationships with tea producers, buyers and logistic clients ▪ Marketing Team Role: Match buyer requirements with producer capabilities. ▪ Complaint Resolution: Promptly address complaints with corrective actions. ▪ Customer Surveys: Conduct customer satisfaction surveys with tea buyers and producers ▪ Relationship Building: Enhance and establish new relationships.
 Supply Chain	<ul style="list-style-type: none"> ▪ Stakeholders: Tea producers, Tea buyers, service providers. ▪ Subsidiary Supply Chain: Warehouse providers, machinery suppliers, transporters, packaging suppliers, manpower suppliers, corporate and private customers. ▪ Changes: Effective September 1, 2023, tea handling operations were transferred from Ceylon Tea Brokers PLC to Logicare (Pvt) Ltd.
 Customer Health and Safety	<ul style="list-style-type: none"> ▪ Compliance: No instances of non-compliance relating to health and safety impacts reported during the reviewed year.
 Customer Privacy	<ul style="list-style-type: none"> ▪ Privacy Protection: No substantiated complaints regarding breaches of privacy or loss of customer data during the reviewed year.
 Business Partners	<ul style="list-style-type: none"> ▪ Role: Supply materials and services for operations. ▪ Relationship Strengthening: Service level agreements, timely payments, regular communication.
 Procurement Procedure	<ul style="list-style-type: none"> ▪ Standards: Adheres to high ethical standards, emphasizes social and environmental responsibilities.
 Labor Rights	<ul style="list-style-type: none"> ▪ Freedom of Association: No operations or suppliers pose a risk to freedom of association and collective bargaining. ▪ Child Labor: No operations or suppliers at significant risk for incidents of child labor. ▪ Forced Labor: No operations or suppliers at significant risk for incidents of forced or compulsory labor.
 Industry Stakeholder Associations	<ul style="list-style-type: none"> ▪ Associations: Colombo Brokers' Association, Colombo Tea Traders' Association, Sri Lanka Private Tea Factory Owners' Association, Tea Exporters' Association, Ceylon Chamber of Commerce, Sri Lanka Tea Board, Ministry of Plantations Industries. ▪ Participation: Active participation in events and forums.

GRI 2021 : 2-27
GRI 2016 : 203-1, 206-1, 406-1, 410-1, 413-1

Category	Details
 <p>Community</p>	<ul style="list-style-type: none"> ▪ Social Responsibility: Emphasis on social responsibility and positive contributions to society by allocating 0.025 Rs. per every Kilo of tea sold
 <p>Training and Development</p>	<ul style="list-style-type: none"> ▪ Opportunities: Provided training and internships to graduates and undergraduates. ▪ Certification: Certified training partner by CA Sri Lanka. ▪ Training Hours: 969 hours of staff training and development during the reviewed year.
 <p>Infrastructure Investments</p>	<ul style="list-style-type: none"> ▪ Financial Support: Extended financial facilities amounting to Rs. 1,457.2 million for producer clients' working capital requirements as of March 31, 2024.
 <p>Legal Proceedings</p>	<ul style="list-style-type: none"> ▪ Compliance: No legal actions or accusations related to anticompetitive behavior, anti-trust violations, or monopolistic practices during the reviewed year.
 <p>Non-discrimination</p>	<ul style="list-style-type: none"> ▪ Equality: No instances of discrimination recorded or reported during the reviewed year.
 <p>Human Rights</p>	<ul style="list-style-type: none"> ▪ Assessments: No business operations subject to human rights reviews or impact assessments. ▪ Ethical Practices: Adhered to ethical practices and upheld human rights standards.
 <p>Political Contributions</p>	<ul style="list-style-type: none"> ▪ Neutrality: No political contributions made during the reviewed year.
 <p>Regulatory Compliance</p>	<ul style="list-style-type: none"> ▪ Adherence: No instances of non-compliance with laws and regulations pertaining to social and economic matters.
 <p>Security Measures</p>	<ul style="list-style-type: none"> ▪ Third-party Security: Relies on third-party organizations for security personnel. ▪ Group Policies & Procedure Education: Security personnel educated about the Group's policies and procedures.

OPERATIONAL PERFORMANCE REVIEW

Overview

In the year under review, Ceylon Tea Brokers PLC continued to strengthen its position as a pivotal player in the tea broking industry, navigating through a complex landscape marked by both challenges and opportunities. Our unwavering commitment to excellence has enabled us to deliver robust operational performance, reinforcing our status as a trusted partner in the industry.

The fiscal year was characterized by dynamic market conditions, fluctuating demand, and evolving regulatory frameworks. Despite these hurdles, Ceylon Tea Brokers PLC demonstrated resilience and agility, leveraging our deep industry expertise, strong stakeholder relationships, and technological capabilities to optimize operations and drive growth.

Our strategic initiatives focused on enhancing operational efficiencies, expanding our service offerings, and strengthening our market presence. These efforts were underpinned by our dedicated team, whose expertise and passion for the tea industry have been instrumental in our success. By fostering a culture of continuous improvement, we have been able to deliver exceptional value to our clients and stakeholders.

In this section, we delve into the key aspects of our operational performance. We believe that our steadfast commitment to operational excellence will continue to propel Ceylon Tea Brokers PLC towards sustained growth and long-term success.

THE FISCAL YEAR WAS CHARACTERIZED BY DYNAMIC MARKET CONDITIONS, FLUCTUATING DEMAND, AND EVOLVING REGULATORY FRAMEWORKS. DESPITE THESE HURDLES, CEYLON TEA BROKERS PLC DEMONSTRATED RESILIENCE AND AGILITY, LEVERAGING OUR DEEP INDUSTRY EXPERTISE, STRONG STAKEHOLDER RELATIONSHIPS, AND TECHNOLOGICAL CAPABILITIES TO OPTIMIZE OPERATIONS AND DRIVE GROWTH.



Tea Broking Segment



Client Financing Activities



Manufacturing Advisory



Warehousing & Logistic Segment



Tea Broking Segment

Tea Broking Segment	2024	2023
Tea Volume (Mn. Kg)	36.85	36.01
Avg price per kilo (Rs)	1,175.14	1,437.65
Market Share (Quantity) (%)	14.46	14.75
Market Share (Value) (%)	14.88	15.26

The Tea Broking segment remains the cornerstone of Ceylon Tea Brokers PLC's operations, reflecting our expertise in the industry. In the past year, the segment navigated a challenging environment characterized by market volatility and fluctuating tea prices. Despite these hurdles, we delivered a commendable performance, driven by our strategic initiatives and unwavering commitment to excellence.

Tea production in Sri Lanka during the year marginally increased from 251.5Mn Kg to 256.09Mn Kg in 2023. This marginal increase was reflected in the volume of tea handled by Ceylon Tea Brokers PLC from 36.0Mn Kg in the previous year to 36.8Mn Kg.

Despite the 2.4% increase in the quantity of tea handled by CTB, the average price decreased by 18%, from Rs. 1,437.65 to Rs. 1,175.14, in the current year. The main contributor to this decline was the appreciation of the rupee against the USD, from 329.47 in March 2023 to 305.66 in March 2024. Despite these challenges, Ceylon Tea Brokers managed to achieve favorable average prices and navigate the changing market conditions.

The company experienced a marginal decline in market share on quantity sold, dropping to 14.46% from the previous year's 14.75%. Similarly, the market share based on the value of teas sold saw a slight decrease, from 15.26% to 14.88%. Despite these challenges, the company retained its leading position in the low-grown market segment. However, the company's management has proactively initiated measures to recover lost market share and is continuously monitoring progress to improve its competitive position.



Client Financing Activities

Client Financing Activities	2024	2023
Loans and advances to Tea Suppliers (Rs. Mn)	1,287.15	1,352.57
Interest Earned on Loans and Advances (Rs. Mn)	448.95	417.47
Finance Expenses	295.19	264.34

During the financial year, the lending operations of the company saw a rise in Interest Earned on Loans and Advances, from Rs. 417.47 million to Rs. 448.95 million. This growth was primarily driven by the expansion of the loans and advance portfolio during the 12 month period. The prevailing economic conditions in the country contributed to escalated costs, which were in line with the rise in loans and advances required by tea producer clients. Looking ahead, the company expects market interest rates to decrease, ensuring sustainable business conditions for tea producers.



Manufacturing Advisory

Manufacturing Advisory
Personalized service to clients to assist in improving the quality of tea
Advise on manufacturing methods to address market needs
One-on-one meetings with tea sellers, tea factory owners, and factory operational staff

Our manufacturing advisors play a vital role in organizational growth, as their advice and guidance on improving the quality of tea that our clients produce, enable us to obtain competitive prices at the auction. They are stationed permanently in various tea-producing areas across the country and provide personalized service to our clients to assist them in improving the quality of their tea. One-on-one meetings with manufacturing advisors, tea sellers, tea factory owners, and factory operational staff have created a solid communication platform to share the expectations of tea exporters, understand the challenges faced by tea producers, and advise on how manufacturing methods could be transformed to address market needs.

OPERATIONAL PERFORMANCE REVIEW



Warehousing & Logistic Segment

Warehousing & Logistic Segment	2024	2023
Revenue (Rs. Mn)	655.44	556.48
Gross Profit (Rs. Mn)	136.43	102.91
Profit / (Loss) from Operations (Rs. Mn)	9.74	9.75
Profit / (Loss) after Tax (Rs. Mn)	(71.13)	(55.34)

Despite facing macroeconomic challenges such as fluctuations in exchange rates, import tariffs, and interest rates, Logicare's focus on process optimization and innovative solutions enabled significant growth. During the year, Logicare delivered a Gross profit of Rs. 136 million, a 33% growth compared to the previous year. Total revenue surged to 655 million, marking an 18% increase from the previous year. The company concentrated on diversifying its product portfolio to minimize risk and enhance overall topline growth. Simplicity and innovation were key areas of focus during these compressed economic conditions. Logicare developed in-house middleware to seamlessly integrate Warehouse Management Systems (WMS) and Transportation Management Systems (TMS) with customer ERP systems, enabling customers to view their live inventory through a customer portal. Additionally, the company introduced innovative temperature control sensors for real-time monitoring of warehouse conditions, continuously recording temperature and sending notifications in case of deviations. Studies were also conducted on utilizing drones for cycle counts to enhance inventory accuracy and efficiency.

Looking ahead, the outlook for the new financial year is positive. Expectations of stabilizing key indices impacting the transport and logistics sector along with anticipated stability in exchange rates, reductions in certain import tariffs, and lower interest rates, will provide a more favorable business environment. Logicare will continue to emphasize innovative solutions and process improvements to drive further growth and efficiency.

Despite numerous challenges, Ceylon Tea Brokers strategic initiatives, strong management, and dedicated team have driven significant growth and positioned us well for future success. As we look ahead, we remain committed to enhancing our market position, fostering innovation, and delivering exceptional value to our stakeholders.

OUR APPROACH TO SUSTAINABILITY

We put our efforts to operate in a way that creates long-term value by balancing the needs of the organisation with the needs of future generations. Our Group's sustainability approach provides the foundation for incorporating the three pillars of sustainability: Environmental, Social, and Economy, into our decision-making process.

Being a socially responsible corporate citizen is part of our mission. Therefore, we ensure that our business activities positively impact on economic, social, and environmental sustainability. The Group has executed initiatives to integrate Environmental, Social and Governance (ESG) considerations with triple bottom line value creation.

We believe our approach in embedding our strategic sustainable practices into our operations has so far made a greater contribution in safeguarding the people and planet while achieving our financial objectives. Our persistent commitment to accomplish objectives set out by the United Nations Sustainability Goals (SDGs) and the progress we made in each of these priorities, are set out below.

Financial Capital



- Provided financial facilities worth Rs. 1,457.2 million in the form of Loans and Advances as of 31st March 2024 to our producer clients to expand their operations which in turn helped the industry and the economy.
- The total economic value distributed for the year is Rs. 1,477 million

Manufactured Capital



- Muthurajawela warehouse is designed to reduce the carbon footprint.
- A wastewater treatment plant is in place at the Muthurajawela warehouse to clean water before discharging.
- Logicare (Pvt) Ltd initiated a Rain Water Harvesting System (RWHS) at the Muthurajawela warehouse, to collect and reuse rainwater at the warehouse.

Human Capital



- Adhered to an equal and transparent recruitment and selection process
- Total recruitments to the Group during the year is 25.
- The total number of employees 123.
- Provided various and diverse training opportunities to employees in order to enhance their professional and technical skills.
- Reimbursed annual subscription fees of employees who are members of professional bodies.
- Emphasised at all times to act as an equal opportunity employer

Intellectual Capital



- Company provided financial facilities worth Rs. 1,457.2 million in the form of advances and loans as of 31st March 2024 to support Tea producer clients in expanding their operations.
- Improved connectivity through Microsoft Teams, Zoom, E-mails, and social media platforms.
- Invested in improving the IT infrastructure of the Group by hosting all the systems in clouds.

Natural Capital



- CTB PLC has invested in technology to reduce paper usage during its journey to a paperless office
- Routine correspondences to our clients have been converted to electronic forms such as emails and SMSs
- Natural lighting is used in warehouse locations during the daytime.
- Most of the payments to suppliers, and Tea producer clients are made electronically in collaboration with leading banks in the country.
- Encourage our producer clients to obtain globally recognised certifications such as Rain Forest Alliance certificate.

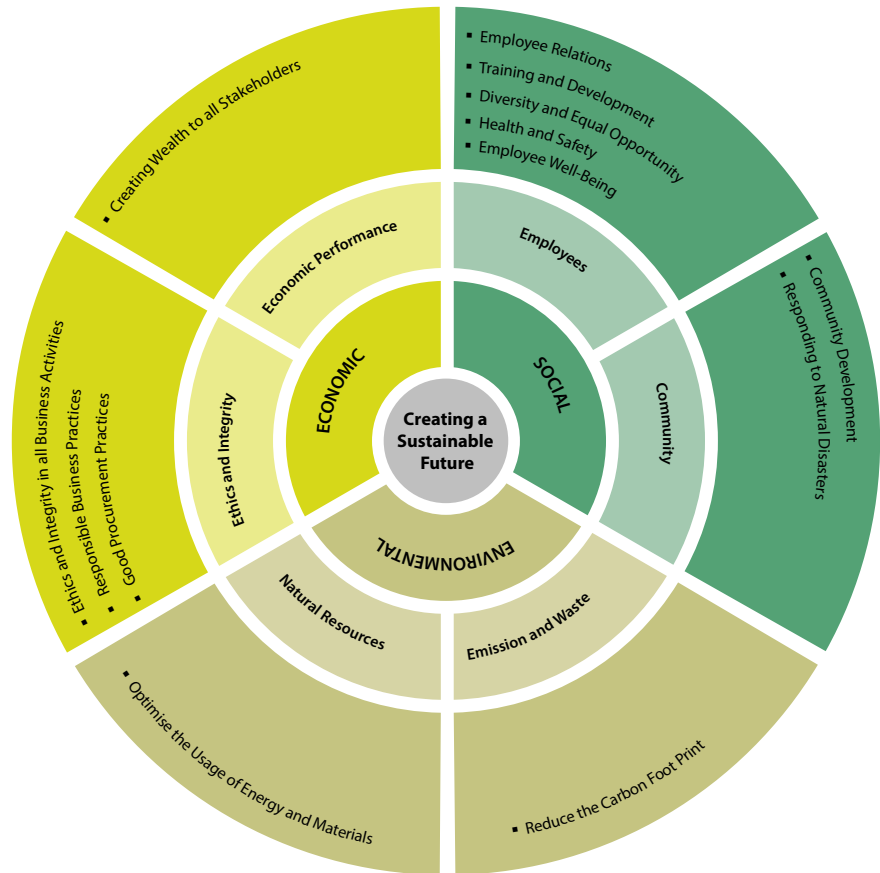
OUR APPROACH TO SUSTAINABILITY

Social and Relationship Capital



- Ensured that any of the group's operations or suppliers were not involved with any incidents of child labour, forced labour, or compulsory labour.
- The group introduced Code of Business conduct and ethics for directors, key management personnel and employees in January 2018.

Following diagram elaborates our strategy to sustainability and our sustainability goals which are in line with our business strategy.



OUTLOOK

Global and Local Tea Industry

In 2023, the global tea industry experienced a growth of 1.9 percent, with total production rising from 6,481.61 million kilos in 2022 to 6,603.81 million kilos. Sri Lanka experienced a modest increase of 1.8 percent. Moreover, the global tea export market in 2023 saw a modest increase of 0.39 percent, with the total export volume rising from 1,729.94 million kilos in 2022 to 1,736.74 million kilos. However, Sri Lanka faced a decrease in export volumes by 3.31 percent.

Tea Production by Elevation in Sri Lanka

Elevation	2022	2023	Variance	
	Mn/Kg	Mn/Kg	Mn/Kg	%
High Grown	56.32	58.64	2.32	4.1
Mid Grown	40.18	42.34	2.15	5.4
Low Grown	154.99	155.11	0.12	0.1
Total	251.50	256.09	4.59	1.8

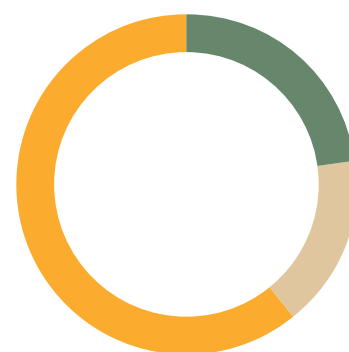
In 2023, the production of tea in Sri Lanka experienced a marginal increase of 1.8 percent compared to the previous year. This growth can be primarily attributed to improved supply conditions, particularly in the availability of fertilizers, other agrochemical inputs, and fuel. The increase in tea production impacted various categories differently. High-grown tea, which accounted for approximately 23 percent of the total production, saw a notable increase of 4.1 percent. Medium-grown tea, contributing around 16 percent of the total production, experienced an even more substantial increase of 5.4 percent. Low-grown tea, which comprises the majority of tea production at 61 percent, also saw an increase, albeit a modest one of 0.1 percent. Despite being the largest category, the growth was limited. Overall, the improved availability of essential agricultural inputs played a crucial role in boosting tea production across different categories in 2023, leading to the observed marginal increase in total production.

Warehousing and Logistics Industry

Sri Lanka's strategic location along major marine and air navigation routes in the South Asian region makes it a lucrative destination for entrepot and logistics development. The country's proximity to emerging markets, coupled with its well-developed air and seaports in Colombo and Hambantota, positions it as a crucial logistics hub. These facilities enable Sri Lanka to provide entrepot and transshipment services to leading shipping lines and exporters.

Looking ahead, Sri Lanka has ambitious plans to become a multimodal logistics hub, offering integrated services and facilities. This involves developing physical, telecommunication, and information technology infrastructure to seamlessly connect air and seaport facilities. As the economy stabilizes, there is a surge in trade activities, driving the demand for advanced warehousing and logistics services. The adoption of technology in these sectors is on the rise, with companies investing in automation, data analytics, and digital platforms. The booming e-commerce sector is also significantly increasing the demand for modern warehousing solutions.

IN 2023, THE PRODUCTION OF TEA IN SRI LANKA EXPERIENCED A MARGINAL INCREASE OF 1.8 PERCENT COMPARED TO THE PREVIOUS YEAR. THIS GROWTH CAN BE PRIMARILY ATTRIBUTED TO IMPROVED SUPPLY CONDITIONS, PARTICULARLY IN THE AVAILABILITY OF FERTILIZERS, OTHER AGROCHEMICAL INPUTS, AND FUEL.



**Elevation wise
Sri Lanka Tea Production -2023**

OUTLOOK

Despite these positive trends, the industry faces challenges such as fluctuating fuel prices, regulatory changes, and the need for skilled labor. However, these challenges also present opportunities for innovation and the development of more resilient logistics networks.

The Group

Tea Broking Segment

Volume of tea handled by Ceylon Tea Brokers PLC increased from 36.0Mn Kg in the previous year to 36.8Mn Kg. The company experienced a marginal decline in market share on quantity sold, dropping to 14.46% from the previous year's 14.75%. Similarly, the market share based on the value of teas sold saw a slight decrease, from 15.26% to 14.88%. Despite these challenges, the company retained its leading position in the low-grown market segment. However, the company's management has proactively initiated measures to recover lost market share and is continuously monitoring progress to improve its competitive position. The Management of the Company also believes that with continuous effort to enhance the market share in the High & Medium grown segment, the profitability of the Tea Broking segment will improve further. Furthermore, the Company's ongoing investment in human and technological resources is anticipated to enhance operational efficiency and service levels, creating a sustainable competitive advantage in the long run.

Warehousing Segment

Despite macroeconomic challenges, Logicare focused on process optimization and innovative solutions. In the logistics and transport segment, the company reported a Gross profit of Rs. 136 million, a 33% growth compared to the previous year. Total revenue surged to 655 million, marking an 18% increase from the previous year. The focus on product diversification minimized risk and enhanced topline growth. Key innovations included developing in-house middleware for seamless integration of WMS and TMS with customer ERP systems, introducing temperature control sensors for real-time warehouse monitoring, and studying the use of drones for inventory accuracy. Looking forward, a positive financial outlook is expected due to stabilizing economic indices, exchange rates, import tariffs, and interest rates. Logicare plans to continue emphasizing innovative solutions and process improvements for further growth and efficiency.



Popularitea

Tea is the second most popular drink in the world; the first being, water.
The tea market is worth more than \$75 billion.

Tea's ability to bridge cultural differences is unparalleled. It serves as a universal language of hospitality and respect, transcending geographical and cultural boundaries. Through the global tradition of tea drinking, we discover common ground and celebrate the diversity that enriches our world.



TEASER

TEA'S GLOBAL JOURNEY HAS GIVEN RISE TO AN
INCREDIBLE DIVERSITY OF TYPES, EACH WITH ITS UNIQUE
FLAVOR PROFILE AND CHARACTERISTICS.

CHAIRMAN'S STATEMENT ON CORPORATE GOVERNANCE

The Board believes that good Corporate Governance practices are fundamental to the Company's competitiveness, growth and sustainability. Therefore, the Board of Directors have implemented a set of corporate values which are ability, credibility, integrity and teamwork to lead the Company with high ethical values and accountability in our commitment to good governance practices.

The report below demonstrates how the Company has complied with the Corporate Governance regulations and the best practices given in the Continuing Listing Requirements issued by the Colombo Stock Exchange, Companies Act No 07 of 2007 and the Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka.

As required in the above Code, I hereby confirm that I am not aware of any material violations of any of the provisions of the Code of Business Conduct and Ethics by any Director or any member of the Key Management of the Ceylon Tea Brokers PLC.



Niraj De Mel
Chairman

23rd August 2024

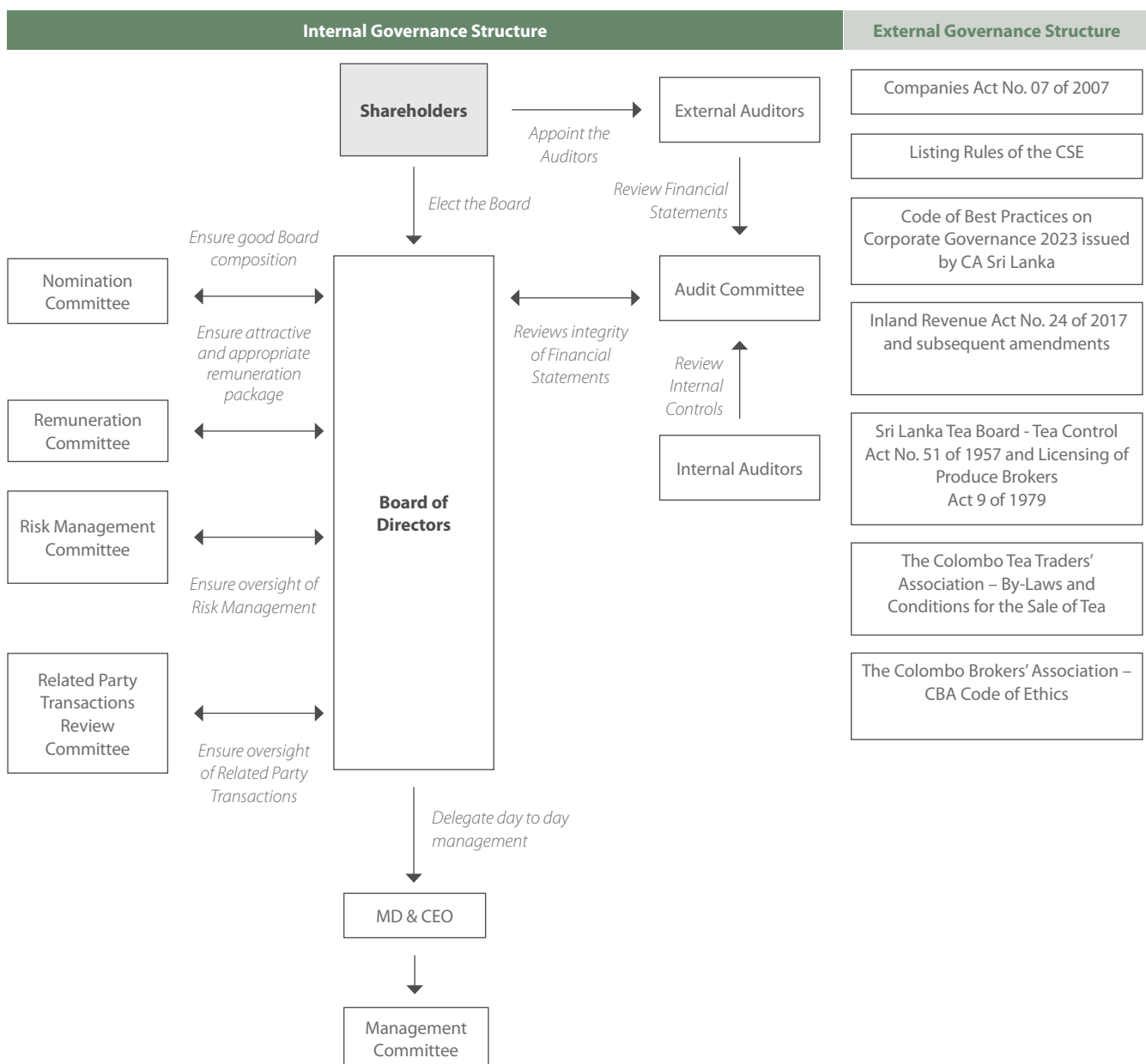
CORPORATE GOVERNANCE

Corporate Governance is the mechanism, by which a Company is directed and controlled to the best interest of all stakeholders of the Company. Strong business ethics, sound risk management framework, effective and efficient internal controls are considered as key ingredients of a good corporate governance system.

Corporate Governance Framework

The Board has the overall responsibility for compliance to ensure transparency and accountability to all stakeholders. Therefore, the Board has introduced a corporate governance framework to execute its policies and monitor effectiveness.

This framework includes both internal and external governance structures of the Company.



CORPORATE GOVERNANCE

Internal Governance Structure

Internal governance includes the adherence to internal policies and procedures, internal controls, risk management systems within a structure that includes the Board, Board Sub Committees, and the Management Committee. Internal governance structure also has an Internal Audit function which ensures independent assurance on internal controls.

External Governance Structure

External Governance Structure includes all aspects of compliance to regulations and best practices required by the external stakeholders.

The Corporate Governance practices adopted by the Company have complied with the mandatory regulatory requirements given in the Continuing Listing Requirements issued by the Colombo Stock Exchange and the Companies Act No 07 of 2007. Further, the Company has voluntarily adopted the Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka.

Level of compliance to the above regulations and best practices are given on the pages 103 to 116.

Further, the business activities of the Company have complied with the regulatory requirements given by the other external Stakeholders such as Department of Inland Revenue, Sri Lanka Tea Board, the Colombo Tea Traders' Association, and the Colombo Brokers' Association.

Code of Business Conduct and Ethics

The Group introduced its Code of Business Conduct and Ethics for Directors, Key Management Personnel and employees in 2018 which covers the following aspects in order to promote the good governance and an ethical business environment.

- Accurate Accounting and Record Keeping
- Anti-Bribery and Corruption
- Anti-Money Laundering
- Charitable Contributions (CSR)
- Compliance with Laws, Rules and Regulations including Insider Trading laws
- Confidentiality
- Conflict of Interest
- Corporate Opportunities
- Entertainment and Gifts
- Fair Dealing
- Grievance handling and Disciplinary procedures
- Illegal, Immoral and Unethical Behaviours
- Intellectual Property Rights
- Non-Discriminative and Safe Work Environment
- Non-Solicitation (Wilful Solicitation)
- Protection and proper use of Company assets
- Trade Marks and Service Marks
- Use of Technological Assets and Information Security
- Whistle Blowing

Sustainability as a Precautionary Approach

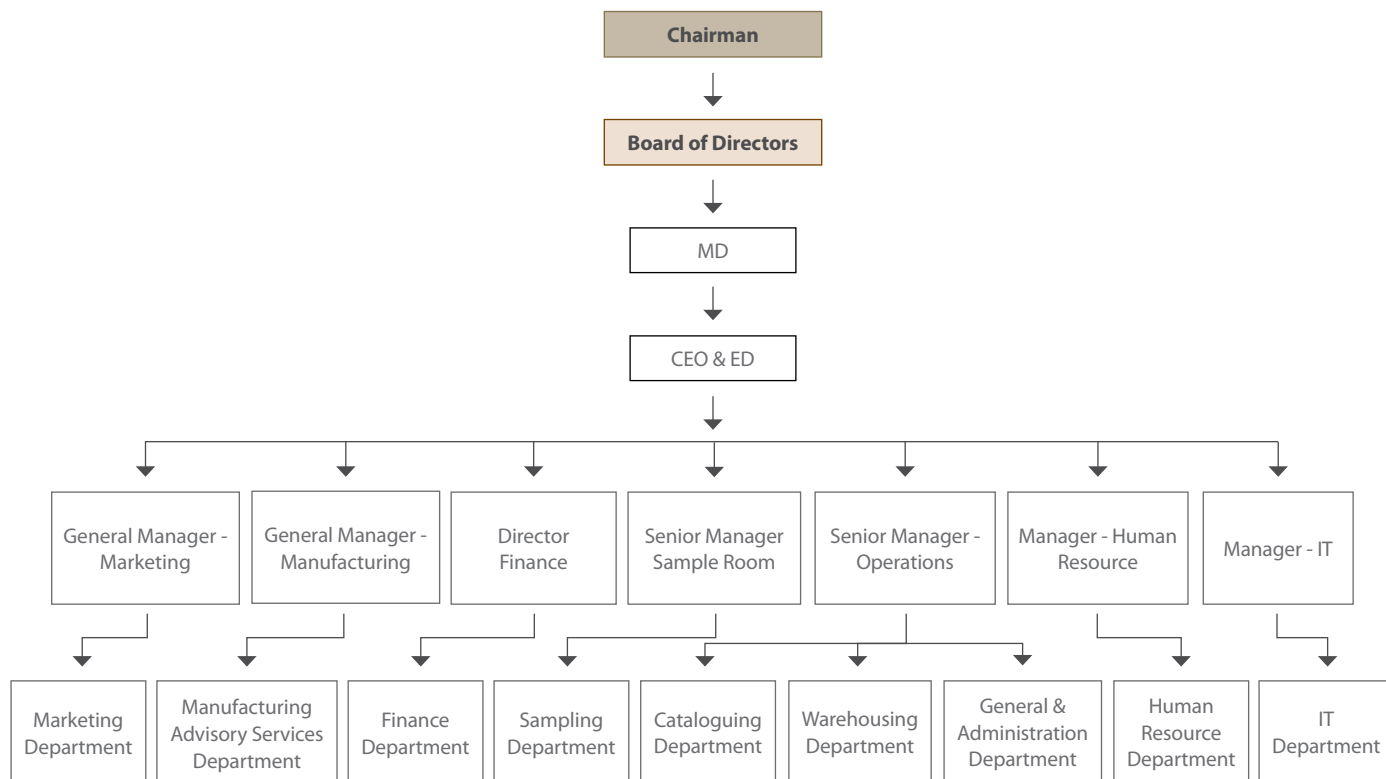
We believe sustainability management is an important precautionary approach to economic, social and environmental risk management. The Company applies the precautionary principles mainly from two angles:

- Compliance Review with the applicable laws and regulatory requirements and operational Policies and Procedures.
- Obligation to take anticipatory action to prevent harm of any kind.

Decisions taken by the Company with regard to the application of the precautionary principle should be "open, informed, and democratic" and "must include affected parties".

Organisational Structure

The Company has established a cohesive organisational governance structure made up of well-defined roles and responsibilities, greater accountability and clear reporting lines. This well-defined structure assists the group in executing strategies and driving performance with responsibility and accountability for conducting operations and managing risk.



The Board

The Board is responsible for the Company's shareholders to ensure at all times that the activities of the Company are conducted with the highest ethical standards and in the best interest of all Stakeholders. The Board consists of professionals from various industries such as tea broking, plantations, finance, banking, accounting and management. Board of Directors possesses the necessary skills, experience and knowledge to direct, lead and control the Company.

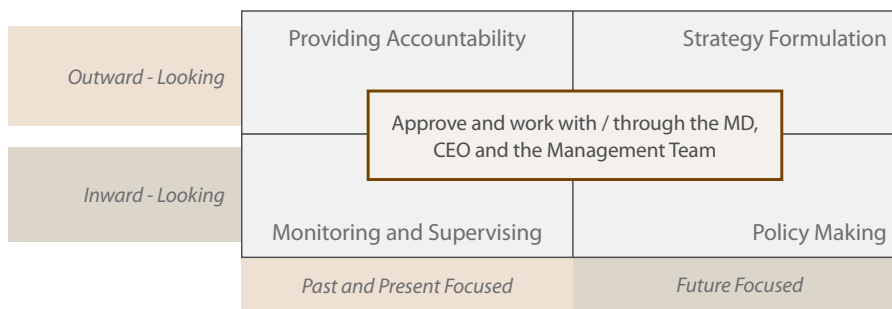
Board Age Composition as at 31st March 2024

Age Group	Male	Female	Total
Under 30 Years	0	0	0
30 to 50 Years	5	0	5
Over 50 Years	4	2	6
Total	9	2	11

CORPORATE GOVERNANCE

Key responsibilities of the Board include formulation and implementation of strategies, policy making, reviewing and approving business plans and budgets, reviewing and comparing actual results against the budgets, ensuring effective internal controls and risk management, ensuring effective compliance with laws, regulations and ethical standards.

The relationship between the Board and the Management is crucial for effective Corporate Governance. The following diagram explains that Management is the heart of the four governance functions of the Board.



Composition of the Board and Independence

The Board of Ceylon Tea Brokers PLC consisted of eleven members at the end of the financial year under review, six of whom including the Chairman are Non-Executive Directors.

The Board has determined that three Non-Executive Directors – Messrs C P R Perera, B R L Fernando and R J N De Mel are ‘Independent’ as per the criteria set out in the Listing Rules of the Colombo Stock Exchange (CSE) and the said Directors have submitted signed declarations in this regard. Detail resume of each Director is given in the Board of Directors section of this Annual Report from pages 28 to 31.

The Board is of the view that the period of service as a Board member exceeding nine years rendered by Mr. C P R Perera and Mr. B R L Fernando does not compromise their independence and objectivity in discharging their functions as Directors. Accordingly, the Board has determined that Mr. C P R Perera, Mr. B R L Fernando and Mr. R J N De Mel are ‘Independent’ Directors as per the criteria set out in the Listing Rules of the Colombo Stock Exchange.

Division of Responsibilities - Chairman and Chief Executive Officer

The roles of the Chairman and the Chief Executive Officer are separate with a clear distinction of responsibilities, which ensures the balance of power and authority.

Board Meetings

The results of the Company are regularly considered and monitored against the budget at Board Meetings at which a standard agenda is discussed together with any other matters that require the attention of the Board. The Board has met four times during the year and attendance for each Board Meeting is given below.

Attendance at Meetings for 2023/24

Name of the Director	Position	Attended	Eligibility to Attend
Mr. R J N De Mel	Chairman/ Independent Non-Executive Director	4	4
Mr. W A T Fernando	Managing Director/ Executive Director	4	4
Mr. D G W De Silva	Chief Executive Officer/ Executive Director	4	4
Mr. K A D Fernando	Chief Operating Officer/Executive Director	4	4
Mr. H T D Nonis	Executive Director	3	4
Mr. Z Mohamed	Executive Director	3	4
Mr. C P R Perera	Independent Non-Executive Director	4	4
Mr. B R L Fernando	Independent Non-Executive Director	4	4
Ms. N T M S Cooray	Non-Executive Director	3	4
Ms. H M S Perera	Non-Executive Director	4	4
Mr. K H S Deshapriya	Non-Executive Director	4	4

Board Sub Committees

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

- Audit Committee
- Related Party Transactions Review Committee
- Risk Management Committee
- Remuneration Committee
- Nomination Committee

COMMITTEE REPORT

Report of the Audit Committee

Composition

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

- Ms. H M S Perera (Non-Executive Director) – Chairperson
- Mr. C P R Perera (Independent Non-Executive Director)
- Mr. B R L Fernando (Independent Non- Executive Director)
- Mr. R J N De Mel (Independent Non-Executive Director)

Regular Attendees by Invitation

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

- Mr. D G W De Silva – Executive Director / Chief Executive Officer
- Mr. K A D Fernando – Executive Director / Chief Operating Officer
- Mr. S A A R Samarasinghe – Director Finance
- Mr. P K S Senevirathna – Finance Manager
- Ms. I A J P Rupasinghe – Finance Manager
- Ms. L S C De Silva – Assistant Finance Manager

Representatives from external auditors, Messrs. KPMG and representatives from internal auditors, Messrs. Deloitte also attended one meeting each during the year by invitation of the Committee.

Terms of Reference

The Audit Committee has been established for the purpose of assisting the Board in fulfilling its oversight responsibilities. The terms of reference of the Audit committee have been clearly defined and the main scope is as follows:

- Ensure the integrity of the Financial Statements of the Company
- Evaluate the Internal Controls and Risk management systems
- Compliance with legal and regulatory requirements
- Review the scope and results of the External Audit and its effectiveness and independence
- Review the Internal Audit function

Meetings

The Committee met five times during the year under review and the activities and views of the Committee have been communicated to the Board of Directors where necessary.

Name of the Director	Attended	Eligibility to Attend
Ms. H M S Perera - Chairperson	5	5
Mr. C P R Perera	5	5
Mr. B R L Fernando	1	5
Mr. R J N De Mel	5	5

Financial Reporting

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

The Audit Committee along with the Management reviewed the Quarterly Financial Statements and Annual Financial Statements for the year ended 31st March 2024 focusing on the quality and accuracy of the Financial Statements including compliance with the relevant regulatory requirements.

The Committee also reviews the effectiveness of the financial reporting systems in place to ensure the reliability of the information provided to Shareholders and other Stakeholders.

Internal Audit

To fulfil its responsibility to evaluate the internal Controls and risk management systems, the Committee has obtained the services of Deloitte and conducted an internal audit during the year. The scope of the Internal Audit was reviewed and discussed by the Committee with the Internal Auditors and the Management before the commencement of the Audit. The Internal Audit Report issued by the Internal Auditors was evaluated with the Management and implementation on key recommendations given by the Internal Auditors was also reviewed during the year.

External Audit

The scope of the External Audit was assessed and discussed by the Committee 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 Audit committee having evaluated the performance of the external Auditors, has recommended to the Board of Directors 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 2025 subject to the approval of the Shareholders at the Annual General Meeting.

The fees payable to the Auditors were also reviewed by the Committee and submitted to the Board of Directors for approval.

Independence of the External Audit

The Audit Committee has reviewed the other services provided by the External Auditors to the Company, to ensure that their independence as Auditors has not been compromised.

The Audit Committee is satisfied that the Company's accounting policies and internal Controls provide a reasonable assurance that the affairs of the Company are managed in accordance with the company policies and that Company Assets are properly accounted for and adequately safeguarded.



H M S Perera
Chairperson – Audit Committee

23rd August 2024

COMMITTEE REPORT

Report of Related Party Transactions Review Committee

The scope of the Committee covers the requirements of the Code of Best Practices on Related Party Transactions issued by the Securities and Exchange Commission of Sri Lanka (SEC) as well as the Section 9 of the Listing Rules issued by the Colombo Stock Exchange (CSE) on Related Party Transactions.

Composition

Related Party Transactions Review Committee comprise of the following Directors as given below;

- Mr. B R L Fernando (Independent Non-Executive Director) – Chairman
- Mr. R J N De Mel (Independent Non-Executive Director)
- Ms. H M S Perera (Non-Executive Director)

Regular Attendees by Invitation

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

- Mr. D G W De Silva – Executive Director / Chief Executive Officer
- Mr. K A D Fernando – Executive Director / Chief Operating Officer
- Mr. S A A R Samarasinghe – Director Finance
- Mr. P K S Senevirathna – Finance Manager
- Ms. I A J P Rupasinghe – Finance Manager
- Ms. L S C De Silva – Assistant Finance Manager

Terms of Reference

- Assist the Board in reviewing all Related Party Transactions carried out by the Company.
- Review the Related Party Transactions of the Company to ensure that these transactions are in accordance with the Code of Best Practices on Related Party Transactions issued by the SEC, the Section 9 of the Listing Rules issued by the CSE on Related Party Transactions and the Code of Best Practice on Corporate Governance issued by the CASL.
- Update the Board of Directors at quarterly Board Meetings.

Meetings

Quarterly meetings were held during the financial year and the attendance for the said meetings are given below.

Name of the Director	Attended	Eligibility to Attend
Mr. B R L Fernando - Chairman	4	4
Mr. R J N De Mel	4	4
Ms. H M S Perera	4	4

Minutes of meetings were circulated to the Board of Directors for their information and review.

Procedures followed by the Committee.

- The senior management is requested to update the Committee on all related party transactions during its quarterly meetings.
- The senior management is also requested to inform the committee regarding the proposed non-recurrent transactions prior to the completion of such transactions.
- In terms of recurrent related party transactions, the Committee reviews and assesses ongoing relationships with the Related Party to determine whether they are in compliance with the Committee's guidelines and that the related party transaction remains appropriate.

Activities during the Year

During the year under review, the Committee reviewed all the Related Party Transactions and the nature of such transactions at its meetings and communicated the observations and recommendations of the Committee to the Board of Directors.

Details of the related party transactions entered into by the Company during the year is disclosed in Note 28 to the financial statements.

Declaration

A declaration by the Board of Directors on compliance with the rules pertaining to the Related Party Transactions appears on the Report of the Board of Directors on page 121 of this Annual Report.



B R L Fernando
Chairman – Related Party Transactions Review Committee

23rd August 2024

Report of the Risk Management Committee

Composition

Risk Management Committee Comprise of Eight Directors, out of which three are Non-Executive Directors as given below;

- Mr. R J N De Mel
(Independent Non-Executive Director) – Chairman
- Mr. C P R Perera
(Independent Non-Executive Director)
- Mr. B R L Fernando
(Independent Non-Executive Director)
- Mr. W A T Fernando
(Managing Director/ Executive Director)
- Mr. D G W De Silva
(Executive Director/ Chief Executive Officer)
- Mr. K A D Fernando
(Executive Director / Chief Operating Officer)
- Mr. Z Mohamed
(Executive Director)
- Mr. H T D Nonis
(Executive Director)

Regular Attendees by Invitation

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

- Mr. S A A R Samarasinghe
Director Finance
- Mr. J S Warusevitane
Risk and Compliance Manager
- Mr. P K S Senevirathna
Finance Manager
- Ms. I A J P Rupasinghe
Finance Manager
- Ms. L S C De Silva
Assistant Finance Manager

Terms of Reference

The Risk Management Committee has terms of reference, dealing with its authority and duties, which is established for the purpose of assisting the Board in fulfilling its oversight responsibilities relating to risk management and internal controls which includes;

- Reviewing the adequacy of the risk management framework and the internal controls to mitigate the potential risks and their impact to the Company and its operations.
- Assessing all types of potential risks of the Company including the credit risk and reporting to the Board of Directors through verbal briefings and tabling the minutes of the Committee meetings at quarterly Board Meetings.

Meetings

Quarterly Meetings were held during the financial year 2023/24 and the attendance for the said meetings are given below;

Name of the Director	Attended	Eligibility to Attend
Mr. R J N De Mel - Chairman	4	4
Mr. C P R Perera	3	4
Mr. B R L Fernando	4	4
Mr. W A T Fernando	4	4
Mr. D G W De Silva	4	4
Mr. K A D Fernando	4	4
Mr. Z Mohamed	4	4
Mr. H T D N Nonis	4	4

Activities during the year

The Committee assisted the Board of Directors in reviewing the effectiveness of the risk management framework of the Company and recommended changes wherever necessary.

Complete review on the Risk Management Framework is given from page 122 to 127 of this Annual Report.



R J N De Mel

Chairman – Risk Management Committee

23rd August 2024

COMMITTEE REPORT

Report of the Remuneration Committee

Composition

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

- Mr. R J N De Mel (Independent Non-Executive Director) – Chairman
- Ms. N T M S Cooray (Non-Executive Director)
- Mr. B R L Fernando (Independent Non-Executive Director)

Regular Attendees by Invitation

The Managing Director of the Company attended meetings by invitation.

Terms of Reference

The Remuneration Committee operates within agreed terms of reference and is committed to ensure that the remuneration packages align with the performance of employees. The Remuneration Committee reviews the performance of the Executive Directors against the set objectives and recommends the remuneration payable to them. The Board makes the final determination after considering such recommendations. No Director is involved in determining his or her own remuneration.

Remuneration Policy

Remuneration Policy is formulated to attract and retain highly qualified, experienced Executive Directors and Key Management Personnel and to motivate them to achieve set objectives. The remuneration packages are linked to the individual performances and the Company's overall performance.

A profit share scheme based on the performance of the Company is in place as a part of remuneration of the Key Management Team including Executive Directors in order to align their interests with those of the Company and Stakeholders and to give these Directors appropriate incentives to perform at the highest levels. This Scheme is subjected to an annual review by the committee.

Salaries and other benefits are also reviewed annually considering the individual performances, Company's performance and the levels of remuneration in the industry.

The aggregate remuneration paid to the Executive and Non-Executive Directors during the year under review appears on Page 195 under Directors' remuneration.

Meetings

The Committee convened twice during the year under review and attendance for these meetings is provided below.

Name of the Director	Attended	Eligibility to Attend
Mr. R J N De Mel - Chairman	2	2
Ms. N T M S Cooray	2	2
Mr. B R L Fernando	2	2



R J N De Mel

Chairman – Remuneration Committee

23rd August 2024

Report of the Nomination Committee

Composition

The Nomination Committee appointed by and responsible to the Board of Directors comprises of the following Directors;

- Mr. R J N De Mel (Independent Non-Executive Director) – Chairman
- Mr. W A T Fernando (Managing Director/ Executive Director)
- Mr. B R L Fernando (Independent Non-Executive Director)

Terms of Reference

The Nomination Committee make recommendations to the board on all new Board appointments and re-appointments. The Committee regularly assesses the structure, size, composition and competencies of the Board and make recommendations to the Board with regard to any changes. The findings of such assessments are considered when appointing new Directors to the Board or when incumbent Directors come up for re-election.

Upon the appointment of a new Director to the Board a brief resume of the Director which includes his expertise and other directorships are communicated to the Shareholders through the Colombo Stock Exchange.

Activities during the year

During the year under review, the Committee discussed on the process of succession planning relating to executive directors and the Corporate Management. The necessary recommendations were made to the Board of Directors to put action plans in place to manage succession.

Re-election / Re-appointment of Directors at the Fifteenth Annual General Meeting

Details of the Directors who are subject to re-election / re-appointment at the fifteenth Annual General Meeting are given under the Notice of the Annual General Meeting on page 212.

Meetings

The Committee convened twice during the year under review and attendance for these meetings is provided below.

Name of the Director	Attended	Eligibility to Attend
Mr. R J N De Mel - Chairman	2	2
Mr. W A T Fernando	2	2
Mr. B R L Fernando	2	2



R J N De Mel
Chairman – Nomination Committee

23rd August 2024

DIRECTORS' STATEMENT ON INTERNAL CONTROLS

Responsibility

The Board is responsible for the adequacy and effectiveness of Ceylon Tea Brokers PLC's system of internal controls. However, such a system is designed to manage the Company's key areas of risk within an acceptable risk profile, rather than eliminate the risk of failure to achieve the business objectives of the Company. Accordingly, the system of Internal Controls can only provide a 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 Risk Management Committee and the Audit Committee review the effectiveness of the risk management framework and internal controls, effectiveness of the audit, review of compliance and internal audit processes. The Management Committee and the Credit Committee which are under the supervision and direction of the Board of Directors implement policies and procedures at operational level in order to strengthen the internal controls. 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.

Detailed review on risk management and internal controls is given from page 122 to 127 under Risk Management.

Confirmation

Based on the above processes, the Board confirms that the financial reporting system of the Company has been designed to provide a reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes has been done in accordance with Sri Lanka Accounting Standards and other regulatory requirements.

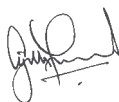
By order of the Board



H M S Perera
Chairman – Audit Committee



R J N De Mel
Chairman



W A T Fernando
Managing Director

23rd August 2024

SUMMARY OF COMPLIANCE

Voluntary Compliance with the Code of Best Practice on Corporate Governance 2023 issued by the Institute of Chartered Accountants of Sri Lanka is as follows:

Section I – The Company

Reference to Code	Governance Principle	Compliance Status	Details of Compliance
A	Directors		The Board comprises of eleven directors out of which six are Non Executive Directors as at 31st March 2024.
A.1	The Board		
A.1.1	Board Meetings	Yes	The Board has met four times during the year and attendance for the Board Meetings is given on Page 95 of this report.
A.1.2	Role of the Board	Yes	Key responsibilities of the Board includes; <ul style="list-style-type: none"> ▪ Formulation and implementation of strategies ▪ Reviewing and approving business plans and budgets ▪ Reviewing and comparing actual results against the budgets ▪ Ensuring effective internal controls and risk management ▪ Ensuring effective compliance with laws, regulations and ethical standards. ▪ Ensuring that the ICT roadmap is in line with the business strategy.
A.1.3	Act in Accordance with the Laws of the Country	Yes	The Board has ensured that the Directors have adhered to all applicable laws, rules and regulations.
A.1.4	Access to the Company Secretary	Yes	All Directors have access to the advice and services of the Company Secretary M/s. PW Corporate Secretarial (Pvt.) Ltd., who is responsible to the Board in ensuring that Board procedures are followed and that applicable rules and regulations are complied.
	Appropriate Insurance Cover	Yes	The Group has obtained a Directors and Officers Liability Insurance Cover.
A.1.5	Independent Judgement	Yes	The Board members are required to refrain from matters of self interest and to bring independent judgement to the decision-making process.
A.1.6	Adequate Time and Effort	Yes	Directors dedicate adequate time and effort to matters pertaining to the Board and the Group to ensure that their duties and responsibilities are satisfactorily discharged. Directors dedicate sufficient time before a meeting to review Board papers and request additional information and clarification and follow up on issues consequent to the meeting.
A.1.7	Resolution to be presented to the Board	Yes	One third of Directors can call for a resolution to be presented to the Board where they feel it is in the best interest to the Group to do so.
A.1.8	Appropriate Training	Yes	Majority of the Directors have experience in the Tea Industry and every Director is given appropriate training on the industry as well as guidelines for accepting a new directorship, when they are first appointed to the Board.

SUMMARY OF COMPLIANCE

Reference to Code	Governance Principle	Compliance Status	Details of Compliance
A.2	Chairman and Chief Executive Officer (CEO)	Yes	The roles of the Chairman and the Chief Executive Officer are separate with a clear distinction of responsibilities, which ensures balance of power and authority.
A.3	Chairman's Role	Yes	Main responsibility of the Chairman is to lead and manage the Board and its Committees, so that they can function effectively. The Chairman ensures that the Board is in complete control of the Group's affairs and alerts to its obligations to all Shareholders and other Stakeholders.
A.4	Financial Acumen	Yes	All Directors have sufficient financial acumen and knowledge on matters of finance. Majority of the Non-Executive Directors have previous experience in Banking and Finance related Companies. Mr. B R L Fernando (Independent Non-Executive Director) is a Fellow of the CA Sri Lanka. Mr. W A T Fernando (Managing Director), Ms. N T M S Cooray (Non-Executive Director) and Ms. H M S Perera (Non-Executive Director) are members of Chartered Institute of Management Accountants, UK (CIMA).
A.5	Board Balance		
A.5.1	Non Executive Directors	Yes	Six out of eleven Directors were Non-Executive Directors at the conclusion of the last AGM. The names of Non-Executive Directors are given on page 95 and a brief resume of each Director is available on pages 28 to 31.
A.5.2	Independent Non Executive Directors	Yes	Three out of Six Non-Executive Directors were independent at the conclusion of the last AGM. The names of Independent Non-Executive Directors are given on page 95.
A.5.3	Independence of Non Executive Directors	Yes	All Independent Non-Executive Directors have met the criteria set out in the Listing Rules of CSE and this code to be recognising as independent. A special disclosure in this regard is available on page 94.
A.5.4	Annual Declaration of Non Executive Directors	Yes	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	Yes	The Board has made an annual determination as to the independence or non-independence of each Non-Executive Director based on a declaration made by the Non-Executive Directors and as per the criteria set out by the Colombo Stock Exchange Listing Rules. The special declaration on the determination of independence of Independent Non-Executive Directors, is presented on page 94 and 118.
A.5.6	Alternate Directors	Not Applicable	No alternative Directors were appointed during the year.

Reference to Code	Governance Principle	Compliance Status	Details of Compliance
A.5.7 & A.5.8	Senior Independent Director	Not Applicable	Roles of the Chairman and the Chief Executive Officer are clearly separated.
A.5.9	Chairman conducting Meetings with Non Executive Directors	Yes	The Chairman conducts meetings with the Non-Executive Directors, without the presence of Executive Directors as necessary.
A.5.10	Recording of concerns in the Board Minutes	Yes	Concerns raised by the Directors which could not be unanimously resolved during the year, such individual concerns (if any) were recorded in the minutes.
A.6	Supply of Information		
A.6.1	Management's obligation to provide appropriate and timely information to the Board	Yes	Directors are provided with monthly reports on financial and operational performance of the Group, minutes of the Board Sub Committees and other Management Committees and any other information as necessary. The Chairman ensures that all Directors are properly briefed on issues arising at Board Meetings.
A.6.2	Providing relevant information prior to the Board Meetings	Yes	The minutes, agenda and papers required for Board Meetings are provided to Directors with adequate time to study them to facilitate its effective conduct.
A.7	Appointments to the Board		
A.7.1	A Nomination Committee	Yes	The Board has appointed a Nomination Committee to make recommendations to the Board on all new Board appointments. Composition of the Nomination Committee is given on page no. 101.
A.7.2	Assessment of the Board Composition	Yes	The Nomination Committee and the Board continuously assess the Board composition to ascertain whether the combined knowledge and experience of the Board matches the strategic demands facing the Group. The findings of such assessment should be taken into account when new Board appointments are considered and when incumbent Directors come up for re-election.
A.7.3	Succession plan for CEO & for all KMPs and determining training & development requirements for identified successors.	Yes	The committee continuously evaluates the succession plan, training, and development requirements for CEO & KMP.
A.7.4	Disclosure on New Directors to Shareholder	Yes	Upon the appointment of a new Director to the Board, the Group discloses the following details to shareholders through CSE. <ul style="list-style-type: none"> ■ a brief resume of the Director ■ the nature of his expertise in relevant functional areas ■ the names of companies in which the Director holds Directorships 'independence' of such directors
A.7.5	Chairman and the members of the Nomination Committee to be identified in the Annual Report.	Yes	Nomination Committee comprise of three directors out of which two directors are non-executive directors. Details of the Nomination Committee has been given on page no. 101 of this annual report.

SUMMARY OF COMPLIANCE

Reference to Code	Governance Principle	Compliance Status	Details of Compliance
A.7.6	TOR for Nomination Committee.	Yes.	Referred the terms of reference of the committee and the requirements have been followed. Please refer page 101 on the annual report for the TOR of the Nomination Committee.
A.8	Re-election		
A.8.1	Appointment of Non-Executive Directors	Yes	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	Yes	All Directors including the Chairman of the Board are subject to election by Shareholders at the first opportunity after their appointment, and re-election thereafter are done in accordance with the Articles of Association of the Company. Refer page 118 under Annual Report of the Board of Directors.
A.8.3	Resignation of directors - written communication to the board giving reasons for resignation.	Yes	In May 2023, Mr. Madawala has resigned from his directorship.
A.9	Appraisal of Board Performance		
A.9.1 & A.9.2	Annual Performance Evaluation of the Board and its Sub Committees	In Progress	Performance evaluation of the Board and its Sub Committees are done by way of discussions at the Board Meetings. However, the board is in the process of implementing a mechanism to periodically evaluate its own performance in order to ensure that responsibilities set out in A.1.2 are discharged in a satisfactory manner.
A.9.3	Review the performance of the Directors at the time of re-election	Yes	The Board reviews the performance of each director in terms of participation, contribution and engagement at the time of re-election.
A.9.4	Disclosure of performance evaluation criteria	Yes	This section itself would serve the purpose of disclosure.
A.10	Disclosure of information in respect of Directors	Yes	The following information in relation to Directors are disclosed in this report. Name, qualifications, nature of expertise, other Directorships of Listed Companies and other companies and brief profile on page 28 to 31. Material Business Relationships on page 192 to 195. Nature of the Directorship on page 95. Number of Board Meetings attended on page 95. Memberships of Board Sub Committees and attendance on pages 96 to 101.

Reference to Code	Governance Principle	Compliance Status	Details of Compliance
A.11	Appraisal of Chief Executive Officer (CEO)		
A.11.1	Setting Annual Targets	Yes	Financial and Non Financial Targets are set at the beginning of the financial year as budgets and KPI's which are in line with the Group's short term and long term business objectives.
A.11.2	Performance Evaluation	Yes	Performance of the CEO and the management team are evaluated by the Board quarterly and at the end of each financial year. Actual performances against targets are compared and with the reasons and justifications in the event that the targets are not achieved.
B	Director's Remuneration		
B.1	Remuneration Procedure		
B.1	Remuneration Procedure	Yes	Company has established a formal & transparent procedure for developing policy on executive remuneration and for fixing remuneration packages of individual directors. No director is involved in deciding his / her own remuneration package.
B.2	Remuneration Committee		
B.2.1	Remuneration Committee	Yes	The Board has appointed a Remuneration Committee to make recommendations to the Board, within agreed terms of reference, on the Group's framework of remunerating Executive directors. The Board collectively determines the remuneration of the Non-Executive Directors including the members of the Remuneration Committee, within the limits set in the Articles of Association.
B.2.2	Composition of the Remuneration Committee	Yes	The Remuneration Committee comprises of three Non-Executive Directors out of which two including Chairman are Independent.
B.2.3	Consultation of the Chairman and access to professional advice	Yes	The Remuneration Committee consults the Chairman and/or CEO about its proposals relating to the remuneration of other Executive Directors and has access to professional advice from within and outside the Group, in discharging their responsibilities.
B.2.4	Remuneration Packages of Executive Directors	Yes	The Remuneration Committee provides the packages needed to attract, retain and motivate Executive Directors of the quality required with reasonable limits.
B.2.5	Design of the remuneration packages of Executive Directors to promote long term success	Yes	Remuneration packages of Executive Directors are designed to promote long term performance of the business.
B.2.6	Comparison of remuneration with other Companies	Yes	The Remuneration Committee cautiously compare the levels of remuneration of the Group with other companies in the industry.
B.2.7	Comparison of remuneration with other Companies in the Group	Yes	The Remuneration Committee is sensitive to remuneration and employment conditions in other companies of the Group.

SUMMARY OF COMPLIANCE

Reference to Code	Governance Principle	Compliance Status	Details of Compliance
B.2.8	Performance related elements of remuneration of Executive Directors	Yes	A profit share scheme based on the performance of the Group is in place as part of the remuneration of Executive Directors to align their interests with those of the Group and main Stakeholders and to give these Directors appropriate incentives to perform at the highest levels.
B.2.9	Executive Share Options	Yes	No share options were issued to Executives during the year.
B.2.10	Performance related remuneration	Yes	The Remuneration Committee follows the provisions set out in Schedule G of the Code as required.
B.2.11 & B.2.12	Early termination of Executive Directors	Not Applicable	Special early termination clauses are not included in the contract of employment of Executive Directors that would entitle them for extra compensation. However, any such compensation would be determined by the Board of Directors. No Executives Directors were terminated during the year.
B.2.13 & B.2.14	Levels of remuneration for Non-Executive Directors	Yes	Remuneration for Non-Executive Directors reflects the time commitment and responsibilities of their role, taking into consideration market practices. No share options were granted to Non-Executive Directors.
B.2.15	Chairman and the members of Remuneration Committee	Yes	Composition of the Remuneration Committee is given on page 100.
B.2.16	Terms of Reference for Remuneration Committee.	Yes	Referred the terms of reference of the committee and the requirements have been followed. Please refer page 100.
B.3	Disclosure of Remuneration		
B.3.1	Composition of the Remuneration Committee.	Yes	Composition of the Remuneration Committee and the Group's Remuneration Policy is given on the page 100 Aggregate remuneration paid to Executive and Non-Executive Directors during the year under review appears on page 195 under Director's Remuneration.
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	Yes	The Notice of Meeting and related documents are dispatched to the Shareholders 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 substantial issues at the Annual General Meeting	Yes	Group proposes a separate resolution at the AGM on each substantially separate issue and in particular, propose a resolution at the AGM relating to the adoption of the report and accounts.
C.1.3	Use of Proxy Votes	Yes	An effective mechanism is in place to count all proxy votes and indicate proxies lodged on each resolution and the balance for and against the resolution and withheld, is conveyed to the Chairman.

Reference to Code	Governance Principle	Compliance Status	Details of Compliance
C.1.4	Availability of Chairmen of the Board Sub Committees to respond to queries at the AGM	Yes	The Chairmen of the Audit, Remuneration and Nomination Committees are usually present at the Annual General Meeting to facilitate Shareholders' inquiries.
C.1.5	Procedures of voting at the Annual General Meeting	Yes	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	Yes	Group uses the Annual General Meeting, Annual Report, Quarterly Financial Statements, Corporate disclosures to the CSE and the Corporate Website as Channels to communicate with Shareholders.
C.2.2	Policy and Methodology for Communication	Yes	The Group's policy in communication with shareholders includes the sharing of all financial and non-financial information as per the statutory requirements and as well as the sharing of all price sensitive information. The methodology of communication with Shareholders is multi-faceted to ensure accurate and timely information.
C.2.3	Implementation of Policy	Yes	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	Yes	The contact person in relation to all matters pertaining to the Shareholders is the Company Secretary.
C.2.5	Directors awareness on major issues and concerns of Shareholders	Yes	The Chairman ensures that all Directors are aware of major issues and concerns of shareholders. Such issues are discussed at Board Meetings.
C.2.6	Contact person in relation to shareholders' matters	Yes	The contact person in relation to all matters pertaining to the Shareholders is the Company Secretary.
C.2.7	Response to shareholders	Yes	The Chairman and the Directors answer all the queries raised by the Shareholders at the AGM. Appropriate responses formulated and actions taken to address Shareholder concerns by the Board are communicated to the shareholders by the Company Secretary.

SUMMARY OF COMPLIANCE

Reference to Code	Governance Principle	Compliance Status	Details of Compliance
C.3	Major and Material Transactions		
C.3.1 & C.3.2	Disclosure on major and material transactions'	Yes	There was no transaction during the year that fell within the definition of a major transaction defined by the Companies Act No. 07 of 2007 or SEC Law and CSE Regulations which materially affect the net asset base of the Group.
C.3.3	Compliance with the disclosure requirements and the shareholder approval by special resolution	Yes	The Group has complied with the disclosure requirements and the shareholder approval by special resolution as required by the rules and regulations of the Securities and Exchange Commission (SEC) and by the Colombo Stock Exchange (CSE).
D	Accountability and Audit		
D.1	Financial and Business Reporting (Annual Report)		
D.1.1	Presenting the annual report including financial statements	Yes	The Group has strictly complied with all the statutory requirements pertaining to preparing and publishing of Interim Financial Statements, Annual Financial Statements and Annual Reports.
D.1.2	The Board's responsibility in presenting balanced and understandable information	Yes	The Board is responsible for presenting a balanced and understandable assessment extends to interim and other price sensitive public reports and reports to regulators, as well as to information required for statutory requirements. The 'Statement of Directors' Responsibilities' for preparation and presentation of Financial Statements is given on page 135 of this Annual Report.
D.1.3	Declaration from the Chief Executive Officer and Chief Financial Officer	Yes	Relevant declarations from the Chief Executive Officer and the Finance Director were obtained prior to the Board 's approval of the Financial Statements for the financial period.
D.1.4	Directors' Report in the Annual Report	Yes	The Annual Report of the Board of Directors on the affairs of the Group is given on pages 117 to 121 of this Annual Report which contains the relevant declarations required by this Code.
D.1.5	Statement of Directors' and Auditor's responsibility for the Financial Statements / Directors Statement on Internal Control	Yes	The 'Statement of Directors' Responsibilities' for preparation and presentation of Financial Statements is given on page 135 of this Annual Report and the Auditor's responsibilities are set out on the 'Independent Auditors' Report' on pages 136 to 139 of the Annual Report. Statement on Internal Controls is given on page 102 of the Annual Report.
D.1.6	The annual report should contain a report on the "Management discussion & analysis"	Yes	The annual report contains a report on "Management discussion & analysis" which covers, business model, industry structure & developments, risk management, internal control systems & it's adequacy, stakeholder relationship, financial performance, prospects for the future. Refer page nos. 37 to 87 in the annual report.

Reference to Code	Governance Principle	Compliance Status	Details of Compliance
D.1.7	Summon an Extraordinary General Meeting to notify serious loss of capital	Not Applicable	This situation did not arise during the financial year under review.
D.1.8	Disclosure of Related Party transactions	Yes	The Board has adequately and accurately disclosed the related party transactions in this Annual Report as required in this Code. Refer Report of the Related Party Transactions Review Committee on page 98 and Related Parties and Related Party Transactions Disclosures on pages 192 to 195.
D.2	Risk Management & Internal Control		
D.2.1	Risk Management		
D.2.1.1	Assessment of Risk	Yes	Ongoing risk assessment is being done throughout the year addressing the risks affecting the business model, future performance, solvency, or liquidity.
D.2.1.2	Risk Management	Yes	Report on Risk Management has been given on page 122 to 127 in the annual report.
D.2.1.3	Risk Committee	Yes	Company has a separate committee for the assessment and management of risks. The report on the Risk Committee has been given in page no. 99 of the annual report.
D.2.1.4	Audit & Risk Committee	Yes	Company has two separate committees for Audit and Risk. The respective reports are given on pages 96 and 99.
D.2.1.5	Risk Committee composition	Yes	Please refer page 99 in the annual report.
D.2.1.6	Terms of Reference for the Risk Committee	Yes	Referred and followed the requirements. Please refer the page 99.
D.1.2.7	Report of the Risk Committee	Yes	Please refer page 99 in the annual report.
D.1.2.8	Regulatory Industry	Yes	When determining the composition, scope, roles and responsibilities of the Committee, applicable laws and regulations has been considered.
D.2.2	Internal Controls		
D.2.2.1	Internal Control System	Yes	The report on Directors' statement on internal controls has been given on page 102.
D.2.2.2	Internal Audit	Yes	The group has obtained the service of Messers. Delloite as the Independent Internal Auditor of the Group to serve this purpose.
D.2.2.3	Review on Internal Controls	Yes	Audit committee reviews processes and the effectiveness of internal controls and gives recommendations to the board.
D.2.2.4	Guidance on Internal Controls	Yes	Schedule L of the Code has been referred and followed.

SUMMARY OF COMPLIANCE

Reference to Code	Governance Principle	Compliance Status	Details of Compliance
D.3	Audit Committee (AC)		
D.3.1	Composition of the Audit Committee	Yes	The Audit Committee comprises of Four Non-Executive Directors and three of them are Independent. Details are given on page 96.
D.3.2	Duties of the Audit Committee and Terms of Reference of the Audit Committee	Yes	Audit Committee is responsible for reviewing the scope and results of the audit and its effectiveness, and the independence and objectivity of the Auditors. The Terms of Reference of the Audit Committee is given in the Report of the Audit Committee on page 96.
D.3.3	Disclosures	Yes	Refer Report of the Audit Committee on pages 96 to 97 for the relevant disclosures on the composition of the Audit Committee and the independence of the auditors.
D.4	Risk Committee		
D.4.1	Members of the Risk Committee	Yes	Currently, the Risk Management Committee comprise of eight members out of which three members are Independent, Non-Executive directors. Refer page no 99.
D.4.2	Content of TOR for the Risk Committee	Yes	Please refer page 99 for the TOR of the Risk Committee.
D.4.3	Risk Committee Meetings	Yes	Risk Committee has met four times by the end of March 2024.
D.4.4	Consultation for the Risk Committee	Yes	The Risk Committee consults the Chairman and/ or CEO about its potential risks and has access to professional advice from within and outside the Group, in discharging their responsibilities.
D.4.5	Report of the Risk Committee	Yes	Please refer page no. 99.
D.5	Related Party Transactions Review Committee		
D.5.1	A related party and related party transactions	Yes	The Group has considered Related parties and related party transactions as defined in the LKAS 24.
D.5.2	Related Party Transactions Review Committee (RPTRC)	Yes	The Group formed a Related Party Transactions Review Committee in November 2015. The Committee comprises three Directors as at 31st March 2024, of whom two are Independent Non-Executive Directors and one is a Non-Executive Director. The Chairman of the Committee is an Independent Non-Executive Director. Composition of the RPTRC is given on page 98.
D.5.3	Terms of Reference of the Related Party Transactions Review Committee (RPTRC)	Yes	Refer Report of the Related Party Transactions Review Committee (RPTRC) on page 98 for the Terms of Reference of the RPTRC.

Reference to Code	Governance Principle	Compliance Status	Details of Compliance
D.6	Code of Business Conduct and Ethics		
D.6.1	Disclosure of Code of Business Conduct & Ethics	Yes	Group has a Code of the Business Conduct and Ethics for Directors and Key Management and relevant declaration is given in the 'Annual Report of the Board of Directors in the Affairs of the Company on the pages 117 to 121.
D.6.2	Process to ensure that material and price sensitive information is promptly identified and reported.	Yes	The Group has a process in place to ensure that material and price sensitive information is promptly identified and reported in accordance with the relevant regulations.
D.6.3	Policy and process to ensure for monitoring and disclosure of shares purchased by any Director, Key Management Personnel or any other employee involved in financial reporting	Yes	All the employees involved in financial reporting are required to declare details of their dealings in shares of the CTB PLC to the Company Secretary immediately. In addition, the Directors and KMP's too are required to disclose their dealings in shares of CTB PLC to the Company Secretary, enabling her to inform such transactions to the CSE.
D.6.4	Whistleblowing Policy	Yes	There is a separate policy on the same and procedures are followed.
D.6.5	Training on Code of Business Conduct & Ethics	Yes	Appropriate training is given at the induction and confirmation is done annually from all the employees.
D.6.6	Whistleblowing Policy Management	Yes	If violations are detected, that will be reported to the board.
D.6.7	Affirmation Statement by Chairman	Yes	Refer the 'Chairman's Statement on Corporate Governance' on page 90.

SUMMARY OF COMPLIANCE

Section II – Shareholders

Reference to Code	Governance Principle	Compliance Status	Details of Compliance
E	Institutional Investors		
E.1	Shareholder Voting		
E.1.1	Communication with Shareholders	Yes	The Annual General Meeting provides the forum for shareholders to express their views. The Chairman ensures that any views expressed by investors to him personally or at General Meetings are discussed with the Board. The Directors consider the importance to understand the views of shareholders and, in particular, any issues which concern them.
E.2	Evaluation of Governance Disclosures	Yes	This section of the Annual Report contains the Group's governance arrangements and institutional investors are encouraged to give due weight to all relevant factors drawn to their attention.
F	Other Investors		
F.1	Investing/Divesting Decisions	Yes	Interim Financial Statements, Annual Consolidated Financial Statements and Annual Reports are published on the CSE website and these reports provide information that enables shareholders to carry out adequate analysis or seek independent advice in investing or divesting decisions.
F.2	Shareholder Voting	Yes	The shareholders are encouraged to participate at the AGM and exercise their voting rights. Instructions with regard to appointing a proxy and the manner in which a Proxy Form should be completed are available in the Proxy Form circulated with the Annual Report
G	Internet of Things and Cyber Security	Yes	The Group implemented a comprehensive IT policy which covers the security of IT assets and the information assets. The Board's Audit Committee and the Risk Management Committee continuously discussed the importance of cyber risk management.
H	Sustainability: ESG Risk and opportunities	Yes	ESG principles are reported in a holistic manner throughout this report in the following sections: Corporate Governance – on page 90 to 116. Enterprise Risk Management – on page 122 to 127.
I	Establishment and maintenance of policies	In -progress	Whistleblowing policy, Internal Code of Ethics, Risk Management Policy are in place. Other Policies are in progress.

Level of compliance to the Continuing Listing Requirements Section 7.6 on Corporate Governance Rules issued by the Colombo Stock Exchange (CSE)

Rule No.	CSE Listing Rule	Compliance Status	Details of Compliance
7.6 (i), (ii)	Names of the individuals who served as directors during the financial year and the principal activities undertaken during the year.	Yes	Please refer Annual Report of the Board of Directors on the Affairs of the Company on page 117.
7.6 (iii), (iv)	Twenty largest Shareholders, float adjusted market capitalization, public holding percentage, no. of public shareholders and minimum required public shareholding	Yes	Please refer Investor Relations Section on page 199.
7.6 (v)	Directors' and CEO's(MD's) holding in shares.	Yes	Please refer Investor Relations Section on Page 199.
7.6 (vi)	Material foreseeable risk factors of the entity.	Yes	Please refer Risk Management on page 122 to 127.
7.6 (vii)	Details of material issues pertaining to employees and industrial relations of the Entity.	Yes	Please refer Human Capital on page 62 to 69.
7.6 (viii)	Extents, locations, valuations, number of buildings	Yes	N/A.
7.6 (ix)	Number of shares representing the Entity's stated capital.	Yes	Please refer Annual Report of the Board of Directors on the affairs of the company.
7.6 (x)	Shareholder Distribution Schedule including percentage of total holding in given categories.	Yes	Please refer Investor Relations Section on page 199 to 202.
7.6.(xi)	Ratios and Market Price Information.	Yes	Please refer Investor Relations Section on page 199 to 202.
7.6 (xii)	Changes in Entity's and subsidiaries fixed assets and market value of land.	Yes	Please refer the Consolidated Statement of Financial Position on page 141.
7.6 (xiii)	If during the financial year the entity has raised funds either through a public issue, rights issue or private placement.	N/A	N/A
7.6 (xiv)	Information in respect of Employee Share Ownership or Stock Option Schemes.	N/A	N/A
7.6 (xv)	Disclosures pertaining to Corporate Governance practices in terms of Section 9 of the Listing Rules.	Yes	Please refer Corporate Governance Report on page 91 to 95.
7.6 (xvi)	Related party transactions exceeding 10% of Equity or 5% of total assets of the Entity as per audited financial statements, whichever is lower.	Yes	Please refer Related Party Transactions on page 192 to 195.

SUMMARY OF COMPLIANCE

Level of Compliance under Section 168 of the Companies Act No 07 of 2007

Section No.	Requirement	Compliance status	Reference
168 (1) (a)	The nature of the business of the Company together with any change thereof during the accounting period	Yes	Annual Report of the Board of Directors on page 117.
168 (1) (b)	Signed financial statements of the Company for the accounting period completed	Yes	Consolidated Financial Statements from pages 140 to 198.
168 (1) (c)	Auditors' Report on financial statements of the Company	Yes	Independent Auditors' Report on pages 136 to 139.
168 (1) (d)	Accounting policies and any changes therein	Yes	Notes to the Consolidated Financial Statements from pages 144 to 198.
168 (1) (e)	Particulars of the entries made in the Interests Register during the accounting period	Yes	Annual Report of the Board of Directors from pages 117 to 121.
168 (1) (f)	Remuneration and other benefits paid to Directors of the Company during the accounting period	Yes	Director's Remuneration on page 195.
168 (1) (g)	Corporate donations made by the Company during the accounting period	Yes	Refer Annual Report of the Board of Directors on page 120.
168 (1) (h)	Information on the Directorate of the Company during and at the end of the accounting period	Yes	Refer Board of Directors section from pages 26 to 31.
168 (1) (i)	Amounts paid/payable to the External Auditor as audit fees and fees for other services rendered during the accounting period	Yes	Refer Notes to the Consolidated Financial Statements on page 161.
168 (1) (j)	Auditors' relationship or any interest with the Company and its Subsidiaries	Yes	Refer Report of the Audit Committee on page 161.
168 (1) (k)	Acknowledgment of the contents of this Report and signatures on behalf of the Board	Yes	Refer Statement on Directors' Responsibilities for Preparation of Financial Statements on page 135 and Annual Report of the Board of Directors on pages 117 to 121.

ANNUAL REPORT OF THE BOARD OF DIRECTORS ON THE AFFAIRS OF THE COMPANY

The Board of Directors of Ceylon Tea Brokers PLC has pleasure in presenting to the shareholders their Annual Report on the affairs of the Company together with the Audited Financial Statements of the Company and the Consolidated Financial Statements of the Company and its subsidiary for the financial year ended 31st March 2024, conforming to all relevant statutory requirements.

This Report provides the information as required by the Companies Act No.07 of 2007, Listing Rules of the Colombo Stock Exchange and the recommended best practices.

General

The Company was incorporated in terms of the Companies Act, No.17 of 1982 under the name of "De Silva Abeywardena and Peiris (Private) Limited" on 15th June 1999, changed its name to Ceylon Tea Brokers (Private) Limited on 5th April 2006 and was converted to a public company on 21st June 2007. The Company, which was re-registered as per the Companies Act, No.7 of 2007 on 20th January 2010 with PB 1280 as the new number assigned to the Company, obtained a listing on the Diri Savi Board of the Colombo Stock Exchange on 16th March 2010 and changed its name to Ceylon Tea Brokers PLC on 3rd May 2010. The registration number of the Company is PB 1280 PQ.

Subsidiary

Logicare (Pvt) Limited is a fully owned subsidiary of Ceylon Tea Brokers PLC which provides transportation and warehousing facilities to third-party logistic clients. The new warehousing project of the Group started its commercial operations in June 2019.

Principal Activities

The Company's principal activities during the year were Tea Broking, warehousing and providing financing facilities to its producer clients for their working capital requirements. This Report together with the Financial Statements, reflect the state of affairs of the Company.

The Group continues to own the leasehold rights of a land in Muthurajawela under the name of Logicare (Pvt) Limited, the fully owned subsidiary of Ceylon Tea Brokers PLC. Logicare operates as a total supply chain solutions provider which includes, specialized logistics, transport and other supply chain related services to external clients based on their unique requirements.

Vision, Mission and Values

The Company's vision, mission and values are available on page 07.

Code of Business Conduct and Ethics

The Company has adopted a Code of Business Conduct and Ethics for Directors and Members of the Key Management. The Directors and all the employees conduct their activities with the highest level of ethical standards and integrity in achieving the corporate objectives of the Company.

Review of Business Performance

Review of business performance of the Company is available in the Chairman's message, and Chief Executive Officer's review.

Disclosures

The Annual Report of the Company complies with the disclosure requirements of Sri Lanka Accounting Standards (SLFRs/ LKASs), Companies Act No. 07 of 2007, the Listing Rules of the Colombo Stock Exchange and Code of Best Practices on Corporate Governance issued jointly by Institute of Chartered Accountants of Sri Lanka and Securities and Exchange Commission of Sri Lanka.

Financial Statements and Accounting Policies

The Consolidated Financial Statements of the Group have been prepared in accordance with the Sri Lanka Accounting Standards (LKAS) and Sri Lanka Financial Reporting Standards (SLFRSs), issued by The Institute of Chartered Accountants of Sri Lanka and comply with requirements of the Companies Act No. 07 of 2007 and Listing Rules of the Colombo Stock Exchange. Consolidated Financial Statements for the year ended 31st March 2024 duly signed by the Finance Director and two Directors on behalf of the Board, are given on page 140 to 143. The policies adopted thereof are given on page 144 to 159.

Figures pertaining to the previous periods have been re-stated where necessary to conform to the presentation for the year under review.

Auditors

Messrs KPMG, Chartered Accountants served as the Auditors of the Group. The Auditors do not have any interest in the Company or Group other than providing Audit and Non-Audit services.

ANNUAL REPORT OF THE BOARD OF DIRECTORS ON THE AFFAIRS OF THE COMPANY

An audit fee provision Rs. 975,000 and non-audit fee Rs. 117,260 are recorded by Ceylon Tea Brokers PLC and an audit fee provision of Rs. 275,000 is recorded by Logicare (Pvt) Ltd. The Report of the Auditors on the Financial Statements of the Company is given on page 136 to 139 under Consolidated Financial Statements.

Independence of Auditors

Based on the declaration provided by Messrs KPMG, Chartered Accountants and to the extent that the Directors are aware, the Auditors do not have any relationship with (other than that of the Auditor), or interest in the Company, which in the opinion of the Board, may reasonably be considered to have a bearing on their independence within the meaning of the Code of Professional Conduct and Ethics issued by The Institute of Chartered Accountants of Sri Lanka as of the reporting date.

The Board of Directors

As at end of the financial year under review, the Board consisted of Eleven Directors namely, five (05) Executive Directors, six (06) Non-Executive Directors and three (03) of whom are Independent. The names of the Directors who held office as at the end of the accounting period are given below and their brief profiles appear on pages 28 to 31.

- Mr. R J N De Mel - Chairman / Independent, Non-Executive Director
- Mr. W A T Fernando - Managing Director
- Mr. D G W De Silva - Chief Executive Officer
- Mr. K A D Fernando - Chief Operating Officer
- Mr. C P R Perera - Independent, Non-Executive Director
- Mr. K H S Deshapriya - Non-Executive Director
- Mr. B R L Fernando - Independent, Non-Executive Director
- Ms. N T M S Cooray - Non-Executive Director
- Ms. H M S Perera - Non-Executive Director
- Mr. H T D Nonis - Executive Director
- Mr. Z Mohamed - Executive Director

A detailed resume of each Director of the Company is available on page 28 to 31.

Mr. B R L Fernando who is over 70 years of age, resigned w.e.f. 24th August 2024.

Mr. C P R Perera who is over 70 years of age, offers himself for re-appointment as a Director in pursuance of Section 211 of the Companies Act with the recommendation of the Directors. A resolution proposing the re-appointment of Mr. C P R Perera who is 80 years of age, to the Board of the Company, declaring that the age limit of 70 years shall not apply to the said Director, will be placed before the shareholders at the forthcoming Annual General Meeting.

Recommendation for re-election of Directors who retire by rotation

Ms. K H S Deshapriya retires by rotation at the Annual General Meeting in terms of Article 87(i) of the Articles of Association and being eligible, is recommended by the Board for re-election at the forthcoming Annual General Meeting.

Directors of the Subsidiary

The directors of the subsidiary, Logicare (Pvt) Ltd as at 31st March 2024 consisted of the following:

- Mr. W A T Fernando
- Mr. C P R Perera
- Mr. K H S Deshapriya
- Mr. D G W De Silva
- Ms. H M G de Alwis
- Ms. H M S Perera
- Dr. Ms. M de Zoysa

Mr. N J H M Cooray has resigned as a Director of the Company w.e.f. 12th September 2023.

Fit and Proper Assessment of Directors

In terms of Rule 9.7.4 of the Listing Rules of the Colombo Stock Exchange, Declarations were obtained from the Directors who confirmed that they have continuously satisfied the Fit and Proper Assessment Criteria set out in the Listing Rules during the financial year under review and as at the date of such Declarations.

Additional disclosures pertaining to Directors

(i) Material Business relationships

None of the Directors or close family members have any material business relationships with other Directors of the Company

(ii) Other directorships held by the Directors

Other directorships held by Directors are disclosed on pages 28 and 31.

Independence of Non-Executive Directors

Based on the declarations submitted by the Independent Non-Executive Directors, the Board has determined that Messrs R J N De Mel, C P R Perera and B R L Fernando are 'Independent' in terms of Rule 9.8.5 of the Listing Rules.

Board Meetings and Sub Committee Meetings

The number of Board meetings and Sub Committee meetings held during the year and the attendance of Directors at these meetings are given on Corporate Governance Section from page 96 to 101.

Directors' Remuneration

The aggregate remuneration paid to the Directors of the Company during the year under review was Rs. 100,721,184.

Directors' Responsibility for Financial Reporting

The Directors are responsible for the preparation of the Financial Statements of the Company and the Group, which reflect a true and fair view of their state of affairs.

The Directors are of the view that the Statement of Income, Statement of Financial Position, Statement of Changes in Equity, Cash Flow Statement and Notes to Financial Statements appearing on pages 140 to 198 have been prepared in conformity with the requirements of the Sri Lanka Accounting Standards, Companies Act, No.07 of 2007, Sri Lanka Accounting and Auditing Standards Act, No. 15 of 1995 and the amendments thereto and the Listing Rules of the Colombo Stock Exchange. The Statement of Director Responsibility for Financial Reporting is given on page 135.

Directors Shareholdings

The relevant interest of Directors in the shares of the Company as at 31st March 2024 as recorded in Interest Register are given on page 199 of the Annual Report under Shareholdings of Directors.

Interest Register

The Company maintains an Interests Register in terms of the Companies Act, No. 7 of 2007, which is deemed to form part and parcel of this Annual Report and available for inspection upon request.

All related party transactions which encompass the transactions of Directors who were directly or indirectly interested in a contract or a related party transaction with the Company during the accounting period are recorded in the Interests Register in due compliance with the applicable rules and regulations of the relevant Regulatory Authorities.

Stated Capital

The Stated Capital of the Company as at 31st March 2024 was Rs. 333,200,000/- represented by 182,400,000 ordinary shares. There were no changes in the Stated Capital of the Company during the year.

Shareholder Information

Information on the distribution of shareholding, analysis of shareholders, market values per share, earnings, dividends, net assets per share, twenty largest shareholders of the Company, Directors' shareholding, percentage of shares held by the public as per the Listing Rules of the Colombo Stock Exchange are given on page 199 to 202 under Investor Highlights and Information.

ANNUAL REPORT OF THE BOARD OF DIRECTORS ON THE AFFAIRS OF THE COMPANY

Donations

The Group made donations to the value of Rs. 892,249 during the year under review.

Dividends

The Directors have approved a final dividend of cents forty four (Rs. 0.44) per share for the year under review subject to obtaining a Certificate of Solvency from the Auditors and the said dividend will be paid on 24th September 2024 2024.

Property, Plant and Equipment

Details of property, plant and equipment and changes during the year are given in Note 11 of the Consolidated Financial Statements.

Land Holdings

The Company does not own any freehold land or buildings.

Internal Control and Risk Management

The Board is responsible for the adequacy and effectiveness of the Company's system of internal controls and risk management framework. Detailed review in this regard is given in the page 122 to 127 under the Corporate Governance.

Corporate Governance

Company has complied with the Corporate Governance regulations and the best practices given in the Continuing Listing Requirements issued by the Colombo Stock Exchange, Companies Act No 07 of 2007 and the Code of Best Practice on Corporate Governance issued jointly by the Securities and Exchange Commission of Sri Lanka and the Institute of Chartered Accountants of Sri Lanka. Level of Compliance to these mandatory regulatory requirements and best practices are given on the page 103 to 116 under the Corporate Governance section.

Material Foreseeable Risk Factors

Information pertaining to material foreseeable risk factors is given under the Risk Management section on page 122 to 127.

Events Occurring after the Reporting Date

No circumstances have arisen, and no material events have occurred during the period between the reporting date and the date of signing of Financial Statements by Directors that require disclosure or adjustment to the financial statements other than those disclosed in Note 31 to the Financial Statements on page 195 of this Annual Report.

Declaration - Compliance with Rule 9 of the Listing Rules

The Directors declare that the Company has complied with Rule 9 of the Listing Rules of the Colombo Stock Exchange pertaining to Related Party Transactions.

Related Party Transactions/ Disclosures during the year

Non-Recurrent Related Party Transactions – Disclosure in terms of Rule 9.14.8(1) of the Listing Rules

There were no non-recurrent Related Party Transactions of which the aggregate value exceeds 10% of equity or 5% of total assets in the latest Audited Financial Statements as at 31st March 2023, which requires additional disclosures in the Annual Report 2023/24 in terms of Rule 9.14.8(1) of the Listing Rules of the Colombo Stock Exchange.

Recurrent Related Party Transactions – Disclosure in terms of Rule 9.14.8(2) of the Listing Rules

There were no recurrent Related Party Transactions of which the aggregate value exceeds 10% of the Company's Turnover as per the latest Audited Financial Statements as at 31st March 2023, which requires additional disclosures in the Annual Report 2023/24 in terms of Rule 9.14.8(2) of the Listing Rules of the Colombo Stock Exchange.

Declaration

The Directors declare that:

- I. the Company has not engaged in any activity which contravenes laws and regulations of the country to the best of their knowledge.
- II. all material interests in contracts involving the Company
- III. the Company has made all endeavors to ensure equitable treatment of all shareholders.
- IV. the business is a going concern and that the Directors have reviewed the Company's budgets, capital expenditure requirements and future cash flows and are satisfied that the Company has sufficient resources to continue in operation for the foreseeable future. Accordingly, the Financial Statements are prepared considering the Company as a going concern.
- V. they have conducted a review of the internal controls, covering financial, operational and compliance controls and risk management and have obtained reasonable assurance of their effectiveness and successful adherence.
- VI. the Company has complied with Section 9 of the Listing Rules on Related Party Transactions issued by the Colombo Stock Exchange pertaining to Related Party Transactions during the financial year ended 31st March 2024.

Annual General Meeting

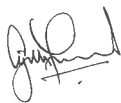
The Fifteenth Annual General Meeting will be held on 27th September 2024 at 11.30 a.m virtually.

The notice of the Annual General Meeting appears on page 212.

This Annual Report is signed for and on behalf of the Board of Directors by



R J N De Mel
Chairman



W A T Fernando
Managing Director



Lasanthi Abeyakoon
P W Corporate Secretarial (Pvt) Ltd
Secretaries

30th August 2024
Colombo

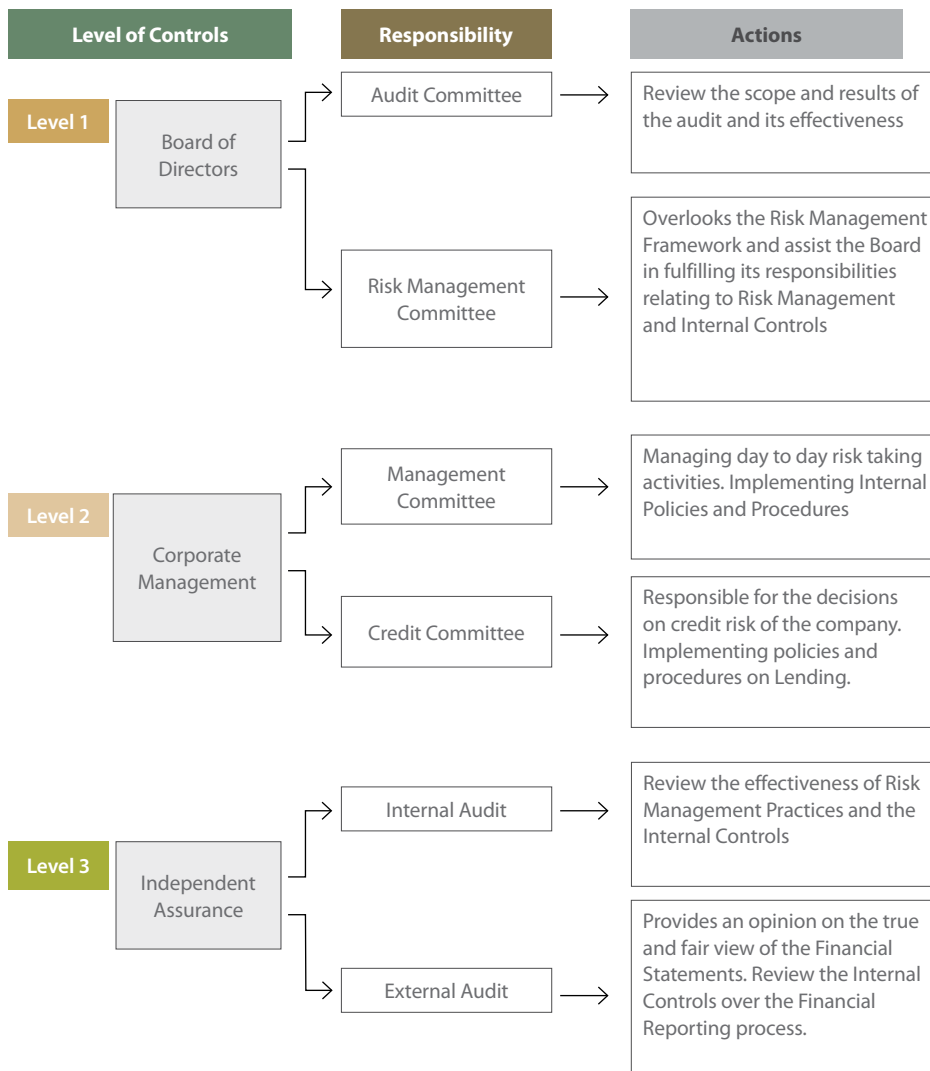
RISK MANAGEMENT

Risk Management

Risk implies future uncertainty about deviation from expected earnings or expected outcome. Therefore, risk management is vital for any business entity irrespective of in which industry 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.

Risk Management Framework

The Company has established a Risk Management Framework with three levels of control in place under the supervision and direction of its Board of Directors and supported by the Corporate Management Team and employees at all levels. A graphical overview of the Company’s risk management framework is given below.



Level 1 – Board of Directors

The Board of Directors gives the leadership to risk management framework of the Company as a part of its good governance practices.

The Board has delegated this responsibility to its two main subcommittees which are Risk Management Committee and the Audit Committee. These two subcommittees conduct meetings at least once in every quarter and update the Board of Directors at the board meetings on the effectiveness of the risk management framework and internal controls, effectiveness of the audit, review of compliance and internal audit processes.

Level 2 – Corporate Management

Management Committee and the Credit Committee which operates at the corporate management level are responsible for managing the risks of day to day business activities. These two committees which are under the supervision and direction of the Board of Directors implement policies and procedures at operational level in order to strengthen the internal controls.

Level 3 - Independent Assurance – Internal Audit / External Audit

Internal Audit reviews the effectiveness of risk management practices and the internal controls of the Company whilst the External Audit reviews the internal controls over the financial reporting process. This independent assurance assists the Board of Directors to identify any gaps in the current risk management framework and internal controls.

Risk Strategy

The Risk Strategy of the Company is to establish formal mechanisms to ensure that best efforts are taken to appropriately identify the risks and maximize any potential opportunities arising from such risks events and mitigate and minimize the adverse effects stemming from those identified risks. This is operationalised through the embedding of risk management in business operations and strategic decision making process.

Risk Appetite

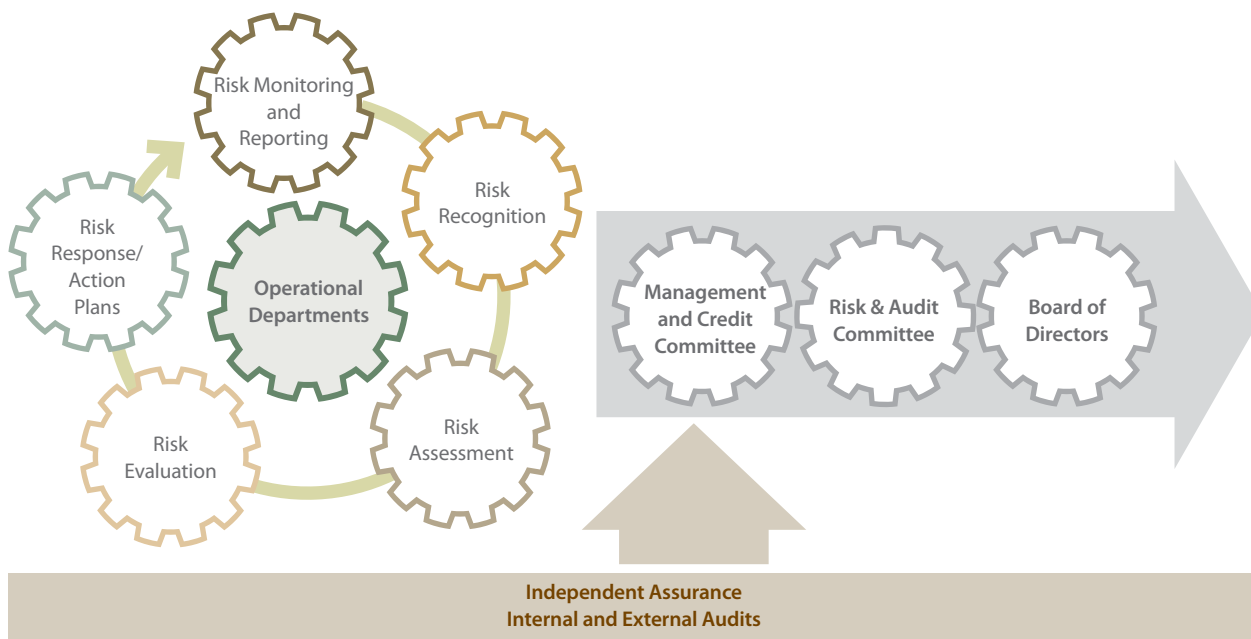
The Company’s risk appetite is the amount of risk it is prepared to accept in pursuing its strategic objectives based on its key value drivers. The Company’s stated Risk Appetite provides a decision-making framework for the strategic and operational treatment of risk and is used as an internal tool by the central Enterprise Risk Management Division as means of calibrating the level of tolerance of risk on a Company wide level.

Ceylon Tea Brokers PLC Risk Appetite Statement

Ceylon Tea Brokers PLC operates within a low overall risk range. The Company has a zero tolerance with regards to governance, reputation and regulatory non- compliance, and a low tolerance to business disruption, health and safety of its stakeholders, and employee satisfaction and a medium level of tolerance towards strategic objectives related to earnings volatility.

Risk Management Process

Whilst the overall setting of risk appetite is set at a Company level, the CTB’s ERM process is a bottom-up approach, starting at business level as depicted in the process diagram below.



RISK MANAGEMENT

Key Risks

1. Credit Risk
2. Market Risk
3. IT Risk
4. Business Continuity Risk
5. Compliance Risk

Risk Register

The key risk areas which may interrupt the achievement of corporate objectives of the Company along with risk responses and action plans implemented to mitigate them are given from pages 122 to 127.

Rating of Risks

The level of risk for each risk event is determined by rating risks based on:

- i. Likelihood of occurrence – Rating of probability of occurrence from 1 to 5
- ii. Severity of impact – Rating of the impact to the business from 1 to 5.
- iii. Velocity of Risk – assessment of the speed at which the impact of the risk would affect the organisation.







Below table elaborates the risk rating of the each risk identified in the above risk register.

Impact / Severity	5	Catastrophic / Extreme Impact	5	10	15	20	25
	4	Major / Very High Impact	4	8	12	16	20
	3	Moderate / High Impact	3	6	9	12	15
	2	Minor Impact	2	4	6	8	10
	1	Low / Insignificant Impact	1	2	3	4	5
			Rare / Remote to occur	Unlikely to occur	Possible to occur	Likely to occur	Almost certain to occur
		1	2	3	4	5	
		■ Ultra High	■ High	■ Medium	■ Low	□ Insignificant	Occurrence / Likelihood

Velocity represents the speed at which the risk event would affect the Company. The impact of the risk event is felt immediately if the risk item has a high velocity.






The key risk areas which may interrupt the achievement of corporate objectives of the Company along with risk responses and action plans implemented to mitigate them are given below.

Headline Risk	Risks	Implications	Impact to Company	Likelihood of Occurrence	Score	Velocity	Measures/Actions
Credit Risk	High Credit exposure of the Company	Increased cost of finance, Poor Recoverability, Increased bad debt provisions and reduced profitability	5	1	5	High	Regularly monitoring client's advance ratios by the Credit Committee, Review of facility agreements and securities, Regular Visits to Factories
	Reduced Liquidity	Increased cost of finance, Loss of Business, Disruptions to operations	5	1	5	High	Regular review of Book debts, Annual Credit Rating Review

Headline Risk	Risks	Implications	Impact to Company	Likelihood of Occurrence	Score	Velocity	Measures/Actions
	Low recoverability of Loans & Advances	Increased cost of finance, Increased bad debt provisions and reduced profitability, Loss of Revenue	5	1	5 	High	Regularly monitoring client's advance ratios by the Credit Committee, Review of facility agreements and securities, Regular Visits to Factory, Carrying out critical evaluation on both quantitative and qualitative information pertaining to high risk clients
	Fluctuations of Interest Rates	Increased cost of finance, reduced profitability	3	2	6 	High	Adjust the interest rates on lending to reflect the changes in the market rates.
Market Risk	Loss of Marks	Loss of Revenue, Loss of Market share and reputation	5	3	15 	High	Provide a better service to the clients to increase customer retention, Constant dialogue with clients and regular factory visits to understand the clients requirements / satisfaction
	Low prices for the Teas Catalogued	Loss of Revenue, Loss of Business, Loss of Profitability and reputation	5	5	25 	High	Manufacturing Advisory Services, Relationship building, Restrict the advances granted on Tea Stocks up to a certain limit, Closely monitor the market trends, Holding regular Information sharing meeting to evaluate weekly performances
	Increased number of claims and disputes over quality of Teas sold	Loss of Reputation, Loss of prices at the auctions, Increased unsold percentages	4	2	8 	Low	Constant dialogue with clients and regular factory visits to factories/buyers to understand the clients requirements / satisfaction
	Increased number of Tea withdrawals	Loss of Reputation, Loss of prices at the auctions, Increased exposure to credit risk	3	2	6 	Medium	Constant dialogue with Sri Lanka Tea Board officials and clients. Regular factory visits to factories to understand the reasons for withdrawals

RISK MANAGEMENT

Headline Risk	Risks	Implications	Impact to Company	Likelihood of Occurrence	Score	Velocity	Measures/Actions
	Customer Dissatisfaction with services	Loss of Revenue, Loss of Market share and reputation	5	2	10 	High	Provide a better service to the clients to increase customer retention, Constant dialogue with clients and regular factory visits to understand the clients requirements / satisfaction
IT Risk	Data and information security	Disruptions to operations, loss of reputation, loss of Competitive advantage,	5	2	10 	High	Periodical review of User access rights, Carrying out Vulnerability Assessment and Penetration Testing (VAPT), Ensure protection from virus guards and firewalls, Data classification and segregation
	Network Security	Disruptions to operations, loss of reputation, loss of Competitive advantage	5	2	10 	High	Periodical review of User access rights, Carrying out Vulnerability Assessment and Penetration Testing (VAPT), Ensure protection from virus guards and firewalls
	Lack of User awareness and IT skills	Loss of Competitive advantage, Potential data theft	3	2	6 	Low	Encouraging use of a complex passwords, Periodical review of user access rights, regular trainings to increase user awareness on cyber attacks
	Technology and Infrastructure security	Disruptions to operations, loss of reputation, loss of Competitive advantage	5	1	5 	High	Obtaining an appropriate insurance cover, Fixation of tools to monitor server room environment
Business Continuity Risk	Lack of Succession planning	Disruptions to operations and quality of service, loss of business	4	2	8 	High	Development of a succession planning framework (competency & skill) with current situation, Regular performance appraisal, training and development
	Lack of adequate training	Disruptions to operations and quality of service, loss of business	4	2	8 	High	Development of a succession planning framework (competency & skill) with current situation, Regular performance appraisal, training and development

Headline Risk	Risks	Implications	Impact to Company	Likelihood of Occurrence	Score	Velocity	Measures/Actions
Business Continuity Risk (contd.)	Data theft	Disruptions to operations and quality of service, loss of business, loss of reputation, increased cost due to penalties	5	1	5 	High	Periodical review of user rights and activity, increasing awareness on potential cyber attacks
	Natural Disasters/ Biological Disasters	Disruptions to operations, loss of business, increased costs	5	1	5 	High	Data backups, Business Continuity Planning, Obtain Relevant Insurance Policies. Monitoring Server room environment & use of network monitoring tool.
Compliance Risk	Unacceptable employee behaviour	Disciplinary issues, Loss of Company Reputation	2	1	2 	Low	Conduct induction programs to educate employees on regular basis, Regular meetings with staff (Formal/informal) Staff training and development
	Non-compliances with health and safety guidelines	Disruptions to operations, loss of Company reputation, Increased cost due to penalties/ expenses	3	1	3 	Medium	Roll out of plan to contain the spread of Virus Availability of insurance covers
	Non-compliances to laws and regulations due to oversights	Disruptions to operations, loss of Company reputation, Increased cost due to penalties/ expenses	3	2	6 	High	Implementation of checks and controls to ensure compliance to laws and regulations

The Risk Management Committee on a quarterly basis evaluate the process and identify areas for improvement.

INDEPENDENT ASSURANCE REPORT



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

Tel +94 - 11 542 6426
Fax +94 - 11 244 5872
+94 - 11 244 6058
Internet www.kpmg.com/lk

INDEPENDENT ASSURANCE REPORT TO CEYLON TEA BROKERS PLC

We have been engaged by the Directors of Ceylon Tea Brokers PLC ("the Company") to provide reasonable assurance and limited assurance in respect of the Sustainability Indicators as identified below for the year ended 31 March 2024. The Sustainability Indicators are included in the Ceylon Tea Brokers PLC Integrated Annual Report for the year ended 31 March 2024 (the "Report").

The Reasonable Assurance Sustainability Indicators covered by our reasonable assurance engagement are:

Assured Sustainability Indicators	Integrated Annual Report Page
Financial Highlights	12 – 13

The Limited Assurance Sustainability Indicators covered by our limited assurance engagement are:

Limited Assurance Sustainability Indicators	Integrated Annual Report Page
Non-Financial Highlights	14 – 15
Information provided on following	
Financial Capital	53 – 58
Manufactured Capital	59 – 61
Human Capital	62 – 69
Intellectual Capital	70 – 74
Natural Capital	75 – 77
Social and Relationship Capital	78 - 81

Our conclusions

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusions.

Reasonable Assurance Sustainability Indicators

In our opinion, in all material respects, the Reasonable Assurance Sustainability Indicators, as defined above, for the year ended 31 March 2024, in all material respects, has been prepared and presented by the management of Ceylon Tea Brokers PLC in accordance with the Consolidated Set of Global Reporting Initiative Sustainability Reporting Standards Guidelines.

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
Ms. S. Joseph FCA
R.M.D.B. Rajapakse FCA
M.N.M. Shameel FCA
Ms. P.M.K. Sumanasekara FCA

T.J.S. Rajakarier FCA
W.K.D.C. Abeyrathne FCA
Ms. B.K.D.T.N. Rodrigo FCA
Ms. C.T.K.N. Perera ACA
R.W.M.O.W.D.B. Rathnadiwakara FCA

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

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

Limited Assurance Sustainability Indicators

Based on the evidence we obtained from the assurance procedures performed, as described below we are not aware of any material misstatements that causes us to believe that the Limited Assurance Sustainability Indicators, as defined above, for the year ended 31 March 2024, have not in all material respects, been prepared and presented by the management of Ceylon Tea Brokers PLC in accordance with the Consolidated Set of Global Reporting Initiative Sustainability Reporting Standards Guidelines.

Management's Responsibility

Management is responsible for the preparation and presentation of the Reasonable Assurance Sustainability Indicators and the Limited Assurance Sustainability Indicators in accordance with the Consolidated Set of Global Reporting Initiative Sustainability Reporting Standards Guidelines.

These responsibilities include establishing such internal controls as management determines are necessary to enable the preparation of the Reasonable Assurance Sustainability Indicators and the Limited Assurance Sustainability Indicators that are free from material misstatement whether due to fraud or error.

Management is responsible for preventing and detecting fraud and for identifying and ensuring that the Company complies with laws and regulations applicable to its activities.

Management is also responsible for ensuring that staff involved with the preparation and presentation of the description and Report are properly trained, information systems are properly updated and that any changes in reporting encompass all significant business units.

Our responsibility

Our responsibility is to express a reasonable assurance conclusion on the Company's preparation and presentation of the Reasonable Assurance Sustainability Indicators and a limited assurance conclusion on the preparation and presentation of the Limited Assurance Sustainability Indicators included in the Report, as defined above.

We conducted our assurance engagement in accordance with Sri Lanka Standard on Assurance Engagements SLSAE 3000: Assurance Engagements other than Audits or Reviews of Historical Financial Information (SLSAE 3000) issued by the Institute of Chartered Accountants of Sri Lanka.

We have complied with the independence and other ethical requirements of the Code of Ethics for professional Accountants issued by CA Sri Lanka (Code of Ethics).

SLSAE 3000 requires that we plan and perform the engagement to obtain reasonable assurance about whether the Reasonable Assurance Sustainability Indicators are free from material misstatement and limited assurance about whether the Limited Assurance Sustainability Indicators are free from material misstatement.

The firm applies Sri Lanka Standard on Quality Control (SLSQC) 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

INDEPENDENT ASSURANCE REPORT

Reasonable assurance over Reasonable Assurance Sustainability Indicators

The procedures selected in our reasonable assurance engagement depend on our judgment, including the assessment of the risks of material misstatement of the Reasonable Assurance Sustainability Indicators whether due to fraud or error.

In making those risk assessments, we have considered internal controls relevant to the preparation and presentation of the Reasonable Assurance Sustainability Indicators in order to design assurance procedures that are appropriate in the circumstances, but not for the purposes of expressing a conclusion as to the effectiveness of the Company's internal controls over the preparation and presentation of the Report.

Our engagement also included assessing the appropriateness of the Reasonable Assurance Sustainability Indicators, the suitability of the criteria, being the Consolidated Set of Global Reporting Initiative Sustainability Reporting Standards Guidelines, used by the Company in preparing and presenting the Reasonable Assurance Sustainability Indicators within the Report, obtaining an understanding of the compilation of the financial and non-financial information to the sources from which it was obtained, evaluating the reasonableness of estimates made by the Company, and re-computation of the calculations of the Reasonable Assurance Sustainability Indicators.

Limited assurance on the Assured Sustainability Indicators

Our limited assurance engagement on the Limited Assurance Sustainability Indicators consisted of making enquiries, primarily of persons responsible for the preparation of the Limited Assurance Sustainability Indicators, and applying analytical and other procedures, as appropriate. These procedures included:

- interviews with senior management and relevant staff at corporate and selected site level concerning sustainability strategy and policies for material issues, and the implementation of these across the business;
- enquiries of management to gain an understanding of the Company's processes for determining material issues for the Company's key stakeholder groups;
- enquiries of relevant staff at corporate and selected site level responsible for the preparation of the Limited Assurance Sustainability Indicators;
- enquiries about the design and implementation of the systems and methods used to collect and report the Limited Assurance Sustainability Indicators, including the aggregation of the reported information;
- comparing the Limited Assurance Sustainability Indicators to relevant underlying sources on a sample basis to determine whether all the relevant information has been appropriately included in the Report;
- reading the Limited Assurance Sustainability Indicators presented in the Report to determine whether they are in line with our overall knowledge of, and experience with, the sustainability performance of the Company;
- reading the remainder of the Report to determine whether there are any material misstatements of fact or material inconsistencies based on our understanding obtained as part of our assurance engagement.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement, and consequently the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, we do not express a reasonable assurance conclusion on the Limited Assurance Sustainability Indicators.

Purpose of our report

In accordance with the terms of our engagement, this assurance report has been prepared for the Company for the purpose of assisting the Directors in determining whether the Company's Reasonable and Limited Assurance Sustainability Indicators are prepared and presented in accordance with the Consolidated Set of Global Reporting Initiative Sustainability Reporting Standards Guidelines and for no other purpose or in any other context.

Restriction of use of our report

This report has been prepared for the Directors of Ceylon Tea Brokers PLC for the purpose of providing an assurance conclusion on the Reasonable Assurance Sustainability Indicators and the Limited Assurance Sustainability Indicators included in the Ceylon Tea Brokers PLC Integrated Annual Report for the year ended 31 March 2024 and may not be suitable for another purpose. We disclaim any assumption of responsibility for any reliance on this report, to any person other than the Directors of Ceylon Tea Brokers PLC, or for any other purpose than that for which it was prepared.



CHARTERED ACCOUNTANTS

Colombo
28th August 2024



Vitalitea

Drinking tea has been linked to numerous health benefits, including improved heart health, enhanced immune function, better digestion, and stress relief. Tea's antioxidants, such as catechins and flavonoids, contribute to these benefits by protecting the body against free radicals.



TEASER

RECENT STUDIES HAVE SHOWN THAT BLACK TEAS AND GREEN TEAS MAY HAVE ANTI-CANCER PROPERTIES. — WHICH HELP REDUCE OR SLOW CANCER CELL GROWTH.



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FINANCIAL CALENDAR

Interim Reports

1st Quarter 11th August 2023
2nd Quarter 9th November 2023
3rd Quarter 13th February 2024
4th Quarter 30th May 2024

Audited Financial Statements

As at 31st March 2023 04th August 2023
As at 31st March 2024 23rd August 2024

Meetings

14th Annual General meeting was held on 25th August 2023
15th Annual General meeting to be held on 27th September 2024

Dividends

Final dividend for the year 2021/22 of Rs. 0.36 per share was paid on 25th July 2022
Final dividend for the year 2022/23 of Rs. 0.68 per share was paid on 22nd August 2023
Final dividend for the year 2023/24 of Rs. 0.44 per share to be paid on 24th September 2024

STATEMENT ON DIRECTOR'S RESPONSIBILITIES FOR PREPARATION OF FINANCIAL STATEMENTS

The responsibilities of the Directors, in relation to the Financial Statements of the Company and its subsidiary differ from the responsibilities of the Auditors.

The responsibility of the Independent Auditors in relation to the Financial Statements is set out in the Report of the Auditors given on pages 136 to 139 of the Annual Report.

As per the Sections 150(1), 151, 152(1) and (2), 153 (1) and (2) of the Companies Act No. 07 of 2007, the Directors are required to prepare Financial Statements for each financial year giving a true and fair view of the state of affairs of the Company and its subsidiary as at the end of the financial year and of the results of its operations for the financial year, ensure that they are completed within six months or such extended period as may be determined by the Registrar General of Companies, certified by the person responsible for the preparation of the Financial Statements that they are in compliance with the said Companies Act and dated and signed on behalf of the Board by two Directors of the Company.

In terms of section 166(1) read together with sections 168(1)(b) and (c) and section 167(1) of the Companies Act, the Directors shall cause a copy of the aforesaid Financial Statements together with the Annual Report of the Board of Directors of the Company prepared as per section 166(1) of the Companies Act to be sent to every shareholder not less than fifteen working days before the date fixed for holding the Annual General Meeting.

The Directors consider that in preparing these Financial Statements set out on pages 140 to 198, appropriate accounting policies have been selected and applied in a consistent manner and supported by reasonable and prudent judgment and that all applicable Accounting Standards, as relevant, have been followed.

The Directors are also confident that the Company has adequate resources to continue in operation and have applied the going concern basis in preparing these Financial Statements as disclosed in Note 24.

Further, the Directors have a responsibility to ensure that the Company and its subsidiary maintain sufficient accounting records to disclose, with reasonable accuracy, the financial position of the Company and its subsidiary.

The Directors are also responsible for taking reasonable steps to safeguard the assets of the Company and its subsidiary and in this regard to give proper consideration to the establishment of appropriate internal control systems to prevent and detect fraud and other irregularities.

Financial Statements prepared and presented in this report have been prepared based on Sri Lanka Accounting Standards (SLFRS/ LKAS) and are consistent with the underlying books of accounts and are in conformity with the requirements of Sri Lanka Accounting Standards, Companies Act No. 07 of 2007, Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995 and the Listing Rules of the Colombo Stock Exchange.

Compliance Report

The Directors are of the view, that they have discharged their responsibilities as set out in this statement.

The Directors also confirm that to the best of their knowledge, all statutory payments payable by the Company and its subsidiary as at the reporting date have been paid or where relevant provided for.

By Order of the Board of

CEYLON TEA BROKERS PLC



P W Corporate Secretarial (Pvt) Ltd
Secretaries

30th August 2024

INDEPENDENT AUDITOR'S REPORT



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

Tel +94 - 11 542 6426
Fax +94 - 11 244 5872
+94 - 11 244 6058
Internet www.kpmg.com/lk

To the Shareholders of Ceylon Tea Brokers PLC Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Ceylon Tea Brokers PLC (“the Company”) and the consolidated financial statements of the Company and its subsidiary (“the Group”), which comprise the statement of financial position as at 31st March 2024, and the statements of profit and loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including material accounting policies as set out on pages 140 to 196 of this Annual Report.

In our opinion, the accompanying financial statements of the Company and the Group give a true and fair view of the financial position of the Company and the Group as of 31st March 2024, and of their financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Basis for Opinion

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

Key Audit Matters

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

Allowance for impairment on Loans and advances to Tea Suppliers	
Refer to Note 3.2.4.5 for Material Accounting Policies and explanatory Note 15 of the financial statements.	
Risk Description	Our Response
<p>The Group and the Company has recognized a total impairment provision of Rs. 161 Million for the loans and advances given to tea suppliers amounting to Rs. 1,457 Million as at 31st March 2024.</p> <p>Impairment allowances represent management’s best estimate of the expected credit losses on loans and advances given to tea suppliers at the reporting date. They are calculated individually and on a collective basis for portfolios of receivables of a similar nature.</p>	<p>Our audit procedures included;</p> <ul style="list-style-type: none"> Obtaining an understanding of and assessing the design, implementation and operating effectiveness of the key internal controls management has established in arriving at the criteria used for provision computations and to ensure the accuracy of the impairment provision.

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C.P. Jayatilake FCA
Ms. S. Joseph FCA
R.M.D.B. Rajapakse FCA
M.N.M. Shameel FCA
Ms. P.M.K. Sumanasekara FCA

T.J.S. Rajakarier FCA
W.K.D.C. Abeyrathne FCA
Ms. B.K.D.T.N. Rodrigo FCA
Ms. C.T.K.N. Perera ACA
R.W.M.O.W.D.B. Rathnadiwakara FCA

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

Principals: S.R.I. Perera FCMA(UK), LLB, Attorney-at-Law, H.S. Goonewardene ACA, Ms. F.R. Ziyad FCMA (UK), FCIIT, K. Somasundaram ACMA(UK), R.G.H. Raddella ACA

Risk Description	Our Response
<p>The calculation of impairment allowances is inherently judgmental in many cases. The Group uses both specific assessment and collective assessment for impairment and specific receivables are individually assessed for impairment by considering objective evidence and based on the expected realization of those balances. Collective impairment allowances are calculated using statistical models, and the amount of loss incurred and making adjustments to current and expected economic and credit conditions. The inputs to these models are subject to management judgment and model overlays are often required.</p> <p>Additional subjectivity and judgement have been introduced into the Group's measurement of ECL due to the heightened uncertainty associated with the impact of the economic outlook to the Group's customers, increasing our audit effort thereon.</p> <p>Therefore, impairment of loan and advances given to tea suppliers remains one of the most significant judgment made by management particularly in light of the current uncertain economic outlook in the Sri Lanka and complexity and subjectivity involved in determining the provision which is based on management judgement.</p>	<ul style="list-style-type: none"> ■ Testing the completeness and accuracy of key inputs into models and computations. Further, we assessed the reasonability of the model methodology and key assumptions. ■ Assessing the recoverability of a sample of customers and reviewing the underlying documents to verify the details recorded in the database such as the credit limits, historical patterns of receipts and reviewing cash received subsequent to year end for its effect in reducing amounts outstanding at year end etc. and perform re computation over the computation. ■ Challenging how management had addressed the impact of the negative economic considerations to its borrowers within the ECL model to assess whether that it was appropriately considered in the measurement of ECLs at year-end. ■ Testing the mathematical accuracy of the calculation of allowance for impairment. ■ Assessing the appropriateness of the Group's disclosures in the financial statements using our understanding obtained from our testing and against the requirements of the Sri Lanka Accounting Standards.

Impairment assessment of Goodwill and Investments in subsidiary	
Refer to Note 3.2.7 for Material Accounting Policies and explanatory Note 13.2 and Note 14 of the financial statements.	
Risk Description	Our Response
<p>As at 31st March 2024, the goodwill was carried at Rs. 43.5 Million. Management allocated goodwill to the respective cash-generating units ("CGUs") as disclosed in Note 13 to the financial statements. The recoverable amounts of the identified CGUs have been determined based on fair value less cost to sell calculation.</p> <p>As at 31st March 2024, the Company's investment in subsidiary amounted to Rs. 633 million. The subsidiary operates in provision of warehouse facilities and logistics and have indicators of impairment as at the reporting date. Management performed the impairment assessment for subsidiaries with indicators of impairment and determined their recoverable amounts based on fair value less cost to sell calculation.</p> <p>We identified the audit of management's impairment assessment of goodwill and investment in subsidiary as a key audit matter due to the magnitude of the carrying value and subjectivity in the assessment of the recoverable amounts which requires estimation and the use of assumptions.</p>	<p>Our audit procedures included;</p> <ul style="list-style-type: none"> ■ Obtaining an understanding of management's impairment assessment process by examining the indications of possible impairment in subsidiary. ■ Assessing the mathematical accuracy of the fair value less cost to sell calculations. ■ Engaging our own internal experts to review the appropriateness of fair values determined by the external valuation experts including the valuation methodology and key assumptions. ■ Assessing the adequacy of the disclosures in the financial statements in respect of impairment testing.

INDEPENDENT AUDITOR’S REPORT

Revaluation of Buildings on Leasehold Land	
Refer to Note 3.2.3.1 for Material Accounting Policies and explanatory Note 11(a) of the financial statements.	
Risk Description	Our Response
<p>The Group has recorded a fair value of buildings on Leasehold land amounting to Rs. 750 Mn as at 31st March 2024. The Group has engaged an independent external valuation specialists to determine the fair values of buildings on leasehold land as at 31st March 2024.</p> <p>We considered this as a key audit matter due to the significance of the judgements exercised by external valuation experts engaged by the management such as per perch price and value per squire foot, estimation uncertainty and possible management bias.</p>	<p>Our audit procedures included;</p> <ul style="list-style-type: none"> ▪ Assessing the competency, objectivity and capabilities of the independent external valuer engaged by the management. ▪ Engaging our own internal resources to assess the reasonability of the valuation technique and key assumptions used in the valuation such as rental income and discount rates. ▪ Assessing the adequacy of disclosures made in relation to the revaluation of buildings on leasehold land in the Financial Statements, including the description and appropriateness of the inherent degree of subjectivity and key assumptions used.

Other Information

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

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

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

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

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

Auditor’s Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

CA Sri Lanka membership number of the engagement partner responsible for signing this independent auditor's report is 2618.



Chartered Accountants

Colombo, Sri Lanka
28th August 2024

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For The Year Ended 31st March	Note	GROUP		COMPANY	
		2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Revenue	5	1,648,655,978	1,711,453,064	1,082,426,650	1,154,969,049
Operating Expenses		(608,172,611)	(590,844,487)	(177,358,014)	(137,274,606)
Gross Profit		1,040,483,367	1,120,608,577	905,068,636	1,017,694,443
Marketing Expenses		(50,190,496)	(39,945,654)	(32,739,455)	(30,068,618)
Administration Expenses		(554,870,038)	(529,300,102)	(445,637,898)	(446,012,299)
Profit from Operations		435,422,833	551,362,821	426,691,283	541,613,526
Finance Income	6.1	83,477,808	54,717,812	79,880,995	54,703,372
Finance Expenses	6.2	(367,058,376)	(329,558,529)	(295,193,653)	(264,343,052)
Net Finance Expenses	6	(283,580,568)	(274,840,717)	(215,312,658)	(209,639,680)
Profit Before Tax	7	151,842,265	276,522,104	211,378,625	331,973,846
Income Tax Expenses	8	(82,066,838)	(92,176,170)	(69,465,614)	(92,289,230)
Profit for the Year		69,775,427	184,345,934	141,913,011	239,684,616
Total Other Comprehensive Income / (Expense)					
Remeasurement of Retirement Benefit Obligations	23.3	(3,973,972)	1,893,750	(2,797,817)	1,516,882
Deferred Tax on Remeasurement of Retirement Benefit Obligations	19	1,192,192	(568,125)	839,345	(455,065)
Gain on Revaluation	11	130,301,219	-	-	-
Deferred Tax on Revaluation / tax rate changes	19	(39,090,366)	(10,244,173)	-	-
Total Other Comprehensive Income / (Expense) Net of Tax		88,429,073	(8,918,548)	(1,958,472)	1,061,817
Total Comprehensive Income for the Year		158,204,500	175,427,386	139,954,539	240,746,433
Profit attributable to :					
Equity holders of the company		69,775,427	184,345,934	141,913,011	239,684,616
Profit for the Year		69,775,427	184,345,934	141,913,011	239,684,616
Total comprehensive Income attributable to :					
Equity holders of the company		158,204,500	175,427,386	139,954,539	240,746,433
Total Comprehensive Income for the Year		158,204,500	175,427,386	139,954,539	240,746,433
Earning Per Share - basic and diluted	9	0.38	1.01	0.78	1.31
Dividend Per Share	10	0.68	0.36	0.68	0.36

Figures in brackets indicate deductions.

The Financial Statements are to be read in conjunction with the related notes, which form a part of the financial statements of the Company/Group set out on pages 144 to 196.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As At 31st March	Note	GROUP		COMPANY	
		2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
ASSETS					
Non Current Assets					
Property, Plant and Equipment	11	974,354,721	881,086,854	17,224,294	11,113,847
Right of use Assets	12.1	192,747,728	174,801,015	-	4,811,908
Intangible Assets	13	57,772,045	62,585,596	1,848,544	2,450,624
Deferred Tax Assets	19	-	-	18,478,411	20,981,086
Investment in Subsidiary	14	-	-	633,000,000	633,000,000
Loans and Advances to Tea Suppliers	15.1	8,476,931	6,450,608	8,476,931	6,450,608
Refundable Deposit on Lease Premises	12.2	12,159,786	4,964,230	-	4,964,230
Total Non Current Assets		1,245,511,211	1,129,888,303	679,028,180	683,772,303
Current Assets					
Inventories	16	1,317,056	-	-	-
Trade and Other Receivables	17	996,255,569	812,660,711	838,484,164	683,615,424
Refundable Deposit on Lease Premises	12.2	6,595,710	-	6,595,710	-
Loans and Advances to Tea Suppliers	15.2	1,287,679,377	1,346,118,906	1,287,679,377	1,346,118,906
Cash and Cash Equivalents	18	96,650,389	71,395,884	89,447,976	64,157,125
Total Current Assets		2,388,498,101	2,230,175,501	2,222,207,227	2,093,891,455
Total Assets		3,634,009,312	3,360,063,804	2,901,235,407	2,777,663,758
EQUITY AND LIABILITIES					
Equity					
Stated Capital	20	333,200,000	333,200,000	333,200,000	333,200,000
Retained Earnings		110,360,285	167,398,638	532,808,992	516,886,453
Revaluation Reserve	20.1	210,726,204	119,515,351	-	-
Total equity attributable to owners of the company		654,286,489	620,113,989	866,008,992	850,086,453
Non Current Liabilities					
Deferred Tax Liability	19	84,081,198	30,239,780	-	-
Interest Bearing Borrowings	21.2	796,216,663	880,717,404	290,416,663	317,856,828
Lease Payable	22	6,272,186	868,095	-	-
Retirement Benefit Obligations	23	63,092,215	52,697,754	42,803,582	42,824,227
Total Non Current Liabilities		949,662,262	964,523,033	333,220,245	360,681,055
Current Liabilities					
Interest Bearing Borrowings	21.1	924,451,185	749,419,591	796,212,027	644,793,047
Lease Payable	22	30,591,296	14,619,723	-	5,804,376
Trade and Other Payables	24	713,591,349	604,094,478	618,985,385	539,035,582
Amount Due to Related Party	25	-	-	7,557,430	-
Tax Payables		30,405,073	70,183,780	30,405,073	70,183,780
Bank Overdrafts	18	331,021,658	337,109,210	248,846,255	307,079,465
Total Current Liabilities		2,030,060,561	1,775,426,782	1,702,006,170	1,566,896,250
Total Liabilities		2,979,722,823	2,739,949,815	2,035,226,415	1,927,577,305
Total Equity And Liabilities		3,634,009,312	3,360,063,804	2,901,235,407	2,777,663,758

The Financial Statements are to be read in conjunction with the related notes, which form a part of the financial statements of the Group/Company set out on pages 144 to 196.

I certify that these Financial Statements have been prepared in compliance with the requirements of the Companies Act No. 07 of 2007.


S.A.A.R. Samarasinghe
Director Finance

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

Approved and signed for and on behalf of the Board of Directors of Ceylon Tea Brokers PLC.


R.J.N. De Mel
Chairman


W.A.T. Fernando
Managing Director

23rd August 2024
Colombo

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For The Year Ended 31st March	Note	Stated Capital Rs.	Revaluation Reserve Rs.	Retained Earnings Rs.	Total Rs.
GROUP					
Balance as at 1st April 2022		333,200,000	129,759,524	47,391,079	510,350,603
Total Comprehensive Income For the Year					
Profit for the Year		-	-	184,345,934	184,345,934
Other Comprehensive Income /(Expense) For the Year		-	(10,244,173)	1,325,625	(8,918,548)
Dividend Paid During the Year	10			(65,664,000)	(65,664,000)
Balance as at 31st March 2023		333,200,000	119,515,351	167,398,638	620,113,989
Balance as at 1st April 2023		333,200,000	119,515,351	167,398,638	620,113,989
Total Comprehensive Income For the Year					
Profit for the Year		-	-	69,775,427	69,775,427
Other Comprehensive Income /(Expense) for the Year-Net of Tax		-	91,210,853	(2,781,780)	88,429,073
Transactions with equity holders					
Dividend Paid During the Year	10	-	-	(124,032,000)	(124,032,000)
Balance as at 31st March 2024		333,200,000	210,726,204	110,360,285	654,286,489

For The Year Ended 31st March	Note	Stated Capital Rs.	Retained Earnings Rs.	Total Rs.
COMPANY				
Balance as at 1st April 2022		333,200,000	341,804,020	675,004,020
Total Comprehensive Income For the Year				
Profit for the Year		-	239,684,616	239,684,616
Other Comprehensive Income for the Year		-	1,061,817	1,061,817
Dividend Paid During the Year	10		(65,664,000)	(65,664,000)
Balance as at 31st March 2023		333,200,000	516,886,453	850,086,453
Balance as at 1st April 2023		333,200,000	516,886,453	850,086,453
Total Comprehensive Income For the Year				
Profit for the Year		-	141,913,011	141,913,011
Other Comprehensive Expense for the Year		-	(1,958,472)	(1,958,472)
Transactions with equity holders				
Dividend Paid During the Year	10	-	(124,032,000)	(124,032,000)
Balance as at 31st March 2024		333,200,000	532,808,992	866,008,992

Figures in brackets indicate deductions.

The Financial Statements are to be read in conjunction with the related notes, which form a part of the financial statements of the Group and the Company set out on pages 144 to 196.

CONSOLIDATED STATEMENT OF CASH FLOWS

For The Year Ended 31st March	Note	GROUP		COMPANY	
		2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Cash Flows From Operating Activities					
Profit Before Taxation		151,842,265	276,522,104	211,378,625	331,973,846
<i>Adjustment for;</i>					
Depreciation/Amortisation	11,12,13	102,311,318	109,073,928	12,644,543	25,850,356
Interest Income	6.1	(83,477,808)	(54,717,812)	(79,880,995)	(54,703,372)
Interest Expense	6.2	367,058,376	329,558,529	295,193,653	264,343,052
Impairment of Loans Given to Tea Suppliers	15.3	7,153,924	10,293,496	7,153,924	10,293,496
Impairment of Trade and Other Receivables	17.1, 17.2	8,048,971	1,706,345	1,348,774	-
Gain on Disposals of Property, Plant and Equipment		(9,100,000)	(42,120)	(10,112,425)	(42,120)
Provision for Retirement Benefit Obligations	23.1	15,940,739	12,031,198	11,063,872	9,476,069
Operating Profit Before Working Capital Changes		559,777,785	684,425,668	448,789,971	587,191,327
Decrease/(Increase) in Loans to Tea Suppliers	15	49,259,282	(603,366,893)	49,259,282	(603,366,893)
Decrease/(Increase) in Trade and Other Receivables	17	(190,443,824)	46,736,530	(155,017,514)	78,999,860
Increase in Inventories	16	(1,317,056)	-	-	-
Increase/(Decrease) in Trade and Other Payables	24	109,496,869	(49,361,262)	79,949,803	(79,131,089)
Increase in Related Party Payable	25	-	-	2,871,346	-
Cash Generated from / (Used in) Operations		526,773,056	78,434,043	425,852,888	(16,306,795)
Retirement Benefit Obligations Paid	23	(9,520,250)	(960,375)	(9,196,250)	(580,500)
Income Tax Paid		(105,902,300)	(42,449,938)	(105,902,300)	(42,449,938)
Net Cash Flow Generated from/ (Used in) Operating Activities		411,350,506	35,023,730	310,754,338	(59,337,233)
Cash Flow From Investing Activities					
Interest / Investment income Received		80,903,136	54,225,861	78,549,725	54,211,422
Acquisition of Property, Plant and Equipment	11	(19,133,462)	(12,467,906)	(15,429,635)	(6,188,390)
Investment in Unit Trusts		(804,000,000)	-	(804,000,000)	-
Redemption of Unit Trust Investment		804,000,000	-	804,000,000	-
Acquisition of Intangible Assets	13	(5,424,715)	-	(746,323)	-
Proceeds on Disposal of Property, Plant and Equipment		9,100,000	42,120	12,947,382	42,120
Refundable Deposit	12.2	(16,587,810)	-	(1,500,210)	-
Net Cash Flow Generated from Investing Activities		48,857,149	41,800,075	73,820,939	48,065,152
Cash Flow From Financing Activities					
Interest Paid		(357,209,450)	(324,300,556)	(290,208,810)	(261,640,127)
Loans Obtained During the Year	21	6,820,000,000	1,800,000,000	6,750,000,000	1,745,000,000
Loan Repayment made during the Year	21	(6,734,714,229)	(1,704,819,779)	(6,630,950,581)	(1,625,056,131)
Proceeds from Commercial Papers issued	21.1.7	113,175,342	550,000,000	113,175,342	550,000,000
Repayment of Commercial Papers redeemed	21.1.7	(113,175,342)	(550,000,000)	(113,175,342)	(550,000,000)
Payment of lease liabilities	22	(32,909,919)	(45,866,476)	(5,859,823)	(23,566,180)
Dividend Paid	10	(124,032,000)	(65,664,000)	(124,032,000)	(65,664,000)
Net Cash Flow Used In Financing Activities		(428,865,598)	(340,650,811)	(301,051,214)	(230,926,438)
Net Increase/(Decrease) in Cash and Cash Equivalents		31,342,057	(263,827,006)	83,524,061	(242,198,519)
Cash and Cash Equivalents at the beginning of the Year		(265,713,326)	(1,886,320)	(242,922,340)	(723,821)
Cash and Cash Equivalents at the end of the Year	18	(234,371,269)	(265,713,326)	(159,398,279)	(242,922,340)

Figures in brackets indicate deductions.

The Financial Statements are to be read in conjunction with the related notes, which form a part of the financial statements of the Group/Company set out on pages 144 to 196.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

1.1 Reporting Entity

Ceylon Tea Brokers PLC (the “Company”) is a Company domiciled and operating in Sri Lanka, incorporated on 15th June 1999 and listed on the Colombo Stock Exchange on 20th January 2010. The Company’s registered office and the principal place of business are located at Level 7, Millennium House, No. 46/58, Nawam Mawatha, Colombo 02.

The Ceylon Tea Brokers PLC is the ultimate parent of the Group and the Company has a fully owned subsidiary, Logicare (Private) Limited, which was acquired in 2017, is a private Company with limited liability incorporated in Sri Lanka under the provisions of the Companies Act No. 07 of 2007. The immediate and the ultimate parent of the subsidiary is the Ceylon tea brokers PLC. The Ordinary shares of the company have a primary listing on the CSE.

The staff strength of the Group and the Company was 123 and 75 in 2023/24 and 121 and 84 in 2022/23.

Corporate information is presented in the inner back cover of this Annual Report.

1.2 Principal Activities and Nature of Operations

The principle activities of the Company were tea brokering, tea warehousing and financing. The principal activity of the subsidiary is to carry on business of providing warehousing facilities for clients of parent and services related to third party logistics (TPL). There were no significant changes in the nature of principal activities of the Company and the Group during the financial year.

1.3 Consolidated Financial Statements

The Consolidated financial statements of the Company as at, and for the year ended 31st March 2024 comprise the financial statements of Company (Parent Company) and its subsidiary (together referred to as the “Group”)

2. BASIS OF PREPARATION

2.1 Statement of Compliance

The Consolidated Financial Statements of the Group and the separate Financial Statements of the Company comprise the Statement of Profit or Loss and Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and Statement of Cash Flows, together with the notes to the Financial Statements and Material Accounting Policies which have been prepared in accordance with the Sri Lanka Accounting Standards (SLFRS & LKAS) promulgated by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and with the requirement of Companies Act No 7 of 2007 and provide appropriate disclosures as required by the Listing Rules of the Colombo stock exchange (CSE). These Financial Statements except information on Cash Flows have been prepared following the accrual basis of accounting.

Details of the Group’s Material accounting policies followed during the year are given in Notes 3.

2.2 Responsibility for Financial Statements

The Board of Directors of the Company is responsible for the preparation and fair presentation of the financial statements of the Group and the Company as per the provision of the Companies Act No. 07 of 2007 and Sri Lanka Accounting Standards.

These financial statements include the following components:

- a Statement of Profit or Loss and Other Comprehensive Income providing the information on the financial performance of the Group and the Company for the year under review. Refer page 140;
- a Statement of Financial Position providing the information on the financial position of the Group and the Company as at the year end. Refer page 141;
- a Statement of Changes in Equity depicting all changes in shareholders’ funds during the year under review of the Group and the Company. Refer pages 142;
- a Statement of Cash Flows providing the information to the users, on the ability of the Group and the Company to generate cash and cash equivalents and utilisation of those cash flows. Refer page 143;
- Notes to the Financial Statements comprising Material Accounting Policies and other explanatory information. Refer pages 144 to 198.

The Consolidated Financial Statements were authorized for issue by the Company’s Board of Directors in accordance with the resolution passed by the Board of Directors on 23rd August 2024.

2.3 Basis of Measurement

The Consolidated Financial Statements have been prepared on the historical cost basis except for the following material items in the statement of financial position.

- Liability for Retirement Benefit Obligation is measured at the present value of the defined benefit obligation based on actuarial valuation as per LKAS 19: Employee benefits.
- Buildings under Property, Plant and Equipment are measured at fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated any impairment as per LKAS 16: Property, Plant and Equipment.

2.4 Going Concern Basis of Accounting

The Management has made an assessment of the Group's and the Company's ability to continue as a going concern in the foreseeable future and they do not foresee a need for liquidation or cessation of business. Furthermore, the Management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as going concern. Therefore, the Financial Statements of the Group continue to be prepared on going concern basis.

2.5 Functional and Presentation Currency

The Consolidated Financial Statements have been presented in Sri Lankan Rupees, which is the Group's/ Company's functional and presentation currency. All the financial information presented in Sri Lankan Rupees has been rounded to the nearest Rupee value unless indicated other wise.

2.6 Presentation of Financial Statements

The assets and liabilities of the Group and the Company presented in the statement of financial position are grouped by nature and listed in an order that reflects their relative liquidity and maturity pattern.

2.7 Materiality and Aggregation

Each material class of similar items is presented separately in the financial statements. Items of dissimilar nature or function are presented separately unless they are immaterial as permitted by LKAS 1: Presentation of Financial Statements.

2.8 Offsetting

Financial assets and financial liabilities are offset and the net amount report in the statement of financial position, only when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on net basis, or to realize the assets and settle the liability simultaneously.

2.9 Comparative Information

Comparative information including quantitative, narrative and descriptive information is disclosed in respect of the previous period in the Financial Statements in order to enhance the understanding of the current period's Financial Statements and to enhance the inter period comparability. The comparative information have been reclassified where necessary to conform to the current year's presentation.

2.10 Use of Estimates, Judgments and Assumptions

The preparation of financial statements of the Group in conformity with Sri Lanka Accounting Standards (SLFRSs/ LKASs) requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses.

Judgements and estimates are based on historical experience and other factors, including expectations that are believed to be reasonable under the circumstances. Hence, actual experience and results may differ from these judgements and estimates.

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

2.10.1 Determination of Fair Values

'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 and the Company has access at that date. The fair value of a liability reflects its non-performance risk. Several of the Group's and the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

When measuring fair value of an asset or liability, the Group and the Company 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.

Level 1: inputs are unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2: inputs are inputs other than quoted prices included within 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 are inputs that are not based on observable market data (unobservable inputs).

If inputs used to measure the fair value of an asset or 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.

Fair values have been determined for measurement and disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair value is disclosed in the notes specific to that asset or liability.

2.10.2 Fair Value of Non-Financial Assets

The fair value used by the Group in the measurement of non-financial assets is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the

principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market that is accessible by the Group and the Company for the asset or liability.

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

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

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

2.10.3 Useful Lives of Depreciable Assets

The Management reviews its estimation of the useful lives of depreciable assets at each reporting date based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the useful life of certain property, plant and equipment.

2.10.4 Defined Benefit Obligation

The cost of the defined benefit plans are determined using an actuarial valuation. The Group's estimate of the defined benefit obligation is based on a number of critical underlying assumptions such as mortality rates, discount rate and

anticipation of future salary increases. Variation in these assumptions may significantly impact the defined benefit obligation amount and the annual defined benefit expense.

2.10.5 Fair Value of Financial Instruments

The Group applies valuation techniques to determine the fair value of financial instruments where active market quotes are not available. This requires management to develop estimates and assumptions based on market inputs, using observable data that market participants would use in pricing the instrument. Where such data is not observable, management uses its best estimate. Estimated fair values of financial instruments may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

2.10.6 Recognition of Deferred Tax Assets

The Group applies significant judgment to the extent the deferred tax assets can be recognised based on an assessment of the probability of the Group's future taxable income against which the deferred tax assets can be utilised. In addition, significant judgment is required in assessing the impact of any legal or economic limits or uncertainties in various future tax jurisdictions.

3. MATERIAL ACCOUNTING POLICIES

3.1 Changes in Material Accounting Policies

3.1.1 Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction

The Group adopted Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to LKAS 12) from 1st April 2023. The amendments narrow the scope of the initial recognition exemption to exclude transactions that give rise to equal and offsetting temporary differences – e.g., leases. For leases, the Group is required to recognise the associated deferred tax assets and liabilities from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. For all other transactions, the Group applies the amendments to transactions that occur on or after the beginning of the earliest period presented. The Group previously accounted for deferred tax on leases by applying the “integrally linked” approach, resulting in a similar outcome as under the amendments, except that the deferred tax asset or liability was recognised on a net basis.

Following the amendments, the Group has recognised a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets. However, there was no impact on the statement of financial position because the balances qualify for offset under LKAS 12. There was also no impact on the opening retained earnings as at 1st April 2022 as a result of the change. The key impact for the Company relates to disclosure of the deferred tax assets and liabilities recognised.

3.1.2 Material Accounting Policy Information

The Group also adopted Disclosure of Accounting Policies (Amendments to LKAS 1) from 1 April 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements. The amendments require the disclosure of ‘material’, rather than ‘significant’, accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity specific accounting policy information that users need to understand other information in the financial statements. Management reviewed the accounting policies and made updates to the information disclosed under respective notes to these financial statements (2023: Significant accounting policies) in certain instances in line with the amendments.

3.2 Material Accounting Policies

The accounting policies set out below have been applied consistently for all periods presented in the financial statements by the Group and the Company unless otherwise indicated.

3.2.1 Consolidation

3.2.1.1 Basis of Consolidation

The Group’s Financial Statements comprise consolidated Financial Statements of the Group and its Subsidiary, prepared in accordance with the Sri Lanka Accounting Standards (SLFRS) 10 - Consolidated Financial Statements.

3.2.1.2 Business Combination

Business combinations are accounted for using the acquisition method as at the acquisition date - i.e. when control is transferred to the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; Minus
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

Any goodwill that arises is tested annually for impairment (refer note 3.2.7). When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3.2.1.3 Subsidiary

Subsidiary is 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. The Financial Statement of subsidiary are included in the consolidated financial statements from the date, that control commence, until the date that control ceases.

3.2.1.4 Loss of Control

On the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interest and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

3.2.1.5 Transactions Eliminated on Consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra group transactions are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

3.2.2 Foreign Currency

Transactions in currencies other than the entity's functional currency (foreign currencies) are recorded in

the functional currencies using the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are translated at the closing rate. Non-monetary items measured at fair value are translated at the rates prevailing on the date when the fair value was determined. Non-monetary items measured at historical cost are translated at the rates prevailing on the date of transaction. Exchange differences arising on the settlement of monetary items and on the translation of monetary items are included in profit or loss for the period.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences, which are recognized in other comprehensive income.

3.2.3 Assets and the Bases of Their Valuation

Assets classified as current assets in the Statement of Financial Position are cash, bank balances and those which are expected to be realized in cash, during the normal operating cycle of the Group's business, or within one year from the reporting date, whichever is shorter. Assets other than current assets are those which the Group intends to hold beyond a period of one year from the reporting date.

3.2.3.1 Property, Plant and Equipment

3.2.3.1.1 Recognition and Measurement

Basis of recognition

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

reliably, in accordance with the Sri Lanka Accounting Standard - LKAS 16 on "Property Plant and Equipment".

Basis of measurement

An item of property, plant and equipment that qualifies for recognition as an asset is initially measured at its cost. Cost includes expenditure that is directly attributable to the acquisition of the asset and subsequent costs (as explained under 3.2.3.1.4 - subsequent cost).

Cost Model

All property, plant and equipment except buildings, are recorded at cost, less accumulated depreciation and accumulated impairment losses, if any. When an asset's carrying value is higher than its recoverable amount, the carrying value is written down to its recoverable amount (Please refer Note 3.2.7 - Impairment of non-financial assets).

Revaluation Model

The Group policy is to revalue all buildings by an independent professional valuer every three years or when there is a substantial difference between the fair value and the carrying amount. On revaluation of an asset, any increase in the carrying amount is recognised in revaluation reserve in equity through Other Comprehensive Income or used to reverse a previous loss on revaluation of the same asset, which was charged to Profit or Loss. In this circumstance, the increase is recognised as income only to the extent of the previous write down in value. Any decrease in the carrying amount is recognised as an expense in Profit or Loss or charged to revaluation reserve in equity through Other Comprehensive Income, only to the extent of any credit balance existing in the revaluation reserve in respect of that asset. Any

balance remaining in the revaluation reserve in respect of an asset, is transferred directly to retained earnings upon disposal of the asset.

3.2.3.1.2 Owned Assets

The cost of an item of property, plant and equipment comprise its purchase price and any directly attributable costs of bringing the asset to working condition for its intended use.

The cost of self-constructed assets includes the cost of materials, direct labor, and any other costs directly attributable to bringing the asset to the working condition for its intended use. This also includes cost of dismantling and removing the items and restoring in the site on which they are located and borrowing costs on qualifying assets.

Purchased software that is integrate to the functionality of the related equipment is capitalized as part of equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for separate items (major component) of property, plant and equipment.

3.2.3.1.3 Capital Work-In-Progress

The cost of capital work-in-progress is the cost of purchase or construction together with any related expenses thereon. Capital work-in-progress is transferred to the respective asset accounts at the time of first utilization or at the time the asset is commissioned.

3.2.3.1.4 Subsequent Costs

The Group recognises in the carrying amount of property, plant and equipment the cost of replacing part of an item of property, plant and equipment is recognized 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 the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized.

The costs of the day to day servicing of property, plant and equipment are recognized in profit or loss as incurred.

3.2.3.1.5 Borrowing Costs

Borrowing costs that are directly attributable to acquisition, construction or production of a qualifying asset which takes a substantial period of time to get ready for its intended use or sale, are capitalised as a part of the asset. The amounts of the borrowing costs which are eligible for capitalisation are determined in accordance with LKAS 23 - Borrowing Costs.

Borrowing costs that are not capitalised are recognised as expenses in the period in which they are incurred and charged to the Statement of Profit or Loss.

3.2.3.1.6 Depreciation

Depreciation is recognized in profit or loss on the straight-line basis over the estimated useful lives of each part of item of Property, Plant and Equipment. Depreciation of an asset begins when it is available for use whereas depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale (or included in a disposal group that is classified as held for sale) and the date that the asset is derecognized. Depreciation is not charged on Freehold Land.

The estimated useful lives of Property Plant and Equipment used by the Group and the Company are as follows:

	Annual Rate	Useful Life (Years)
Lease Hold Right Over Land	2.60%	39
Computer	25.00%	04
Furniture and Fittings	12.50%	08
Motor Vehicle	25.00%	04
Office Equipment	12.50%	08
Weight Scale	12.50%	08
Wooden Pallets	10.00%	10
Racking System	2.78%	36
Building	3.03%	33
Machinery & Electrical Equipment	12.50%	08
Software	25.00%	04

Depreciation method, useful lives and residual values are reviewed at each Reporting Date end and adjusted if appropriate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3.2.3.1.7 Derecognition

The carrying amount of an item of property, plant and equipment is de-recognized on disposal or when no future economic benefits are expected from its use or disposal. Gains or losses on de-recognition are recognized within sundry income in profit or loss.

When replacement costs are recognised in the carrying amount of an item of property, plant and equipment, the remaining carrying amount of the replaced part is derecognised as required by Sri Lanka Accounting Standard – LKAS 16 on “Property, plant and equipment”.

3.2.3.2 Intangible Assets

3.2.3.2.1 Initial Recognition and Measurement

An intangible asset is recognized where it is probable that economic benefits are attributable to the assets will flow to the entity and cost of the assets can be measured reliably and carried at cost less accumulated amortization and accumulated impairment losses.

Separately acquired intangible assets are measured on initial recognition at cost. The cost of such separately acquired intangible assets include the purchase price, import duties, non-refundable purchase taxes and any directly attributable cost of preparing the asset for its intended use.

The cost of intangible assets acquired in a business combination is the fair value of the asset at the date of acquisition.

The cost of an internally generated intangible asset arising from the development phase of an internal project which is capitalised includes all directly attributable costs necessary

to create, produce, and prepare the asset to be capable of operating in the manner intended by the Management. Other development expenditure and expenditure on research activities, undertaken with the prospect of gaining new technical knowledge and understanding is expensed in the income statement as and when incurred.

3.2.3.2.2 Subsequent Expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in profit or loss as incurred.

3.2.3.2.3 Subsequent Measurement

After initial recognition an intangible asset is stated at its costs less any accumulated amortisation and any accumulated impairment losses.

The useful economic life of an intangible asset is assessed to be either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life of the asset. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting date. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the income statement.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level.

The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

3.2.3.2.4 Computer Software

All computer software costs incurred, which are not internally related to associate hardware, which can be clearly identified, reliably measured and its probable that they will lead to future economic benefits, are included in the Statement of Financial Position under the category of intangible assets. Amortization is calculated at an annual rate of 25%.

3.2.3.2.5 Goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. Any goodwill that arises is tested annually for impairment.

3.2.3.2.5.1 Initial Recognition And Measurement

Goodwill is initially measured at cost and any previous interest held over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures

used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in profit or loss.

3.2.3.2.5.2 Subsequent Measurement

After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Goodwill is tested for impairment. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

3.2.3.3 Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the First in First Out principle, 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. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

3.2.4 Financial Assets

3.2.4.1 Recognition and Initial Measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group and the Company 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 or minus, 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.

3.2.4.2 Classification and Subsequent Measurement of Financial Assets

On initial recognition, a financial asset is classified as subsequently measured at: amortised 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.

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

assets and financial liabilities at fair value through profit or loss are dealt with through the Income Statement. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under SLFRS 15. Refer to the accounting policies in section 3.2.1.2.1, Revenue from contracts with customers.

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. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.
- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

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 - 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. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

3.2.4.3 Reclassification

Financial assets are not reclassified subsequent to their initial recognition, except and only in those rare circumstances when the Group's changes its objective of the business model for managing such financial assets.

Financial Liabilities are not reclassified as such reclassifications are not permitted by SLFRS 9.

3.2.4.4 Derecognition Of Financial Assets

A financial asset (or, where applicable a part of a financial asset or part of a Group of similar financial assets) is derecognized when:

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

When the Group and the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of it, the asset is recognized to the extent

of the Group's and the Company's continuing involvement in it.

In that case, the Group and the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group and the Company has retained.

3.2.4.5 Impairment of Financial Assets

i. Impairment Policy:

Financial instruments and contract assets Loss allowances for trade receivables is always measured at an amount equal to lifetime ECLs.

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.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

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

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

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

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

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

Measurement of ECLs

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

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost 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.

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

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;

- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

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

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Group has a policy of writing off the gross carrying amount when the financial asset is 180 days past due based on historical experience of recoveries of similar assets. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures to recovery of amounts due.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3.2.5 Financial Liabilities

On initial recognition, the Company classifies financial liabilities, other than financial guarantees and loan commitments, into one of the following categories:

- Financial liabilities at amortised cost; and
- Financial liabilities at fair value through profit or loss.

3.2.5.1 Classification and Subsequent Measurement of Financial Liabilities

The subsequent measurement of financial liabilities depends on their classification.

i. Financial Liabilities at Amortised Cost

Financial Liabilities issued by the Group that are not designated at fair value through profit or loss are recognised initially at fair value plus any directly attributable transaction costs, by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest method.

The EIR amortisation is included in 'Interest expense' in the Income Statement. Gains and losses too are recognised in the Income Statement when the liabilities are derecognised as well as through the EIR amortisation process.

Loans and Borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate method. Gains and losses are recognized in the income statement when the liabilities are derecognized as well as through the effective interest rate method (EIR) amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that is an integral part of the EIR. The EIR amortization is included in finance costs in the income statement.

3.2.5.2 Derecognition

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

3.2.6 Offsetting of Financial Instruments

Financial assets and financial liabilities are offset with the net amount reported in the Statement of Financial Position only if there is a current enforceable legal right to offset the recognized amounts and intent to settle on a net basis, or to realize the assets and settle the liabilities simultaneously. Income and expense will not be offset in the Income Statement unless required or permitted by any accounting standard or interpretation, as specifically disclosed in the accounting policies of the Company.

3.2.7 Impairment of Non-Financial Assets

The carrying amounts of the Group's non-financial assets, other than inventories 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. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that is largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or cash-generating unit 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 or groups of assets (the "cash-generating unit, or CGU").

The Group's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs.

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (Company of units) on a pro rata basis.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

3.2.8 Lease

The Group assesses at the inception of a contract, whether 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 as per the guidelines of SLFRS 16. This assessment considers whether, throughout the period of use, the lessee has both the right to obtain all of the economic benefits from the use of the identified asset and the right to direct how and for what purpose the identified asset is used.

After the assessment of whether a contract is, or contains, a lease, the Group determines whether it contains additional lease or non-lease (service) components based on the detailed

guidance provided in SLFRS 16. Accordingly, the right to use of an identifying asset is a separate lease component if the lessee can benefit from the use of underlying asset either on its own or together with other resources readily available to the lessee and the underlying asset is neither highly dependent on, nor highly interrelated with, the other underlying assets in the contract.

3.2.8.1.1 As a Lessee

As per SLFRS 16, when the Group has determined that a contract contains a lease component and one or more additional lease components or non-lease components, the consideration in the contract is allocated to each lease component on the basis of relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove any improvements made to branches or office premises.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by analysing its borrowings from various external sources and makes certain adjustments to reflect the terms of the lease and type of asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

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

3.2.8.1.2 Short-Term Leases and Leases Of Low-Value Assets

The Company / Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

3.2.9 Provision, Contingent Liabilities, Contingent Assets

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. All contingent liabilities are disclosed as a note to the financial statements unless the outflow of resources is remote. Contingent assets are disclosed, where inflow of economic benefit is possible.

3.2.10 Post-Employment Benefits

(i) Short-Term Employee Benefits

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

(ii) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan as defined by Sri Lankan Accounting Standard – LKAS 19 on “Employment Benefits”. The liability recognised in the statement of financial position in respect of defined benefit plans is the present value of the defined benefit obligation at the reporting date. The defined benefit obligation is calculated annually using the projected unit credit method by qualified actuary as recommended by LKAS - 19. The present value of the defined benefit obligation is determined by discounting the estimated future cash flows using interest rates that are denominated in the currency in which the benefits will be paid, and that have terms of maturity approximating to the terms of the liability.

Provision has been made in the financial statements for retiring gratuities from the first year of service for all employees.

However, according to the Payment of Gratuity Act No. 12 of 1983, the liability for payment to an employee arises only after the completion of 5 years continued service.

The liability is not externally funded.

Group recognises all actuarial gains and losses arising from defined benefit plans immediately in the statement of other comprehensive income as they occur. When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefits that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Company recognizes gain or losses on the settlement of a defined plan when the settlement occurs.

(iii) Defined contributions plans – Employees’ Provident Fund and Employees’ Trust Fund

All employees who are eligible for Employees’ Provident Fund Contributions and Employees’ Trust Fund Contributions are covered by relevant contributions funds in line with the relevant statutes. Employer’s contributions to the defined contribution plans are recognized as an expense in profit or loss when incurred.

3.2.11 Ordinary Shares

Ordinary Shares Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with LKAS 12.

3.2.12 Income Statement

3.2.12.1 Revenue from Contracts with Customers

Revenue represents the amounts derived from the provision of services, which falls within the Company’s ordinary activities net of Revenue related taxes.

The Group/Company recognizes revenue from contracts with customers when control of the goods or services is transferred to the customer at an amount that reflects the consideration that the Group is to be entitled in exchange for those goods or services. Determining the timing of the transfer of control of goods or services, at a point in time or over time, requires judgements taking into consideration the nature of goods or services that Group/Company offers.

Disaggregation of revenue

SLFRS 15 requires an entity to disaggregate revenue from contracts with customers into categories that depict how the nature, amount, timing, and uncertainty of revenue and cash flows are affected by economic factors. The Group/ Company disaggregate revenue in to following categories.

- Brokerage Fee
- Handling Charges
- Logistic and transportation income
- Lot fee

Revenue from rendering of services is recognized when the Group/ Company satisfies all performance obligations by transferring a promised service to a customer.

3.2.12.2 Net Financing Income / Cost

Finance income comprises interest income on funds invested. Interest income is recognized as it accrues in profit or loss, using the effective interest method.

Finance cost comprises interest expense on external borrowings, related party loans and payments made under agreement.

Finance costs comprise interest expense on external borrowings and related party loans and payments made under lease agreements. Payments made under lease agreements are recognised in profit or loss on a straight line basis over the term of the lease. Lease incentives received may be recognised as an integral part of the total lease expense, over the term of the lease.

3.2.12.3 Expenditure Recognition

- a) All expenditure incurred in the running of the business and in maintaining the Property, Plant & Equipment in a state of efficiency including Depreciation has been charged to Income Statement in arriving at the profit for the year.
- b) For the purpose of presentation of the Income Statement, the Directors are of the opinion that the function of expenses, present fairly the elements of the enterprises performance, hence such presentation method is adopted.

3.2.12.4 Income Tax Expense

Tax expense comprises current and deferred tax. Current tax and deferred tax is recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

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

(i) Current Tax

Current tax expense for the current and comparative periods are measured at the amount paid or expected to be payable to the Commissioner General of Inland Revenue on taxable income for the respective year of assessment computed in accordance with the provisions of the Inland Revenue Act, No. 24 of 2017 as amended by subsequent legislation enacted or substantively enacted by the reporting date.

(ii) Deferred Taxation

Deferred taxation is recognised using the liability method, 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 not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

A deferred tax asset is recognised 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 utilised. 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 realised. Deferred tax assets and deferred tax liabilities are offset, if legally enforceable right exists to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxable entity and the same taxation authority.

3.2.12.5 Basic Earnings Per Share

The Group presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

3.2.12.6 Related Party Transactions

Disclosure has been made in respect of the transactions in which one party has the ability to control or exercise significant influence over the financial and operating policies/decisions of the other, irrespective of whether a price is being charged or not.

The relevant details are disclosed in the respective notes to the Financial Statements.

3.2.13 Cash Flow Statements

Interest received is classified as investing cash flows, while interest paid, is classified as financing cash flows for the purpose of presentation of Cash Flow Statement which has been prepared using the 'Indirect Method'.

3.2.13.1 Cash and Cash Equivalents

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.

3.2.14 Segment Reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses, including revenue and expenses that relate to transactions with any of the Group's other components, whose operating results are reviewed regularly by the Corporate Management Team headed by the Managing Director/ Chief Executive Officer (being the chief operating decision-maker) to make decisions about resources allocated to each segment and assess its performance, and for which discrete financial information is available.

The Group has two strategic divisions (operating segments), namely:

- Tea broking
- Warehousing for Third Party Logistics

Segment performance is evaluated based on operating profits or losses which, in certain respects, are measured differently from operating profits or losses in the Consolidated Financial Statements. Income taxes are managed on a group basis and are not allocated to operating segments.

3.2.15 Events After The Reporting Date

Events after the reporting period are those events favorable and unfavorable, that occur between the end of the reporting period and the date when the financial statements are authorized for issue.

The materiality of the events occurring after the reporting period are considered and appropriate adjustments to or disclosures are made in the Financial Statements, where necessary.

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

The Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) has issued following new amendments to the Sri Lanka Accounting Standards which will become applicable for financial periods beginning after on or after 01st April 2023. Accordingly, the Group has not applied the following new amendments to the standard in preparing these Financial Statements. The Group has not early adopted new standards in preparing Consolidated financial statements.

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

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

4.1 Classification of Liabilities as Current or Non-current (Amendments to LKAS 1)

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

4.2 Non-current Liabilities with Covenants – Amendments to LKAS 1

4.3 Lease Liability in a Sale and Leaseback – Amendments to SLFRS 16

4.4 Supplier Finance Arrangements – Amendments to LKAS 7 and SLFRS 7

4.5 Lack of Exchangeability – Amendments to LKAS 21

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

4.6 SLFRS S1 - General Requirements for Disclosures of Sustainability-related Financial Information

4.7 SLFRS S2 - Climate-Related Disclosures

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5. REVENUE

For The Year Ended 31st March	GROUP		COMPANY	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
5.1 Revenue from Contract with Customers				
Brokerage Fee	433,432,696	518,697,388	433,432,696	518,697,388
Handling Charges	102,413,334	83,249,613	102,413,334	83,249,613
Logistic & Transportation Income	563,342,128	555,312,095	-	-
Lot Fee	7,398,390	7,352,083	7,398,390	7,352,083
Sundry Income	93,124,145	129,369,703	90,236,945	128,197,783
Total Revenue from Contract with Customers	1,199,710,693	1,293,980,882	633,481,365	737,496,867
Interest Earned on Loans and Advances	448,945,285	417,472,182	448,945,285	417,472,182
Total Revenue	1,648,655,978	1,711,453,064	1,082,426,650	1,154,969,049
5.2 Timing of Revenue Recognition				
Products and Services transferred at a point in time	1,648,655,978	1,711,453,064	1,082,426,650	1,154,969,049
	1,648,655,978	1,711,453,064	1,082,426,650	1,154,969,049

6. NET FINANCE EXPENSES

For The Year Ended 31st March	GROUP		COMPANY	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Finance Income (Note 6.1)	83,477,808	54,717,812	79,880,995	54,703,372
Finance Expenses (Note 6.2)	(367,058,376)	(329,558,529)	(295,193,653)	(264,343,052)
Net Finance Expenses	(283,580,568)	(274,840,717)	(215,312,658)	(209,639,680)
6.1 Finance Income				
Interest Income on Staff Loans	7,949,303	1,893,484	5,819,350	1,879,044
Investment / Interest Income on Others	72,655,368	51,317,041	71,188,508	51,317,041
Interest on Fixed Deposits	2,873,137	1,507,287	2,873,137	1,507,287
Total Finance Income	83,477,808	54,717,812	79,880,995	54,703,372
6.2 Finance Expenses				
Financial Services VAT on Interest Income	17,972,519	20,851,610	17,972,519	20,851,610
Interest on Borrowings	331,504,266	288,610,408	264,481,172	225,289,657
Interest on Lease	4,603,847	3,624,402	55,447	1,813,530
Loss on Exchange	100,655	83,854	-	-
Interest on Commercial Papers	11,176,352	15,538,175	11,176,352	15,538,175
Un-winding of Prepaid Staff Loan Expenses	1,700,737	850,080	1,508,163	850,080
Total Finance Expense	367,058,376	329,558,529	295,193,653	264,343,052

7. PROFIT BEFORE TAXATION

For The Year Ended 31st March	GROUP		COMPANY	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Is stated after charging all expenses including the following;				
Auditors' Remuneration - Statutory Audit	1,250,000	1,020,000	975,000	850,000
- Non Audit Services	117,260	50,000	117,260	50,000
Directors' Fees & Consultancy Fees	14,600,445	15,325,000	12,945,000	13,565,000
Depreciation of Property, Plant and Equipment (Note 11)	56,166,814	53,828,898	6,484,232	4,833,226
Amortisation of Intangible Assets	10,238,266	10,081,814	1,348,403	1,769,461
Amortisation of Right of Use Assets	35,906,238	45,163,216	4,811,908	19,247,670
Impairment charge for Loans and advances Given to Tea Suppliers (Note 15.3)	7,153,924	10,293,496	7,153,924	10,293,496
Impairment of Trade and Other Receivables	8,048,971	1,706,345	1,348,774	-
Personnel Costs (Note 7.1)	414,295,397	400,528,453	301,412,211	317,835,830

7.1 Personnel Costs

Salaries, Wages and Overtime	263,794,141	213,035,284	172,735,558	147,098,355
Bonus & Profit Share Expenses	97,462,528	145,641,921	93,275,815	141,063,971
Defined Contribution Plan Costs - EPF	29,670,391	23,856,040	19,469,572	16,157,948
- ETF	7,427,598	5,964,010	4,867,393	4,039,487
Retirement Benefit Obligation Expenses	15,940,739	12,031,198	11,063,873	9,476,069
	414,295,397	400,528,453	301,412,211	317,835,830

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

8. INCOME TAX EXPENSES

For The Year Ended 31st March	GROUP		COMPANY	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Current Year Income Tax Expenses (Note 8.1)	66,855,074	98,983,780	66,855,074	98,983,780
Under / (over) Provision in Respect of Previous Years	(731,480)	179,669	(731,480)	179,669
Deferred Tax Charge (Note 19)	15,943,244	(6,987,279)	3,342,020	(6,874,219)
	82,066,838	92,176,170	69,465,614	92,289,230

8.1 Current Year Income Tax Expenses

Accounting Profit Before Taxation	151,842,265	276,522,104	211,378,625	331,973,846
Adjustments on consolidation	1,012,426	11,842,214	-	-
Less: Income from Other Sources	(74,061,645)	(54,703,372)	(74,061,645)	(54,703,372)
Add: Aggregate Disallowable Items	113,798,261	117,392,796	35,525,198	63,511,377
Less: Aggregate Allowable Items	(132,027,536)	(133,015,153)	(24,053,578)	(28,878,629)
Net Business Income	60,563,771	218,038,589	148,788,600	311,903,222
Tax Loss for the year - Logicare (Private) Limited	(88,224,828)	(93,864,633)	-	-
Business Income - Ceylon Tea Brokers PLC	148,788,600	311,903,222	148,788,600	311,903,222
Net Business Income	60,563,772	218,038,589	148,788,600	311,903,222
Add: Income from Other Sources	74,061,645	54,703,372	74,061,645	54,703,372
Total Taxable Income	222,850,245	366,606,593	222,850,245	366,606,594
Tax at 24%	-	43,992,791	-	43,992,791
Tax at 30%	66,855,074	54,990,989	66,855,074	54,990,989
	66,855,074	98,983,780	66,855,074	98,983,780
Effective Tax Rate	30%	26%	30%	26%

The income tax provision of the Group has been calculated in accordance with the Inland Revenue Act No. 24 of 2017 and its amendments thereto. In terms of the Inland Revenue Act no 24 of 2017, the Group is liable for income tax on 30% on revenue sources and other income.

Logicare (Private) Limited, the subsidiary company, is not liable for pay income tax for the year ended 31st March 2024 as the Company did not generate a taxable income.

For The Year Ended 31st March	GROUP	
	2024 Rs.	2023 Rs.
8.2 Tax Losses Carried Forward		
At the beginning of the year	516,922,592	423,057,959
Add : Loss incurred during the year	88,224,828	93,864,633
Balance carried forward	605,147,420	516,922,592

The above unutilized tax losses are related to the subsidiary company Logicare (Private) Limited.

8.3 Unutilized tax credits		
Balance brought forward	257,599,225	725,252,119
Utilized during the year	-	-
Disallowed during the year	-	(467,652,894)
Balance carried forward	257,599,225	257,599,225

Unutilized tax credits above relates to the entitlement of the enhanced capital allowance of Rs. 725,252,199 applicable to the subsidiary Logicare (Pvt) Ltd as per the provision of second schedule of the Inland Revenue Act No 24 of 2017. The enhanced capital allowance can be claimed in addition to the general capital allowances for those qualifying depreciable assets.

Out of this full amount the Inland Revenue Department has disallowed Rs. 467,652,894 during the year ended 31st March 2023.

Any unused tax credits out of this balance tax credits is set to expire by 31st March 2030.

9. EARNINGS/(LOSS) PER SHARE

9.1 Basic Earnings Per Share

The calculation of earnings per share is based on the profit/(loss) after tax for the year attributable to ordinary shareholders divided by the weighted average number of ordinary shares in issue during the year and calculated as follows;

For The Year Ended 31st March	GROUP		COMPANY	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Profit attributable to Ordinary Share Holders (Rs.)	69,775,427	184,345,934	141,913,012	239,684,616
Weighted Average Number of Ordinary Shares as at 31st March	182,400,000	182,400,000	182,400,000	182,400,000
Basic Earnings Per Share (Rs.)	0.38	1.01	0.78	1.31

9.2 Diluted Earnings Per Share

There were no potential dilutive ordinary shares outstanding at any time during the year. Therefore, diluted earning per share is same as Basic earnings per share.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

10. DIVIDEND PER SHARE

The calculation of the dividend per share is based on the dividend paid during the year divided by the weighted average number of ordinary shares in issue as at balance sheet date and calculated as follows;

For The Year Ended 31st March	GROUP		COMPANY	
	2024	2023	2024	2023
Dividend Paid (Rs.)	124,032,000	65,664,000	124,032,000	65,664,000
Weighted Average Number of Ordinary Shares	182,400,000	182,400,000	182,400,000	182,400,000
Dividend Per Share (Rs.)	0.68	0.36	0.68	0.36

11. PROPERTY, PLANT AND EQUIPMENT

a) GROUP

As At 31st March	Cost/Fair Value								
	Balance as at 1st April 2022	Additions during the Year	Disposals/ Transfers during the Year	Balance as at 31st March 2023	Additions during the Year	Disposals/ Transfers during the Year	Adjustment on Revaluation	Gain on Revaluation	Balance as at 31st March 2024
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Motor Vehicles	19,757,480	-	-	19,757,480	12,000,000	(6,652,730)	-	-	25,104,750
Furniture & Fittings	29,921,003	525,241	(101,969)	30,344,275	83,034	-	-	-	30,427,309
Office Equipment	22,463,739	1,771,371	-	24,235,110	617,087	-	-	-	24,852,197
Weighing Scales	258,175	-	-	258,175	591,500	-	-	-	849,675
Computer Equipment	20,680,042	5,336,290	-	26,016,332	3,298,111	-	-	-	29,314,443
Storage System	121,805,388	-	-	121,805,388	1,996,730	-	-	-	123,802,118
Building on Leasehold Land	659,475,285	-	-	659,475,285	-	-	(39,964,202)	130,301,219	749,812,302
Machinery & Equipment	148,990,219	4,835,004	-	153,825,223	547,000	-	-	-	154,372,223
	1,023,351,331	12,467,906	(101,969)	1,035,717,268	19,133,462	(6,652,730)	(39,964,202)	130,301,219	1,138,535,017

As At 31st March	Accumulated Depreciation								
	Balance as at 1st April 2022	Charge for the year	Disposals During the year	Balance as at 31st March 2023	Charge for the year	Disposals During the year	Adjustment on Revaluation	Gain on Revaluation	Balance as at 31st March 2024
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Motor Vehicles	19,500,432	169,471	-	19,669,903	2,352,509	(6,652,730)	-	-	15,369,682
Furniture & Fittings	22,064,657	2,665,015	(101,969)	24,627,703	1,976,394	-	-	-	26,604,097
Office Equipment	8,172,771	2,519,910	-	10,692,681	2,613,958	-	-	-	13,306,639
Weighing Scales	67,883	27,104	-	94,987	33,025	-	-	-	128,012
Computer Equipment	12,687,397	4,098,623	-	16,786,020	4,469,012	-	-	-	21,255,032
Storage System	14,468,208	5,458,387	-	19,926,595	5,490,767	-	-	-	25,417,362
Building on Leasehold Land	-	19,982,101	-	19,982,101	19,982,101	-	(39,964,202)	-	-
Machinery & Equipment	23,942,137	18,908,287	-	42,850,424	19,249,048	-	-	-	62,099,472
	100,903,485	53,828,898	(101,969)	154,630,414	56,166,814	(6,652,730)	(39,964,202)	-	164,180,296

Carrying Amounts	Balance as at 31st March 2024 Rs.	Balance as at 31st March 2023 Rs.
Motor Vehicles	9,735,068	87,577
Furniture & Fittings	3,823,212	5,716,572
Office Equipment	11,545,558	13,542,429
Weighing Scales	721,663	163,188
Computer Equipment	8,059,411	9,230,312
Storage System	98,384,756	101,878,793
Building on Leasehold Land	749,812,302	639,493,184
Machinery & Equipment	92,272,751	110,974,799
	974,354,721	881,086,854

Non-Financial Assets Fair Value hierarchy

Asset	Fair value measurement	Fair Value as at 31st March 2024 (Rs.)
Building	Level 03 - Significant unobservable inputs	749,812,302

The Group carries its buildings on leasehold lands at fair value. Considering the significant changes in the property values the subsidiary has revalued its building as at 31st March 2024.

An external independent property valuation specialist was engaged in determining the fair value of the building owned by the subsidiary as at 31st March 2024.

Mr W.D.P Rupananda (RICS), FIV (SL) has derived at the fair value of the buildings on leasehold land as at 31st March 2024 based on the investment method which uses the discounted cash flow technique / rent income of the property as explained below.

In determining the fair value the highest and best use of the property has been considered including the current location and future usability. The valuer has made reference to the market evidences of the similar properties and made the relevant adjustments for the size and locations.

Valuation Technique	Significant Unobservable Inputs	Inter-relationship between key unobservable inputs and fair value measurement
Discounted Cash flow technique : The valuation model considers the present value of net cash flows generated from the property taking into account the net rent that would yeild from the property.	Net rent Rs. 75Mn - Rs 80 Mn per Annum	Positively correlated sensitivity
	Discount rate YP rate 5.5% for 31 years	Negatively correlated sensitivity

Location	Building area Sq. Ft	No of buidlings
No.1, Muthurajawella Road, Muthurajawella.	99,673	8

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

11. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

The carrying amount of buildings on leasehold land that would have been included in the Financial Statements had the asset being carried at cost less accumulated depreciation is as follows;

Asset	Cost Rs.	Accumulated Depreciation Rs.	Net Book Value as at 31/03/2024 Rs.	Net Book Value as at 31/03/2023 Rs.
Buildings	524,576,445	(65,003,826)	459,572,619	474,153,368

b) COMPANY

	Cost						
	Balance as at 1st April 2022 Rs.	Additions during the Year Rs.	Disposals/ Transfers during the Year Rs.	Balance as at 31st March 2023 Rs.	Additions during the Year Rs.	Disposals/ Transfers during the Year Rs.	Balance as at 31st March 2024 Rs.
Motor Vehicles	19,757,480	-	-	19,757,480	12,000,000	(7,133,780)	24,623,700
Furniture & Fittings	26,512,344	216,400	(101,969)	26,626,775	123,025	(243,722)	26,506,078
Office Equipment	7,224,035	1,389,500	-	8,613,535	903,935	(4,071,500)	5,445,970
Weighing Scales	258,175	-	-	258,175	591,500	(795,836)	53,839
Computer Equipment	11,963,089	4,582,490	-	16,545,579	1,811,175	(896,540)	17,460,214
	65,715,123	6,188,390	(101,969)	71,801,544	15,429,635	(13,141,378)	74,089,801

	Accumulated Depreciation						
	Balance as at 1st April 2022 Rs.	Charge for the year Rs.	Disposals During the year Rs.	Balance as at 31st March 2023 Rs.	Charge for the year Rs.	Disposals During the year Rs.	Balance as at 31st March 2024 Rs.
Motor Vehicles	19,500,432	169,471	-	19,669,903	2,348,500	(7,133,780)	14,884,623
Furniture & Fittings	21,731,527	2,225,608	(101,969)	23,855,166	1,500,411	(94,067)	25,261,510
Office Equipment	5,307,591	545,575	-	5,853,166	469,831	(2,592,353)	3,730,644
Weighing Scales	67,883	27,104	-	94,987	33,025	(74,173)	53,839
Computer Equipment	9,349,007	1,865,468	-	11,214,475	2,132,465	(412,049)	12,934,891
	55,956,440	4,833,226	(101,969)	60,687,697	6,484,232	(10,306,422)	56,865,507

	Balance as at 31st March 2024 Rs.	Balance as at 31st March 2023 Rs.
Carrying Amounts		
Motor Vehicles	9,739,077	87,577
Furniture & Fittings	1,244,568	2,771,609
Office Equipment	1,715,326	2,760,369
Weighing Scales	-	163,188
Computer Equipment	4,525,323	5,331,104
	17,224,294	11,113,847

The initial cost of the fully depreciated items of Property, Plant and Equipment which are still in use as at reporting date are as follows,

	GROUP		COMPANY	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Motor Vehicles	12,329,720	19,463,500	12,329,720	19,463,500
Furniture and Fittings	22,821,919	8,756,504	22,821,919	8,756,504
Office Equipments	2,460,334	3,703,977	2,460,334	3,703,977
Weighing Scales	53,839	53,839	53,839	53,839
Computer Equipments	10,630,916	-	8,678,489	7,733,465
	48,296,728	31,977,820	46,344,301	39,711,285

12. RIGHT OF USE ASSETS

	GROUP		COMPANY	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
As At 31st March				
12.1 Carrying Value of Right to use Assets				
Cost				
At the Beginning of the year	312,419,787	312,419,787	75,516,124	75,516,124
Additions during the year	53,852,951	-	-	-
At the end of the year	366,272,738	312,419,787	75,516,124	75,516,124
Accumulated Amortization				
At the Beginning of the year	137,618,772	92,455,556	70,704,216	51,456,546
Amortization for the Year	35,906,238	45,163,216	4,811,908	19,247,670
At the end of the year	173,525,010	137,618,772	75,516,124	70,704,216
Carrying Value at the year end	192,747,728	174,801,015	-	4,811,908

Logicare (Pvt) Ltd (Subsidiary) has entered in to a 39 year lease agreement commencing from 29th July 2016 with Sri Lanka Land Reclamation and Development Corporation to lease a land in Muthurajawela.

With the adoption of SLFRS 16 from 1 April 2019, the leased rentals paid in advance has been transferred to right-to-use assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

12. RIGHT OF USE ASSETS (CONTD.)

As At 31st March	GROUP		COMPANY	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
12.2 Refundable Deposit on Lease Premises				
Refundable Deposit on Lease Premises-Allied Properties	6,595,710	4,964,230	6,595,710	4,964,230
Refundable Deposit on Lease Premises-Athukorala Warehouse	12,159,786	-	-	-
	18,755,496	4,964,230	6,595,710	4,964,230
Amount Receivable within one year	6,595,710	-	6,595,710	-
Amount Receivable after one year	12,159,786	4,964,230	-	4,964,230
Total	18,755,496	4,964,230	6,595,710	4,964,230

The Company has made a total security deposit of Rs.6,595,710/- to Allied Properties Ltd as a security deposit which is refundable after 4 years at the end of the lease period 15th September 2024.

The Subsidiary has made a total security deposit of Rs.15,087,600 to Athukorala Group (Pvt) Ltd as a security deposit which is refundable after 02 years at the end of the lease period 31st July 2025.

The deposit has been fair valued using 16.29 % as the discount factor and unwinding the interest on a yearly basis starting from the commencement date of the lease.

13. INTANGIBLE ASSETS

	GROUP			COMPANY		
	Goodwill Rs.	Computer Software Rs.	Capital Work In Progress Rs.	Total Rs.	Computer Software Rs.	Total Rs.
Cost						
Balance as at 1st April 2023	43,533,355	56,151,379	-	99,684,734	22,901,966	22,901,966
Additions during the Year	-	4,482,765	941,950	5,424,715	746,323	746,323
Balance as at 31st March 2024	43,533,355	60,634,144	941,950	105,109,449	23,648,289	23,648,289
Accumulated Amortisation						
Balance as at 1st April 2023	-	37,099,138	-	37,099,138	20,451,342	20,451,342
Charge for the Year	-	10,238,266	-	10,238,266	1,348,403	1,348,403
Balance as at 31st March 2024	-	47,337,404	-	47,337,404	21,799,745	21,799,745
Net Book Value As at 31st March 2024	43,533,355	13,296,740	941,950	57,772,045	1,848,544	1,848,544
Net Book Value As at 31st March 2023	43,533,355	19,052,241	-	62,585,596	2,450,624	2,450,624

13.1 Capital Work In Progress consists the project of Customer portal development cost incurred during the year is Rs.941,950.00 and subsidiary expected to finish the project within 01 years of time.

13.2 Goodwill

The Group has recognized the goodwill of Rs. 43,533,355 as at 31st March 2017 as a result of acquisition of subsidiary Logicare (Private) Limited in 2017.

As required by LKAS 36 - "Impairment of Assets", goodwill is tested for impairment on annual basis and assessed for any indication of impairment as at each reporting date to ensure that carrying amount does not exceed the recoverable amount. Accordingly, the Group conducted an assessment and concluded that no impairment is required for the goodwill as at 31st March 2024.

The subsidiary has been tested for impairment as a single cash generating unit for the purpose of assessment of impairment as at 31st March 2024. The Group estimated the recoverable value of the subsidiary was determined based on highest and best use approach with reference to its fair value less cost to sell, measured using the adjusted net asset value of the subsidiary. In calculating the adjusted net asset value of the subsidiary, the group adjusted the fair value of leasehold right related to land, Building, storage system and machinery to the carrying amount of the net asset value of the subsidiary. The fair value is classified as Level 3 in terms of fair value measurement principles in SLFRS 13 - "Fair Value Measurement"

The fair value of leasehold right related to land, storage system and machinery was measured with reference to the valuation carried out by the external independent valuation specialist Mr. W.P.D. Rupananda. (RICS) , FIV (SL) using investment method as at 31st March 2024.

Key assumptions used in the measurement of fair value of the lease hold right of the land, storage system and the machinery are as follows,

Assumptions	Range
Net Annual Rent	Rs. 75 Mn -Rs. 80 Mn per annum
Discount Rate	YP rate 5.5% for 31 years

In determining the fair value, the valuer has considered the expected rent income for the balance lease term.

13.3 The gross carrying amount of fully depreciated computer software which are still in use as at 31st March 2024 is Rs. 15,835,870 (2023 - Rs. 15,835,870).

14. INVESTMENT IN SUBSIDIARY

As At 31st March	COMPANY	
	2024 Rs.	2023 Rs.
Logicare (Private) Limited	633,000,000	633,000,000
100% owned Subsidiary	633,000,000	633,000,000

14.1 Summarized financial information of the subsidiary

Assets and Liabilities	2024	2023
Total Assets	1,349,288,826	1,192,847,781
Total Liabilities	970,532,263	833,353,604
Loss for the Year	(71,125,158)	(55,338,683)

The subsidiary provides Logistics and transportation services to third party clients and to the clients of the parent Company.

Impairment of Investment in Subsidiary has been tested by considering the assumptions disclosed under Note 13.2. Accordingly, no provision for impairment is required as at the reporting date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

15. LOANS & ADVANCES TO TEA SUPPLIERS

As At 31st March	GROUP		COMPANY	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Loans to Tea Suppliers	151,680,765	173,450,108	151,680,765	173,450,108
Advances given to Tea Suppliers	1,311,291,795	1,345,865,660	1,311,291,795	1,345,865,660
Less: Written off of Loans and Advances	(5,734,711)	(7,083,926)	(5,734,711)	(7,083,926)
	1,457,237,849	1,512,231,842	1,457,237,849	1,512,231,842
Less:				
Provision for impairment of Loans and Advances (Note 15.3)	(161,081,541)	(159,662,328)	(161,081,541)	(159,662,328)
	1,296,156,308	1,352,569,514	1,296,156,308	1,352,569,514
Receivable after One Year (Note 15.1)	8,476,931	6,450,608	8,476,931	6,450,608
Receivable within One Year (Note 15.2)	1,287,679,377	1,346,118,906	1,287,679,377	1,346,118,906
	1,296,156,308	1,352,569,514	1,296,156,308	1,352,569,514

15.1 Receivable after One Year

Loans & Advances to Tea Suppliers	128,210,739	122,694,927	128,210,739	122,694,927
Less: Provision of Impairment (Note 15.3)	(119,733,808)	(116,244,319)	(119,733,808)	(116,244,319)
	8,476,931	6,450,608	8,476,931	6,450,608

15.2 Receivable within One Year

Loans & Advances to Tea Suppliers	1,329,027,110	1,389,536,915	1,329,027,110	1,389,536,915
Less: Provision of Impairment (Note 15.3)	(41,347,733)	(43,418,009)	(41,347,733)	(43,418,009)
	1,287,679,377	1,346,118,906	1,287,679,377	1,346,118,906

15.3 Movement of Provision for impairment

Balance as at 1st April	159,662,328	156,452,758	159,662,328	156,452,758
Provision made during the year	7,153,924	10,293,496	7,153,924	10,293,496
	166,816,252	166,746,254	166,816,252	166,746,254
Amounts written off	(5,734,711)	(7,083,926)	(5,734,711)	(7,083,926)
Balance as at 31st March	161,081,541	159,662,328	161,081,541	159,662,328

Maturity wise Provision for Impairment

Receivable after One year	119,733,808	116,244,319	119,733,808	116,244,319
Receivable within One year	41,347,733	43,418,009	41,347,733	43,418,009
	161,081,541	159,662,328	161,081,541	159,662,328

Loans & Advances given to tea suppliers which have been written off during the year 2023/24, are still subject to enforceable activity.

16. INVENTORIES

As At 31st March	GROUP	
	2024 Rs.	2023 Rs.
Inventories	1,317,056	-
	1,317,056	-

This includes Packing materials use for Value Added Services.

17. TRADE AND OTHER RECEIVABLES

As At 31st March	GROUP		COMPANY	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Gross Trade Receivables	939,390,414	743,364,382	795,808,932	638,241,452
Less: Impairment on Trade Receivables (Note 17.1)	(8,413,176)	(3,158,581)	(1,348,774)	-
Net Trade Receivables	930,977,238	740,205,801	794,460,158	638,241,452
Deposits and Prepayments	24,153,682	36,434,427	11,010,891	14,614,428
Staff Loan Receivables	22,478,924	16,247,898	19,431,805	15,848,377
Salary and Festival Advances	2,647,215	2,969,130	1,986,855	2,429,756
VAT Receivable-Net	-	2,219,408	-	-
WHT Receivables	2,185,660	55,850	2,176,183	54,266
Other Receivables	14,390,490	14,528,197	9,418,272	12,427,145
Less-Provision for Impairment of other receivable (Note 17.2)	(577,640)	-	-	-
	996,255,569	812,660,711	838,484,164	683,615,424

17.1 Impairment on Trade Receivables

Balance as at 1st April	3,158,581	1,452,236	-	-
Provision made during the year	7,471,331	1,706,345	1,348,774	-
Write-off for the Period	(2,216,736)	-	-	-
Balance as at 31st March	8,413,176	3,158,581	1,348,774	-

17.2 Impairment on Other Receivables

Balance as at 1st April	-	-	-	-
Provision made during the year	577,640	-	-	-
Balance as at 31st March	577,640	-	-	-

Trade Receivables which have been written off during the year 2023/24, are still subject to enforceable activity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

18. CASH AND CASH EQUIVALENTS

As At 31st March	GROUP		COMPANY	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Favourable Balances				
Fixed Deposit	21,617,028	18,649,456	21,617,028	18,649,456
Cash at Bank	74,880,861	52,578,928	67,783,448	45,410,169
Cash in Hand	152,500	167,500	47,500	97,500
	96,650,389	71,395,884	89,447,976	64,157,125
Unfavourable Balances				
Bank Overdrafts	(331,021,658)	(337,109,210)	(248,846,255)	(307,079,465)
Cash and Cash Equivalents for Cash Flows Purpose	(234,371,269)	(265,713,326)	(159,398,279)	(242,922,340)

Capital Alliance Holding Limited has provided Rs. 100 Mn of Corporate guarantees on behalf of the Company in order to obtain bank overdraft facilities.

19. DEFERRED TAXATION (ASSET)/ LIABILITY

As At 31st March	GROUP		COMPANY	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Balance as at 1st April	30,239,780	26,414,761	(20,981,086)	(14,561,932)
Recognised in profit or loss				
Deferred tax charge (reversal) for the year	15,943,244	(3,346,796)	3,342,020	(3,233,736)
Impact on changes in tax rate	-	(3,640,483)	-	(3,640,483)
	15,943,244	(6,987,279)	3,342,020	(6,874,219)
Recognised in other comprehensive income				
Deferred tax on Revaluation Gain	39,090,366	-	-	-
Deferred tax on Actuarial Gain/(Loss)	(1,192,192)	568,125	(839,345)	455,065
Impact on changes in tax rate	-	10,244,173	-	-
Balance at 31st March	84,081,198	30,239,780	(18,478,411)	(20,981,086)

Deferred tax is provided using the Liability method 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 has been computed taking into consideration the tax rate of 30%. The provision for deferred tax is attributable to the following;

a) GROUP

	2024		2023	
	Temporary Difference Rs.	Tax Effect Rs.	Temporary Difference Rs.	Tax Effect Rs.
On Property, Plant and Equipment	234,137,142	70,241,142	176,802,192	53,040,658
Balance Writtenoff/Impairment	(37,894,579)	(11,368,374)	(31,991,901)	(9,597,570)
On Right of use Assets	53,461,586	16,038,476	25,058,953	7,517,686
On Lease Payable	(35,713,960)	(10,714,188)	(15,487,819)	(4,646,346)
On Intangible Assets	1,958,818	587,645	3,301,852	990,555
On Retirement Benefit Obligations	(59,118,243)	(17,735,472)	(54,591,504)	(16,377,451)
On Carried forward Tax Losses	(173,623,566)	(52,087,070)	(174,922,473)	(52,476,742)
	(16,792,802)	(5,037,841)	(71,830,700)	(21,549,210)
On Acturial Gain/(Loss) on Retirement benefit obligations	(3,973,972)	(1,192,192)	1,893,750	568,125
Deferred Tax on Revaluation Gain	301,037,435	90,311,231	170,736,216	51,220,865
	280,270,661	84,081,198	100,799,266	30,239,780

Subsidiary - Logicare (Private) Limited

Tax losses and tax credits of the group as at the reporting date was Rs. 862,746,545 which gave rise to a deferred tax asset of Rs. 258,823,794 However deferred tax asset arising from tax losses as at the reporting date has been recognized only up to the extent of Rs. 52,087,070 due to the uncertainty regarding the availability of future taxable profits which the deferred tax asset would be utilized. Accordingly, the unrecognized defferred tax asset as at the reporting date was Rs. 206,736,924.

b) COMPANY

	2024		2023	
	Temporary Difference Rs.	Tax Effect Rs.	Temporary Difference Rs.	Tax Effect Rs.
On Property, Plant and Equipment	11,461,418	3,438,426	2,821,748	846,524
Balance Writtenoff/Impairment	(30,252,536)	(9,075,761)	(28,833,323)	(8,649,997)
On Right of Use Assets	-	-	4,703,226	1,410,968
On Lease Payable	-	-	(5,804,376)	(1,741,313)
On Retirement Benefit Obligations	(40,005,765)	(12,001,731)	(44,341,109)	(13,302,333)
	(58,796,883)	(17,639,066)	(71,453,834)	(21,436,151)
On Acturial Gain/(Loss) on Retirement benefit obligations	(2,797,817)	(839,345)	1,516,882	455,065
	(61,594,700)	(18,478,411)	(69,936,952)	(20,981,086)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

20. STATED CAPITAL

As At 31st March	GROUP		COMPANY	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Issued and Fully Paid				
182,400,000 Ordinary Shares	333,200,000	333,200,000	333,200,000	333,200,000
	333,200,000	333,200,000	333,200,000	333,200,000

The holders of ordinary shares are entitled to receive dividends as declared from time to time and only voting shareholders are entitled to one vote per individual present of meetings of the shareholders or one vote per share in the case of a poll.

20.1 Revaluation Reserve

Revaluation reserve relates to the amount by which the Group has revalued its Building. There is no restriction on distribution of these balances to the shareholders.

21. INTEREST BEARING BORROWINGS

As At 31st March	GROUP		COMPANY	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Payable within One Year (Note 21.1)	924,451,185	749,419,591	796,212,027	644,793,047
Payable after One Year (Note 21.2)	796,216,663	880,717,404	290,416,663	317,856,828
	1,720,667,848	1,630,136,995	1,086,628,690	962,649,875

21.1 Payable within One Year

NDB Term Loan (Note 21.1.1)	150,000,000	-	150,000,000	-
Sampath Bank Term Loan (Note 21.1.2)	140,000,000	-	140,000,000	-
Seylan Bank Term Loan (Note 21.1.3)	70,000,000	-	-	-
Cargills Bank Term Loan (Note 21.1.4)	115,000,000	150,000,000	115,000,000	150,000,000
Capital Alliance Holdings Ltd (Note 21.1.6)	-	35,000,000	-	-
Central Finance PLC (Note 21.1.09)	-	200,000,000	-	200,000,000
HNB Trustee Loan (Note 21.2.1)	320,138,889	258,333,333	320,138,889	258,333,333
DFCC Loan (Note 21.2.2)	111,000,000	32,400,000	60,000,000	-
BOC Term Loan (Note 21.2.4)	12,111,852	72,730,896	6,051,276	36,367,248
Total Capital Outstanding as at 31st March	918,250,741	748,464,229	791,190,165	644,700,581
Accrued Interest Based on EIR	6,200,444	955,362	5,021,862	92,466
Interest Bearing Borrowings at Amortized Cost	924,451,185	749,419,591	796,212,027	644,793,047

As At 31st March	GROUP		COMPANY	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
21.1.1 NDB Short Term Loan				
Balance as at 1st April	-	70,000,000	-	70,000,000
Loan Obtained During the Year	150,000,000	250,000,000	150,000,000	250,000,000
Repayments made during the Year	-	(320,000,000)	-	(320,000,000)
Balance as at 31st March	150,000,000	-	150,000,000	-
21.1.2 Sampath Bank Short Term Loan				
Balance as at 1st April	-	100,000,000	-	100,000,000
Loan Obtained During the Year	1,080,000,000	140,000,000	1,080,000,000	140,000,000
Repayments made during the Year	(940,000,000)	(240,000,000)	(940,000,000)	(240,000,000)
Balance as at 31st March	140,000,000	-	140,000,000	-
21.1.3 Seylan Bank Short Term Loan				
Balance as at 1st April	-	-	-	-
Loan Obtained During the Year	770,000,000	5,000,000	700,000,000	5,000,000
Repayments made during the Year	(700,000,000)	(5,000,000)	(700,000,000)	(5,000,000)
Balance as at 31st March	70,000,000	-	-	-
21.1.4 Cargills Bank Short Term Loan				
Balance as at 1st April	150,000,000	-	150,000,000	-
Loan Obtained During the Year	2,470,000,000	350,000,000	2,470,000,000	350,000,000
Repayments made during the Year	(2,505,000,000)	(200,000,000)	(2,505,000,000)	(200,000,000)
Balance as at 31st March	115,000,000	150,000,000	115,000,000	150,000,000
21.1.5 HNB Short Term Loan				
Balance as at 1st April	-	-	-	-
Loan Obtained During the Year	100,000,000	100,000,000	100,000,000	100,000,000
Repayments made during the Year	(100,000,000)	(100,000,000)	(100,000,000)	(100,000,000)
Balance as at 31st March	-	-	-	-
21.1.6 Capital Alliance Holdings Ltd				
Balance as at 1st April	35,000,000	-	-	-
Loan Obtained During the Year	-	35,000,000	-	-
Repayments made during the Year	(35,000,000)	-	-	-
Balance as at 31st March	-	35,000,000	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

21. INTEREST BEARING BORROWINGS (CONTD.)

As At 31st March	GROUP		COMPANY	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
21.1.7 Commercial Papers				
Balance as at 1st April	-	-	-	-
Issued During the Year	113,175,342	550,000,000	113,175,342	550,000,000
Repayments made during the Year	(113,175,342)	(550,000,000)	(113,175,342)	(550,000,000)
Balance as at 31st March	-	-	-	-
21.1.8 Standard Chartered Bank				
Balance as at 1st April				
Obtained During the Year	1,800,000,000	-	1,800,000,000	400,000,000
Repayments made during the Year	(1,800,000,000)	-	(1,800,000,000)	(400,000,000)
Balance as at 31st March	-	-	-	-
21.1.9 Central Finance PLC				
Balance as at 1st April	200,000,000	-	200,000,000	-
Obtained During the Year	-	220,000,000	-	200,000,000
Repayments made during the Year	(200,000,000)	(20,000,000)	(200,000,000)	-
Balance as at 31st March	-	200,000,000	-	200,000,000
21.2 Payable After One Year				
HNB Trustee Loan (Note 21.2.1)	85,416,663	311,805,552	85,416,663	311,805,552
DFCC Loan (Note 21.2.2)	710,800,000	556,800,000	205,000,000	-
HNB Term Loan (Note 21.2.3)	-	-	-	-
BOC Term Loan (Note 21.2.4)	-	12,111,852	-	6,051,276
	796,216,663	880,717,404	290,416,663	317,856,828
21.2.1 HNB Trustee Loan				
Balance as at 1st April	570,138,885	584,027,774	570,138,885	584,027,774
Loan Obtained During the Year	150,000,000	300,000,000	150,000,000	300,000,000
Repayments made during the Year	(314,583,333)	(313,888,889)	(314,583,333)	(313,888,889)
Balance as at 31st March	405,555,552	570,138,885	405,555,552	570,138,885
Amount Payable within One Year	320,138,889	258,333,333	320,138,889	258,333,333
Amount Payable after One Year	85,416,663	311,805,552	85,416,663	311,805,552
	405,555,552	570,138,885	405,555,552	570,138,885

As At 31st March	GROUP		COMPANY	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
21.2.2 DFCC Term Loan				
Balance as at 1st April	589,200,000	608,599,994	-	9,799,994
Loan Obtained During the Year	300,000,000	-	300,000,000	-
Repayments made during the Year	(67,400,000)	(19,399,994)	(35,000,000)	(9,799,994)
Balance as at 31st March	821,800,000	589,200,000	265,000,000	-
Amount Payable within One Year	111,000,000	32,400,000	60,000,000	-
Amount Payable after One Year	710,800,000	556,800,000	205,000,000	-
	821,800,000	589,200,000	265,000,000	-
21.2.3 HNB Working Capital Loan(Saubhagya Loan)				
Balance as at 1st April	-	13,800,000	-	-
Loan Obtained During the Year	-	-	-	-
Repayments made during the Year	-	(13,800,000)	-	-
Balance as at 31st March	-	-	-	-
	-	-	-	-
21.2.4 BOC Term Loan				
Balance as at 1st April	84,842,748	157,573,644	42,418,524	78,785,772
Loan Obtained During the Year	-	-	-	-
Repayments made during the Year	(72,730,896)	(72,730,896)	(36,367,248)	(36,367,248)
Balance as at 31st March	12,111,852	84,842,748	6,051,276	42,418,524
Amount Payable within One Year	12,111,852	72,730,896	6,051,276	36,367,248
Amount Payable After One Year	-	12,111,852	-	6,051,276
	12,111,852	84,842,748	6,051,276	42,418,524

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

21. INTEREST BEARING BORROWINGS (CONTD.)

21.3 Assets pledged as collateral by the Group / Company

Name of the financial institution	Nature of the facility	Balance as at 31st March 2024 Rs.	Securities Pledged
Group			
DFCC Bank PLC	Term Loan - 120 Months	556,800,000	1. Corporate Guarantee of Ceylon Tea Brokers PLC for Rs.600 Mn
	Permanent Overdraft	19,900,726	2. Corporate Guarantee of Ceylon Tea Brokers PLC for Rs.25 Mn
			3. Mortgage bond for Rs.600 Mn over commercial property (lease hold at Ela road Muthurajawela and everything standing thereon with all fixtures, fittings, services and such other rights attached or appertaining thereto.)
Seylan Bank PLC	Short Term Loan - 3 Months	70,000,000	Corporate Guarantee of Ceylon Tea Brokers PLC for Rs.70 Mn
	Permanent Overdraft	29,862,726	Corporate Guarantee of Ceylon Tea Brokers PLC for Rs.30 Mn
Cargills Bank Limited	Permanent Overdraft	29,902,231	Corporate Guarantee of Ceylon Tea Brokers PLC for Rs.30 Mn

The Company does not have any other secured borrowing other than those disclosed above.

22. LEASE PAYABLE

As At 31st March	GROUP		COMPANY	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Lease Payable on ROU Assets (Note 22.1)	35,713,961	12,438,343	-	5,804,376
Lease Payable to HNB (Note 22.2)	1,149,521	3,049,475	-	-
	36,863,482	15,487,818	-	5,804,376
Amount Payable within One Year	30,591,296	14,619,723	-	5,804,376
Amount Payable after One Year	6,272,186	868,095	-	-
Lease Payable	36,863,482	15,487,818	-	5,804,376

22.1 Lease Payable on ROU Assets

Balance as at 1st April	12,438,343	52,860,009	5,804,376	27,430,146
Additions & Remeasurement	49,681,736	-	-	-
Accretion of Interest	4,320,305	3,134,434	55,447	1,813,530
Payments to lease creditor	(30,726,423)	(43,556,100)	(5,859,823)	(23,439,300)
Balance as at 31st March	35,713,961	12,438,343	-	5,804,376
Amount Payable within One Year	29,441,775	12,438,343	-	5,804,376
Amount Payable after One Year	6,272,186	-	-	-
Balance as at 31st March	35,713,961	12,438,343	-	5,804,376

Lease liability on ROU asset related to lease agreements entered in to by the group over lands and warehouse premises as follows.

Company	Type of Asset	Balance term
Athukorala (Pvt) Ltd	Warehouse	1.4 Years
Sri Lanka Land Reclamation and Development Corporation	Land	31 Years

As At 31st March	GROUP		COMPANY	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
22.2 Lease Payable to HNB				
Balance as at 1st April	3,049,475	4,869,883	-	126,880
Payment during the Year	(2,183,496)	(2,310,376)	-	(126,880)
Interest for the year	283,542	489,968	-	-
Balance as at 31st March	1,149,521	3,049,475	-	-
Amount Payable within One Year	1,149,521	2,181,380	-	-
Amount Payable after One Year	-	868,095	-	-
Balance as at 31st March	1,149,521	3,049,475	-	-

Lease payable to HNB relates to motor vehicle obtained on lease for a term of 5 years by Logicare (Private) Limited

Amount Recognized in Statement of Profit & Loss

Leases Under SLFRS 16

Amortization of Right of Use Assets	35,906,238	45,163,216	4,811,908	19,247,670
Interest Expense on Lease Liabilities	4,603,847	3,624,402	55,447	1,813,530
Amount Recognized in Statement of Cash Flows				
Total cash outflow for leases	32,909,919	45,866,476	5,859,823	23,566,180

22.3 Maturity Analysis-Contractual undiscounted cash flows

Less than one year	30,591,297	14,748,921	-	5,859,825
One to five year	7,543,800	909,790	-	-
More than five year	-	-	-	-
Total undiscounted lease liabilities as at 31st March	38,135,097	15,658,711	-	5,859,825
Lease liabilities included in the statement of financial position as at 31st March	36,863,482	15,487,818	-	5,804,376

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

23. RETIREMENT BENEFIT OBLIGATIONS

As At 31st March	GROUP		COMPANY	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Balance as at 1st April	52,697,754	43,520,681	42,824,227	35,445,540
Provision made during the Year	19,914,711	10,137,448	13,861,689	7,959,187
Transfer out to Logicare (Pvt) Ltd	-	-	(4,686,084)	-
Payments Made During the Year	(9,520,250)	(960,375)	(9,196,250)	(580,500)
Balance as at 31st March	63,092,215	52,697,754	42,803,582	42,824,227

23.1 Movement of Retirement Benefit Obligations

Balance as at 1st April	52,697,754	43,520,681	42,824,227	35,445,540
Current Service Cost	6,191,655	5,801,451	4,008,316	4,336,466
Interest Cost	9,749,084	6,229,747	7,055,556	5,139,603
Actuarial (Gain)/ Loss	3,973,972	(1,893,750)	2,797,817	(1,516,882)
Transfer out to Logicare (Pvt) Ltd	-	-	(4,686,084)	-
Payments Made During the Year	(9,520,250)	(960,375)	(9,196,250)	(580,500)
Balance as at 31st March	63,092,215	52,697,754	42,803,582	42,824,227

During the year ended 31st March 2024, Ceylon Tea Brokers PLC has transferred 11 employees to its subsidiary Logicare (Private) Limited. Consequent to this the related retirement benefit obligation was also transferred to the subsidiary.

As At 31st March	GROUP		COMPANY	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
23.2 Amount Recognised in Profit or Loss				
Current Service Cost	6,191,655	5,801,451	4,008,316	4,336,466
Interest Cost	9,749,084	6,229,747	7,055,556	5,139,603
	15,940,739	12,031,198	11,063,872	9,476,069

23.3 Amount Recognised in Other Comprehensive Income

Actuarial Loss/(Gain)	3,973,972	(1,893,750)	2,797,817	(1,516,882)
	3,973,972	(1,893,750)	2,797,817	(1,516,882)

23.4 The actuarial valuations have been carried out by Actuarial and Management Consultants (Private) Limited for retiring gratuity for employees as at 31st March 2024. The valuation method used by the actuaries to value the benefits is the "Project Unit Credit (PUC)" method recommended by Sri Lanka Accounting Standard No. 19 (LKAS 19) - "Employee Benefits".

23.5 The Key Assumptions used by the actuary include the following;

	GROUP		COMPANY	
	2024	2023	2024	2023
- Discount Rate	11%- 12%	18.50%	12.0%	18.5%
- Expected Annual Average Salary Increment	10%	16%	10%	16%
- Retiring Age	60 Years	60 Years	60 Years	60 Years
- Staff Turnover Ratio	10% & 22%	7% & 14%	10%	7%

At 31st March 2024, the weighted-average duration of the defined benefit obligation was 8.44 years (2023-10.19 years).

A long - term treasury bond rate has been used to discount future liabilities taking into consideration remaining working life of eligible employees.

23.6 Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

Discount Rate	Salary Escalation Rate	PV of Defined Benefit Obligation	
		Group Rs.	Company Rs.
1% Increase	As Given in the Report	(3,287,586)	(2,625,949)
1% Decrease	As Given in the Report	3,675,608	2,960,575
As Given in the Report	1% Increase	3,981,663	3,178,965
As Given in the Report	1% Decrease	(3,618,106)	(2,862,627)

24. TRADE AND OTHER PAYABLES

As At 31st March	GROUP		COMPANY	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Trade Payables	542,169,175	496,234,304	492,695,968	447,019,626
Accrued Expenses	43,960,373	23,726,900	12,223,137	12,921,103
VAT Collected on behalf of Sellers	25,400,400	-	25,400,400	-
SVAT Payable	6,364,847	2,297,958	1,549,822	790,912
Provisions for Expenses	69,143,481	63,343,983	67,894,481	60,822,545
Other Payables	26,553,073	18,491,333	19,221,577	17,481,396
	713,591,349	604,094,478	618,985,385	539,035,582

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

25. AMOUNT DUE TO RELATED PARTY

	Relationship	COMPANY	
		2024 Rs.	2023 Rs.
Logicare (Private) Limited	Fully Owned Subsidiary	7,557,430	-
		7,557,430	-

26. FINANCIAL INSTRUMENTS

26.1 Financial Instruments - Statement of Financial Position

The Financial Instruments recognized in the Statement of Financial Position is as follows;

As at 31st March	GROUP		COMPANY	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Financial Assets				
<i>Non Current Assets</i>				
Loans & Advances given to Tea Suppliers	8,476,931	6,450,608	8,476,931	6,450,608
Refundable Deposit	12,159,786	4,964,230	-	4,964,230
	20,636,717	11,414,838	8,476,931	11,414,838
<i>Current Assets</i>				
Trade and Other Receivables	969,916,226	773,951,026	825,297,090	668,946,730
Refundable Deposit	6,595,710	-	6,595,710	-
Loans & Advances given to Tea suppliers	1,287,679,377	1,346,118,906	1,287,679,377	1,346,118,906
	2,264,191,313	2,120,069,932	2,119,572,177	2,015,065,636
Cash and Cash Equivalents	96,650,389	71,395,884	89,447,976	64,157,125
	2,381,478,419	2,202,880,654	2,217,497,084	2,090,637,599
Financial Liabilities				
<i>Non Current Liabilities</i>				
Interest Bearing Borrowings	796,216,663	880,717,404	290,416,663	317,856,828
Lease Payable	6,272,186	868,095	-	-
	802,488,849	881,585,499	290,416,663	317,856,828
<i>Current Liabilities</i>				
Interest Bearing Borrowings	924,451,185	749,419,591	796,212,027	644,793,047
Lease Payable	30,591,296	14,619,723	-	5,804,376
Amount due to related party	-	-	7,557,430	-
Trade and Other Payable	663,266,129	601,796,520	605,212,426	538,244,670
	1,618,308,610	1,365,835,834	1,408,981,883	1,188,842,093
Bank Overdrafts	331,021,658	337,109,210	248,846,255	307,079,465
	2,751,819,117	2,584,530,543	1,948,244,801	1,813,778,386

26.2 Financial Risk Management

Overview

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risks

This note presents qualitative and quantitative information about the Group's exposure to each of the above risks. The Group's objectives, policies and measuring and managing risk.

26.2.1 Risk Management Framework

The Board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyse the risk faced by the Group to set appropriate risk limits and controls, and to monitor risk and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

26.2.1.1 Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counter party to a financial instrument fails to meet its contractual obligation, and arises principally from the Group's receivables from customers, investments in debt securities.

Group's credit exposure is closely monitored. Credit given is reviewed with the pre-determined approval procedures and contractual agreements made for every high value transaction.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at 31st March 2024:

	GROUP		COMPANY	
	Carrying Amounts		Carrying Amounts	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Trade and Other Receivables	978,907,043	777,109,607	826,645,864	668,946,730
Loans and Advances to Tea Suppliers	1,462,972,560	1,519,315,768	1,462,972,560	1,519,315,768
Less : Provision for impairment losses	(175,807,068)	(166,746,254)	(166,816,252)	(166,746,254)
Exposure on Loans to Tea Suppliers and Trade and Other Receivables	2,266,072,535	2,129,679,121	2,122,802,172	2,021,516,244
Cash at Bank	74,880,861	52,578,928	67,783,448	45,410,169
Fixed Deposit	21,617,028	18,649,456	21,617,028	18,649,456
	2,362,570,424	2,200,907,505	2,212,202,648	2,085,575,869

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

26. FINANCIAL INSTRUMENTS (CONTD.)

The aging of Loans and advances to Tea Suppliers and Trade and Other Receivables at the reporting date was;

	2024		2023	
	Gross Rs.	Impairment Rs.	Gross Rs.	Impairment Rs.
GROUP				
Past due 0-365 days	2,307,934,153	50,338,549	2,163,487,941	46,576,590
More than one year	128,210,739	119,733,808	122,694,926	116,244,319
	2,436,144,892	170,072,357	2,286,182,867	162,820,909
COMPANY				
Past due 0-365 days	2,155,672,975	42,696,507	2,058,537,911	43,418,009
More than one year	128,210,739	119,733,808	122,694,926	116,244,319
	2,283,883,714	162,430,315	2,181,232,837	159,662,328

Expected credit assessment for customers

The Group has estimated provision for impairment based on the expected credit losses to be incurred, which is estimated by taking in to account the aging of overdue balances, the repayment history of the individual customers, current and future customer- specific conditions, all of which involves a significant degree of management judgment.

As At 31st March	GROUP		COMPANY	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Balance at 1st April	162,820,909	157,904,994	159,662,328	156,452,758
Provision made during the year	14,625,255	11,999,841	8,502,698	10,293,496
Write off during the year	(7,951,447)	(7,083,926)	(5,734,711)	(7,083,926)
Balance as at 31st March	169,494,717	162,820,909	162,430,315	159,662,328

Cash and Cash Equivalents

The Group had cash and cash equivalents of Rs. 96,650,389 as at 31st March 2024.(31st March 2023 : Rs. 71,395,884) which represent its maximum credit exposure on these assets.

The cash and cash equivalents are held at Banks, which are rated "A (lka) " based on fitch rating Sri Lanka.

26.2.1.2 Liquidity Risk

Liquidity risk is the risk that the group will encounter difficulty in meeting the obligations associated with it's financial liabilities that are settled by delivering cash or another financial asset.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

Non Derivative Financial Liabilities	Carrying amount Rs.	Contractual cash flows Rs.	One Year or less Rs.	More than One Year Rs.
GROUP				
As at 31st March 2024				
Trade and Other Payables	663,266,129	663,266,129	663,266,129	-
Interest Bearing Borrowings	1,720,667,848	2,003,594,104	841,987,816	1,161,606,288
Bank Overdrafts	331,021,658	331,021,658	331,021,658	-
Lease Payable	36,863,482	38,259,281	30,715,481	7,543,800
	2,751,819,117	3,036,141,172	1,866,991,084	1,169,150,088
As at 31st March 2023				
Trade and Other Payables	601,796,520	601,796,520	601,796,520	-
Interest Bearing Borrowings	1,630,136,995	1,978,154,611	875,451,276	1,102,703,336
Bank Overdrafts	337,109,210	337,109,210	337,109,210	-
Lease Payable	15,487,818	15,658,711	14,748,921	909,790
	2,584,530,543	2,932,719,052	1,829,105,927	1,103,613,126
COMPANY				
As at 31st March 2024				
Trade and Other Payables	605,212,426	605,212,426	605,212,426	-
Interest Bearing Borrowings	1,086,628,690	1,185,315,192	765,196,904	420,118,288
Bank Overdrafts	248,846,255	248,846,255	248,846,255	-
Amount due to related party	7,557,430	7,557,430	7,557,430	-
	1,948,244,801	2,046,931,303	1,626,813,015	420,118,288
As at 31st March 2023				
Trade and Other Payables	538,244,670	538,244,670	538,244,670	-
Interest Bearing Borrowings	962,649,875	1,078,951,306	723,838,218	355,113,089
Bank Overdrafts	307,079,465	307,079,465	307,079,465	-
Lease Payable	5,804,376	5,859,825	5,859,825	-
	1,813,778,386	1,930,135,266	1,575,022,178	355,113,089

26.2.1.3 Market Risk

Market Risk is the risk that changes in market prices, such as foreign exchange rates, interest rates etc. will affect the Company's income or the value of its holding of Financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing the returns.

26.2.1.3.1 Currency Risk

At the reporting date the Group has not exposed to currency risk.

26.2.1.3.2 Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument fluctuates because of changes in market interest rates. The exposure to the risk of changes in market interest rate relates primarily to the Company's long term debt obligations and investments with floating interest rates.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

26. FINANCIAL INSTRUMENTS (CONTD.)

	GROUP		COMPANY	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Financial Liabilities				
Bank Overdraft	331,021,658	337,109,210	248,846,255	307,079,465
Interest Bearing Borrowings	1,720,667,848	1,630,136,995	1,086,628,690	962,649,875
	2,051,689,506	1,967,246,205	1,335,474,945	1,269,729,340
Financial Assets				
Loans & Advances to Tea Suppliers	1,296,156,308	1,352,569,514	1,296,156,308	1,352,569,514
	1,296,156,308	1,352,569,514	1,296,156,308	1,352,569,514

Following details demonstrate the sensitivity to a reasonably possible change in interest rates on that portion of the long term and short-term borrowings at floating rate. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings as follows

Sensitivity Analysis

	GROUP		COMPANY	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Total Borrowing under variable rates	1,091,155,484	301,666,666	941,489,801	266,666,666
Change if 100 basis point increases	(10,911,555)	(3,016,667)	(9,414,898)	(2,666,667)
Change if 100 basis point decreases	10,911,555	3,016,667	9,414,898	2,666,667

The sensitivity analysis as at the reporting date may not be representative for the changes during the year. The level of utilization of available financial facilities will affect to the above sensitivity analysis.

26.2.1.4 Capital Management

The Board's policy is to maintain a strong capital base so as to maintain shareholder, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital and level of dividends to ordinary shareholders.

The Group's debt to adjusted capital ratio at the end of the reporting period was as follows:

	GROUP		COMPANY	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Total Liabilities	2,979,722,822	2,739,949,815	2,035,226,416	1,927,577,305
Less: Cash and Cash Equivalents	(96,650,389)	(71,395,884)	(89,447,976)	(64,157,125)
Net Debt	2,883,072,433	2,668,553,931	1,945,778,440	1,863,420,180
Total Equity	654,286,490	620,113,989	866,008,992	850,086,453
Net Debt to Equity Ratio	4.41	4.30	2.25	2.19

27. FAIR VALUES OF FINANCIAL INSTRUMENTS

Fair values versus the Carrying amounts

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

GROUP	2024		2023	
	Carrying Value Rs.	Fair Value Rs.	Carrying Value Rs.	Fair Value Rs.
Assets carried at amortised cost				
Loans & Advances to Tea Suppliers	1,296,156,308	1,296,156,308	1,352,569,514	1,352,569,514
Trade and other receivables	969,916,226	969,916,226	773,951,026	773,951,026
Refundable Deposit	18,755,496	18,755,496	4,964,230	4,964,230
Cash and cash equivalents	96,650,389	96,650,389	71,395,884	71,395,884
	2,381,478,419	2,381,478,419	2,202,880,654	2,202,880,654
Liabilities carried at amortised cost				
Interest Bearing Borrowing	1,720,667,848	1,720,667,848	1,630,136,995	1,630,136,995
Lease Payables	36,863,482	36,863,482	15,487,818	15,487,818
Trade and other payables	663,266,129	663,266,129	601,796,520	601,796,520
Bank overdrafts	331,021,658	331,021,658	337,109,210	337,109,210
	2,751,819,117	2,751,819,117	2,584,530,543	2,584,530,543

COMPANY	2024		2023	
	Carrying Value Rs.	Fair Value Rs.	Carrying Value Rs.	Fair Value Rs.
Assets carried at amortised cost				
Loans & Advances to Tea Suppliers	1,296,156,308	1,296,156,308	1,352,569,514	1,352,569,514
Trade and other receivables	825,297,090	825,297,090	668,946,730	668,946,730
Refundable Deposit	6,595,710	6,595,710	4,964,230	4,964,230
Cash and cash equivalents	89,447,976	89,447,976	64,157,125	64,157,125
	2,217,497,084	2,217,497,084	2,090,637,599	2,090,637,599
Liabilities carried at amortised cost				
Interest Bearing Borrowing	1,086,628,690	1,086,628,690	962,649,875	962,649,875
Lease Payables	-	-	5,804,376	5,804,376
Amount Due To Related Party	7,557,430	7,557,430	-	-
Trade and other payables	605,212,426	605,212,426	538,244,670	538,244,670
Bank overdrafts	248,846,255	248,846,255	307,079,465	307,079,465
	1,948,244,801	1,948,244,801	1,813,778,386	1,813,778,386

Financial instruments not carried at fair value and valuation bases.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

27. FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTD.)

Financial instruments not carried at fair value and valuation bases

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

GROUP	Level I Rs.	Level II Rs.	Level III Rs.	Total Rs.
As at 31st March 2024				
Assets carried at amortised cost				
Loans & Advances to Tea Suppliers	-	-	1,296,156,308	1,296,156,308
Trade and other receivables	-	-	969,916,226	969,916,226
Refundable Deposit	-	-	18,755,496	18,755,496
Cash and cash equivalents	-	96,650,389	-	96,650,389
	-	96,650,389	2,284,828,030	2,381,478,419
Liabilities carried at amortised cost				
Interest Bearing Borrowing	-	-	1,720,667,848	1,720,667,848
Lease Payables	-	-	36,863,482	36,863,482
Trade and other payables	-	-	663,266,129	663,266,129
Bank overdrafts	-	331,021,658	-	331,021,658
	-	331,021,658	2,420,797,459	2,751,819,117
As at 31st March 2023				
Assets carried at amortised cost				
Loans & Advances to Tea Suppliers	-	-	1,352,569,514	1,352,569,514
Trade and other receivables	-	-	773,951,026	773,951,026
Refundable Deposit	-	-	4,964,230	4,964,230
Cash and cash equivalents	-	71,395,884	-	71,395,884
	-	71,395,884	2,131,484,770	2,202,880,654
Liabilities carried at amortised cost				
Interest Bearing Borrowing	-	-	1,630,136,995	1,630,136,995
Lease Payables	-	-	15,487,818	15,487,818
Trade and other payables	-	-	601,796,520	601,796,520
Bank overdrafts	-	337,109,210	-	337,109,210
	-	337,109,210	2,247,421,333	2,584,530,543

Financial instruments not carried at fair value and valuation bases

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

COMPANY	Level I Rs.	Level II Rs.	Level III Rs.	Total Rs.
As at 31st March 2024				
Assets carried at amortised cost				
Loans & Advances to Tea Suppliers	-	-	1,296,156,308	1,296,156,308
Trade and other receivables	-	-	825,297,090	825,297,090
Refundable Deposit	-	-	6,595,710	6,595,710
Cash and cash equivalents	-	89,447,976	-	89,447,976
	-	89,447,976	2,128,049,108	2,217,497,084
Liabilities carried at amortised cost				
Interest Bearing Borrowing	-	-	1,086,628,690	1,086,628,690
Amount due to related party	-	-	7,557,430	7,557,430
Trade and other payables	-	-	605,212,426	605,212,426
Bank overdrafts	-	248,846,255	-	248,846,255
	-	248,846,255	1,699,398,546	1,948,244,801
As at 31st March 2023				
Assets carried at amortised cost				
Loans & Advances to Tea Suppliers	-	-	1,352,569,514	1,352,569,514
Trade and other receivables	-	-	668,946,730	668,946,730
Refundable Deposit	-	-	4,964,230	4,964,230
Cash and cash equivalents	-	64,157,125	-	64,157,125
	-	64,157,125	2,026,480,474	2,090,637,599
Liabilities carried at amortised cost				
Interest Bearing Borrowing	-	-	962,649,875	962,649,875
Lease Payables	-	-	5,804,376	5,804,376
Trade and other payables	-	-	538,244,670	538,244,670
Bank overdrafts	-	307,079,465	-	307,079,465
	-	307,079,465	1,506,698,921	1,813,778,386

Cash and cash equivalents / Bank overdrafts

The carrying amount of the cash and cash equivalents and balances and bank overdrafts approximate the fair value as they are short term in nature.

Trade and other receivables / Amount due from related companies

Trade and other receivables / Amount due from related companies are expected to be settled within one year from the reporting date, hence the discounting impact would be immaterial. Therefore, carrying amount approximates the fair value as at the reporting date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

27. FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTD.)

Trade and other payable

Trade and other payables are expected to be settled within one year from the reporting date hence the discounting impact would be immaterial. Therefore, carrying amount approximate the fair value as at the reporting date.

Categorization of financial assets and liabilities as at the reporting date as per SLFRS 9 - Financial instruments

	Financial Asset at Amortised cost Rs.	Other Financial Liabilities Rs.
As at 31st March 2024		
GROUP		
Financial assets		
Loans & Advances to Tea Suppliers	1,296,156,308	-
Trade and other receivables	825,297,090	-
Refundable Deposit	6,595,710	-
Cash and cash equivalents	89,447,976	-
	2,217,497,084	-
Financial liabilities		
Interest Bearing Borrowing	-	1,720,667,848
Lease Payables	-	36,863,482
Trade and other payables	-	663,266,129
Bank overdrafts	-	331,021,658
	-	2,751,819,117
COMPANY		
Financial assets		
Loans & Advances to Tea Suppliers	1,296,156,308	-
Trade and other receivables	838,484,164	-
Refundable Deposit	6,595,710	-
Cash and cash equivalents	89,447,976	-
	2,230,684,158	-
Financial liabilities		
Interest Bearing Borrowing	-	1,086,628,690
Lease Payables	-	-
Trade and other payables	-	605,212,425
Amount Due To Related Party	-	7,557,430
Bank overdrafts	-	248,846,255
	-	1,948,244,800

Classification of financial assets and liabilities as at the reporting date as per SLFRS 09 - Financial instruments

	Financial Asset at Amortised cost Rs.	Other Financial Liabilities Rs.
As at 31st March 2023		
GROUP		
Financial assets		
Loans & Advances to Tea Suppliers	1,352,569,514	-
Trade and other receivables	773,951,026	-
Refundable Deposit	4,964,230	-
Cash and cash equivalents	71,395,884	-
	2,202,880,654	-
Financial liabilities		
Interest Bearing Borrowing	-	1,630,136,995
Lease Payables	-	15,487,818
Trade and other payables	-	601,796,520
Bank overdrafts	-	337,109,210
	-	2,584,530,543
COMPANY		
Financial assets		
Loans to Tea Suppliers	1,352,569,514	-
Trade and other receivables	668,946,730	-
Refundable Deposit	4,964,230	-
Cash and cash equivalents	64,157,125	-
	2,090,637,599	-
Financial liabilities		
Interest Bearing Borrowing	-	962,649,875
Lease Payables	-	5,804,376
Trade and other payables	-	538,244,670
Bank overdrafts	-	307,079,465
	-	1,813,778,386

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

28. RELATED PARTY TRANSACTIONS

28.1 Related Party Transactions - Recurrent

Name of the Related Party	Names of Directors	Nature of Interest	Nature of Transaction	GROUP	
				Aggregate value of Related Party Transactions entered into during the financial year 2024 Rs.	Aggregate value of Related Party Transactions as a % of Net Revenue
Agarapathana Plantations PLC	Mr. Chrisantha Perera	Director	Brokerage Income	6,384,424	0.39%
			Handling Charges	879,535	0.05%
			Interest Income	9,088,619	0.55%
Kotagala Plantations PLC	Mr. Chrisantha Perera	Director	Brokerage Income	10,654,058	0.65%
			Handling Charges	2,171,187	0.13%
			Interest Income	33,346,676	2.02%
Insite Factories (Private) Limited	Mr. Chrisantha Perera	Chairman	Brokerage Income	2,980,641	0.18%
			Handling Charges	209,309	0.01%
			Interest Income	-	-
Capital Alliance Fixed Income Opportunity Fund	Mr. W.A.T.Fernando Ms. N.T.M.S.Cooray	Director	Investment in Unit Trusts	150,000,000	9.10%
			Interest Received	18,775,018	1.14%
			Investment Redeemed	(168,775,018)	-10.24%
			Commercial paper Issued	-	-
			Commercial Paper Settled	-	-
			Interest Paid	-	-
Capital Alliance Investment Grade Fund	Mr. W.A.T.Fernando Ms. N.T.M.S.Cooray	Director	Commercial paper Issued	-	-
			Commercial Paper Settled	-	-
			Interest Paid	-	-
			Investment in Unit Trusts	654,000,000	39.67%
			Investment Redeemed	(694,307,091)	-42.11%
			Interest Received	40,307,091	2.44%
Logicare (Pvt) Ltd	Mr. W.A.T.Fernando Mr. Chrisantha Perera Mr. K.H.S.Deshapriya Mr. W.De.Silva Ms. H.M.S Perera	Subsidiary Company	Loan Granted	72,500,000	4.40%
			Loan Settlement	(72,500,000)	-4.40%
			Asset & Liability Transfer	(1,920,372)	-0.12%
			Tea Storage Invoices	88,200,000	5.35%
			Reimbursement of Expenses	1,107,744	0.07%
			Settlements made	(76,679,697)	-4.65%
			Interest charged	(3,118,889)	-0.19%
Capital Alliance Income Fund	Mr. W.A.T.Fernando Ms. H. M. S. Perera	Director	Investment in Unit Trusts	-	-
			Interest Received	-	-
			Investment Redeemed	-	-

Terms and Conditions of the Related Party Transactions

Transactions with related parties are carried out in the ordinary course of the business at commercial rates.

		COMPANY					
	Aggregate value of Related Party Transactions entered into during the financial year 2023	Aggregate value of Related Party Transactions as a % of Net Revenue	Aggregate value of Related Party Transactions entered into during the financial year 2024	Aggregate value of Related Party Transactions as a % of Net Revenue	Aggregate value of Related Party Transactions entered into during the financial year 2023	Aggregate value of Related Party Transactions as a % of Net Revenue	
	Rs.		Rs.		Rs.		
	6,560,025	0.40%	6,384,424	0.59%	6,560,025	0.57%	
	710,554	0.04%	879,535	0.08%	710,554	0.06%	
	2,782,513	0.17%	9,088,619	0.84%	2,782,513	0.24%	
	8,536,397	0.49%	10,654,058	0.98%	8,536,397	0.74%	
	1,187,908	0.07%	2,171,187	0.20%	1,187,908	0.10%	
	12,988,589	0.75%	33,346,676	3.08%	12,988,589	1.12%	
	3,101,596	0.18%	2,980,641	0.28%	3,101,596	0.27%	
	181,510	0.01%	209,309	0.02%	181,510	0.02%	
	-	-	-	-	-	-	
	600,000,000	35.06%	150,000,000	14%	600,000,000	52.00%	
	33,641,462	1.97%	18,775,018	2%	33,641,462	3.00%	
	(633,641,462)	-37.02%	(168,775,018)	-16%	(633,641,462)	-55.00%	
	450,000,000	26.29%	-	-	450,000,000	39.00%	
	(450,000,000)	-26.29%	-	-	(450,000,000)	-39.00%	
	(7,924,920)	-0.46%	-	-	(7,924,920)	-1.00%	
	100,000,000	5.84%	-	-	100,000,000	9.00%	
	(100,000,000)	-5.84%	-	-	(100,000,000)	9.00%	
	(2,794,521)	-0.16%	-	-	(2,794,521)	-0.24%	
			654,000,000	60.42%	-	-	
			(694,307,091)	-64.14%	-	-	
			40,307,091	3.72%	-	-	
	562,104	0.03%	72,500,000	6.70%	562,104	0.05%	
	64,580,000	3.77%	(72,500,000)	-6.70%	64,580,000	5.59%	
	(66,035,834)	-3.86%	(1,920,372)	-0.18%	(66,035,834)	-5.72%	
	(1,152,846)	-0.07%	88,200,000	8.15%	(1,152,846)	-0.10%	
	2,046,575	0.12%	1,107,744	0.10%	2,046,575	0.18%	
			(76,679,697)	-7.08%	-	-	
			(3,118,889)	-0.29%	-	-	
	100,000,000	5.84%	-	-	100,000,000	8.66%	
	6,854,829	0.40%	-	-	6,854,829	0.59%	
	(106,854,828)	-6.24%	-	-	(106,854,828)	-9.25%	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

28.2 Related Party Transactions - Non Recurrent

Name of the Related Party	Names of Directors	Nature of Interest	Nature of Transaction	GROUP					
				Aggregate value of Related Party Transactions entered into during the financial year 2024 Rs.	Value of Related Party Transactions as a % of Equity	Value of Related Party Transactions as a % of Total Assets	Aggregate value of Related Party Transactions entered into during the financial year 2023 Rs.	Value of Related Party Transactions as a % of Equity	Value of Related Party Transactions as a % of Total Assets
Logicare (Pvt) Ltd	Mr. W.A.T.Fernando	Subsidiary Company	Corporate Guarantee	100,000,000	15%	3%	-	-	-
	Mr. Chrisantha Perera								
	Mr. K.H.S.Deshapriya								
	Mr. W.De.Silva								
	Ms. H.M.S Perera								

Company made an announcement to the Colombo Stock Exchange on 30th January 2024 regarding the above mentioned Corporate Guarantee given to Seylan Bank PLC on behalf of Logicare (Pvt) Ltd.

Terms and Conditions of the Related Party Transactions

Transactions with related parties are carried out in the ordinary course of the business at commercial rates.

The rationale for entering into the transaction

Non-recurrent transactions are entered with Related Parties to meet short-term working capital requirements

28.3 Related Party Transactions - Non Recurrent

Name of the Related Party	Names of Directors	Nature of Interest	Nature of Transaction	COMPANY					
				Aggregate value of Related Party Transactions entered into during the financial year 2023	Value of Related Party Transactions as a % of Equity	Value of Related Party Transactions as a % of Total Assets	Aggregate value of Related Party Transactions entered into during the financial year 2022	Value of Related Party Transactions as a % of Equity	Value of Related Party Transactions as a % of Total Assets
Logicare (Pvt) Ltd	Mr. W.A.T.Fernando	Subsidiary Company	Corporate Guarantee	100,000,000	12%	3%	-	-	-
	Mr. Chrisantha Perera								
	Mr. K.H.S.Deshapriya								
	Mr. W.De.Silva								
	Ms. H.M.S Perera								

Terms and Conditions of the Related Party Transactions

Transactions with related parties are carried out in the ordinary course of the business at commercial rates.

The rationale for entering into the transaction

Non-recurrent transactions are entered with Related Parties to meet short-term working capital requirements

28.4 Transactions with Key Management Personnel (KMP)

According to Sri Lanka Accounting Standard 24 (LKAS 24) "Related Party Disclosure", Key Management Personnel are those having authority and responsibility for planning, directing and controlling the activities of the entity. Accordingly, the Company has identified Directors as KMP and following have been paid to KMP's of the Company.

	GROUP		COMPANY	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Director Fees & Consultancy Fees Paid	14,600,445	15,325,000	12,945,000	13,565,000
Salaries, Bonus, Allowances Paid	102,663,081	95,601,011	87,576,184	82,114,111
	117,263,526	110,926,011	100,521,184	95,679,111

29. CAPITAL COMMITMENTS

There are no material commitments as at the reporting date.

30. CONTINGENT LIABILITIES

The Company has provided corporate guarantee worth Rs. 625 Mn Rs.100 Mn & Rs. 30 Mn to DFCC Bank PLC ,Seylan Bank PLC & Cargills Bank PLC respectively on behalf of the Logicare (Pvt) Ltd to obtain a Loan Facilities.

There are no material contingent liabilities as at the reporting date that require adjustment or disclosure in the financial statements other than disclosed above.

31. EVENTS OCCURRING AFTER THE REPORTING DATE

There have been no material events occurring after the reporting date except for the following that require adjustments to or disclosure in the financial statements.

31.1 Final Dividend

The Board of Directors of the company approved the payment of final dividend of Rs. 0.44 (44 Cents) per share on 23rd August 2024 for the year ended 31st March 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

32. SEGMENTAL INFORMATION

The Group has identified two operating segments under business segment reporting as follows,

Tea Brokering - Ceylon Tea Brokers PLC

Warehousing -Logicare (PVT) Limited

Information related to each reportable segment is set out below

	SEGMENTS					
	Tea Brokering		Warehousing		Total	
	2024	2023	2024	2023	2024	2023
Total Segment Revenue	1,082,426,650	1,154,969,049	655,441,753	556,484,015	1,737,868,403	1,711,453,064
Inter Segment Revenue	(1,012,425)	-	(88,200,000)	-	(89,212,425)	
Total External Sales	1,081,414,225	1,154,969,049	567,241,753	556,484,015	1,648,655,978	1,711,453,064
Segment Profit/ (Loss) Before Tax	211,378,625	331,973,846	(58,523,935)	(55,451,743)	152,854,691	276,522,104
Depreciation and Amortization	12,644,543	25,850,356	89,666,775	83,223,571	102,311,318	109,073,927
Finance Income	79,880,995	54,703,372	3,596,813	14,440	83,477,808	54,717,812
Finance Cost	295,193,653	264,343,052	71,864,723	65,215,477	367,058,376	329,558,529
Impairment Expense on Financial Assets	8,502,698	10,293,496	6,700,197	1,706,345	15,202,895	11,999,841
Segmental Assets	2,249,756,997	2,123,682,673	1,340,718,961	1,192,847,776	3,590,475,958	3,316,530,449
Goodwill					43,533,355	43,533,355
					3,634,009,313	3,360,063,804
Segmental Liabilities	2,009,190,576	1,906,596,210	970,532,263	833,353,605	2,979,722,822	2,739,949,815

SUPPLEMENTARY INFORMATION

Investor Relations	199
GRI Content Index	203
Notice of the Annual General Meeting	214
Form of Proxy	215
Corporate Information	IBC

INVESTOR RELATIONS

Share Price Trend Over the Last Five Years

Share price Rs.	2024	2023	2022	2021	2020
Highest Price	6.00	6.30	4.81	5.30	3.80
Lowest Price	3.90	2.80	3.00	2.10	2.20
Last traded Price	5.00	4.10	3.20	3.10	2.30

Equity Information

	2024	2023	2022	2021	2020
Shareholder funds Rs. Mn.	654.29	620.11	511.8	431.02	449.45
Net Asset Value per share	3.6	3.4	2.81	2.36	2.46
Earnings per share	0.38	1.01	0.11	0.01	0.34

Directors' and CEO's Shareholding as at 31st March 2024

Individual Ordinary voting shareholdings of persons who are Directors of the Company at 31st March 2024 are given below with last years' comparatives.

Name of the Director	2024	2023
Mr. R J N De Mel	80,000	80,000
Mr. W A T Fernando	48,837,837	48,837,837
Mr. D G W De Silva (Chief Executive Officer)	Nil	Nil
Mr. K A D Fernando	Nil	Nil
Mr. H T D Nonis	10,000	10,000
Mr. Z Mohamed	Nil	Nil
Mr. C P R Perera	3,500,000	3,500,000
Mr. B R L Fernando	22,640	22,640
Ms. N T M S Cooray	10,908,751	10,908,751
Ms. H M S Perera	1,390,492	1,390,492
Mr. K H S Deshapriya	Nil	Nil

INVESTOR RELATIONS

Shareholding as at 31st March 2024

As at 31st March 2024, the Company had 2,823 shareholders of ordinary shares. Their shareholdings are analyzed and categorized based on the number of shares held as at 31st March 2024 which is set out below.

From	To	No of Holders	No of Shares	%
1	1,000	1,693	561,950	0.31
1,001	10,000	823	3,061,896	1.68
10,001	100,000	259	9,088,282	4.98
100,001	1,000,000	38	9,424,786	5.17
Over 1,000,000		10	160,263,086	87.86
		2,823	182,400,000	100

Categories of Shareholders

Majority of the shares are held by local individuals and institutions, and only a 0.49% out of the total shares issued are held by foreign individuals.

	No of Holders	No of Shares	%
Local Individuals	2,750	85,229,361	46.73
Local Institutions	61	96,280,954	52.78
Foreign Individuals	11	889,586	0.49
Foreign Institutions	1	99	0
	2,823	182,400,000	100

20 Major Shareholders and Public Holding

	Name	31st March 2024		31st March 2023	
		No. of Shares	%	No. of Shares	%
1	ASHTHI HOLDINGS (PRIVATE) LIMITED	55,434,267	30.392	55,434,267	30.392
2	MR. W.A.T. FERNANDO	48,837,837	26.775	48,837,837	26.775
3	JETWING TRAVELS (PVT) LTD	34,080,571	18.685	34,080,571	18.685
4	MISS N.T.M.S. COORAY	10,908,751	5.981	10,908,751	5.981
5	MR C.PR. PERERA & MRS D. PERERA	3,500,000	1.919	3,500,000	1.919
6	MR A.D. EDUSSURIYA	2,000,000	1.096	2,000,000	1.096
7	HATTON NATIONAL BANK PLC/KANDAIHAH KANAPATHIPILLAI SHUJEEVAN	1,850,523	1.015	1,850,523	1.015
8	SEYLAN BANK PLC/H.M.S.PERERA	1,390,392	0.762	1,390,492	0.762
9	MR. S. YUSOOF	1,350,000	0.740	-	-
10	LOLC FINANCE PLC/C.B.R. FERNANDO	1,201,102	0.658	-	-
11	MR. K.T. KARUNANAYAKE AND MRS. D.U.KOKU HANNEDIGE	631,400	0.346	170,978	0.094
12	MR P.G. PIYASIRI	613,000	0.336	957,447	0.525
13	PEOPLE'S LEASING & FINANCE PLC/MR. M I SAMSUDEEN	558,399	0.306	709,914	0.389
14	MR. Y.L. NANDASENA	514,224	0.282	530,697	0.291
15	MR. G.G.M.A.A.JAMEEL	475,000	0.260	-	-
16	MRS. A.S. AMALRAJ	442,549	0.243	-	-
17	ACUITY PARTNERS (PVT) LTD/MR. HENRY ANTHONY ROHAN PIERIS	355,000	0.195	-	-
18	MR. M.H.A. KAMIL	342,062	0.188	342,062	0.188
19	DIALOG FINANCE PLC/A.S.M.SHIYAM	300,000	0.164	300,000	0.164
20	MR. S.S. SITHAMBARANATHAN	280,000	0.154	-	-
		165,065,077	90.496	161,013,539	88.275
	OTHERS	17,334,923	9.504	21,386,461	11.725
		182,400,000	100.000	182,400,000	100.000

As at 31st March 2024, the public holding percentage stands at 15.42%, with a total of 2,813 shareholders. The float adjusted market capitalization as at 31st March 2024 is Rs. 140,677,210.00 The float adjusted market capitalization of the company falls under option 2 of Rule 7.14.1 (b) of the Listing rules of the Colombo Stock Exchange and the company has complied with the minimum public holding requirement applicable under the said option.

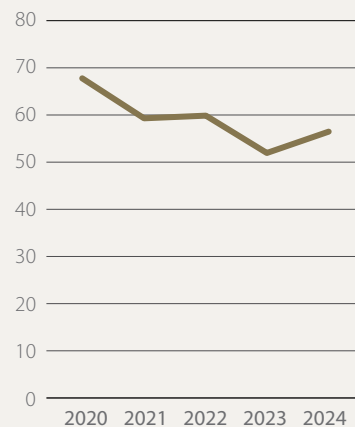
INVESTOR RELATIONS

Dividends

During the year under review, the Company paid a dividend to its shareholders. A dividend of Rs. 0.44 per share was paid out of the profits from the year ended 31st March 2024. Details of the dividend paid by Company for each financial year is given below.

	2024	2023	2022	2021	2020
Dividend per share (Paid for the year)	0.44	0.68	0.36	0.35	0.08
Dividend Pay-out Ratio (%)	56.55	51.75	59.80	59.40	67.70

The Company maintained its policy on distributing dividends of transferring 50% out of profits after tax as dividend. The Company directors distributed Rs. 80.25 million as Dividends to shareholders, which is around 56.55 percent of 2023/24 annual profit after tax.



Dividend Payout Ratio (%)

GRI CONTENT INDEX

Statement of use	Ceylon Tea Brokers PLC has reported in accordance with the GRI Standards for the period 1st April 2023 to 31st March 2024
GRI 1 used	GRI 1: Foundation 2021

GRI Standard/ Other Source	Disclosure	Location (Page No.)	Omission		
			Requirement(s) Omitted	Reason	Explanation
General disclosures					
GRI 2: General Disclosures 2021	2-1 Organizational details	06			
	2-2 Entities included in the organization's sustainability reporting	04			
	2-3 Reporting period, frequency and contact point	04, 05			
	2-4 Restatements of information	05, 64			
	2-5 External assurance	128 - 131			
	2-6 Activities, value chain and other business relationships	06, 46 - 47			
	2-7 Employees	62 - 69			
	2-8 Workers who are not employees	-	2-8	Information unavailable/incomplete	Data to be collected for future reporting periods
	2-9 Governance structure and composition	91 - 95			
	2-10 Nomination and selection of the highest governance body	101			
	2-11 Chair of the highest governance body	93 - 94			
	2-12 Role of the highest governance body in overseeing the management of impacts	93 - 95			
	2-13 Delegation of responsibility for managing impacts	94 - 95			
	2-14 Role of the highest governance body in sustainability reporting	52			
	2-15 Conflicts of interest	92, 94			
	2-16 Communication of critical concerns	68			
	2-17 Collective knowledge of the highest governance body	93			
	2-18 Evaluation of the performance of the highest governance body	101			

GRI CONTENT INDEX

GRI Standard/ Other Source	Disclosure	Location (Page No.)	Omission		
			Requirement(s) Omitted	Reason	Explanation
GRI 2: General Disclosures 2021 (contd.)	2-19 Remuneration policies	100			
	2-20 Process to determine remuneration	100			
	2-21 Annual total compensation ratio	-	2-21	Confidentiality constraints	Group does not disclose this information due to confidentiality reasons
	2-22 Statement on sustainable development strategy	85 - 86			
	2-23 Policy commitments	103 - 116			
	2-24 Embedding policy commitments	93 - 94, 103 - 116			
	2-25 Processes to remediate negative impacts	68, 92			
	2-26 Mechanisms for seeking advice and raising concerns	68			
	2-27 Compliance with laws and regulations	81, 92, 103 - 116			
	2-28 Membership associations	78, 80			
	2-29 Approach to stakeholder engagement	48 - 51			
	2-30 Collective bargaining agreements	69			
Material topics					
GRI 3: Material Topics 2021	3-1 Process to determine material topics	50 - 51			
	3-2 List of material topics	52			
Biodiversity					
GRI 3: Material Topics 2021	3-3 Management of material topics	122 - 127			

GRI Standard/ Other Source	Disclosure	Location (Page No.)	Omission		
			Requirement(s) Omitted	Reason	Explanation
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	N/A	304-1	Not applicable	The group does not own, lease, manage, or operate any sites located within, adjacent to, or in close proximity to protected areas or regions of high biodiversity value outside protected areas.
	304-2 Significant impacts of activities, products and services on biodiversity	77			
	304-3 Habitats protected or restored	N/A	304-3	Not applicable	The group has not engaged in activities to protect or restore habitats.
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	N/A	304-4		The group does not operate in areas which affect any habitats of species listed on the IUCN Red List or national conservation lists.
Economic performance					
GRI 3: Material Topics 2021	3-3 Management of material topics	122 - 127			
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	58			
	201-2 Financial implications and other risks and opportunities due to climate change	77			
	201-3 Defined benefit plan obligations and other retirement plans	180 - 181			
	201-4 Financial assistance received from government	N/A	201-4	Not applicable	The Group does not receive any financial benefit from the Government

GRI CONTENT INDEX

GRI Standard/ Other Source	Disclosure	Location (Page No.)	Omission		
			Requirement(s) Omitted	Reason	Explanation
Market presence					
GRI 3: Material Topics 2021	3-3 Management of material topics	122 - 127			
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	-	202-1	Confidentiality constraints	Group does not disclose these ratios due to confidentiality reasons
	202-2 Proportion of senior management hired from the local community	69			
Indirect economic impacts					
GRI 3: Material Topics 2021	3-3 Management of material topics	122 - 127			
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	58, 81			
	203-2 Significant indirect economic impacts	58			
Anti-corruption					
GRI 3: Material Topics 2021	3-3 Management of material topics	122 - 127			
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	69			
	205-2 Communication and training about anti-corruption policies and procedures	69			
	205-3 Confirmed incidents of corruption and actions taken	69			
Anti-competitive behavior					
GRI 3: Material Topics 2021	3-3 Management of material topics	122 - 127			
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	81			
Tax					
GRI 3: Material Topics 2021	3-3 Management of material topics	122 - 127			

GRI Standard/ Other Source	Disclosure	Location (Page No.)	Omission		
			Requirement(s) Omitted	Reason	Explanation
GRI 207: Tax 2019	207-1 Approach to tax	162 - 163, 172 - 173			
	207-2 Tax governance, control, and risk management	162 - 163, 172 - 173			
	207-3 Stakeholder engagement and management of concerns related to tax	162 - 163, 172 - 173			
	207-4 Country-by-country reporting	N/A	207-4	Not applicable	The group conducts its operations only in Sri Lanka
Energy					
GRI 3: Material Topics 2021	3-3 Management of material topics	122 - 127			
GRI 302: Energy 2016	302-1 Energy consumption within the organization	75 - 77			
	302-2 Energy consumption outside of the organization	-	302-2	Information unavailable/incomplete	This information is unavailable for disclosure as the energy consumption is measured to cover all operations within the Company, and does not cover any upstream or downstream activities that are outside the Organisation's scope of operations.
	302-3 Energy intensity	-	302-3		The Group currently does not monitor Energy intensity
	302-4 Reduction of energy consumption	75 - 77			
	302-5 Reductions in energy requirements of products and services	-	302-5	Information unavailable/incomplete	There are no reductions in energy requirements of products and services to be disclosed

GRI CONTENT INDEX

GRI Standard/ Other Source	Disclosure	Location (Page No.)	Omission		
			Requirement(s) Omitted	Reason	Explanation
Waste					
GRI 3: Material Topics 2021	3-3 Management of material topics	122 - 127			
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	-	306-1	Information unavailable/incomplete	Data to be collected for future reporting periods
	306-2 Management of significant waste-related impacts	77			
	306-3 Waste generated	-	306-3	Information unavailable/incomplete	Data to be collected for future reporting periods
	306-4 Waste diverted from disposal	-	306-4		
	306-5 Waste directed to disposal	-	306-5		
Employment					
GRI 3: Material Topics 2021	3-3 Management of material topics	122 - 127			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	66			
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	-	401-2	Confidentiality constraints	Group does not disclose this information due to confidentiality reasons
	401-3 Parental leave	69			
Labor/management relations					
GRI 3: Material Topics 2021	3-3 Management of material topics	122 - 127			
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	69			
Occupational health and safety					
GRI 3: Material Topics 2021	3-3 Management of material topics	122 - 127			
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	69			

GRI Standard/ Other Source	Disclosure	Location (Page No.)	Omission		
			Requirement(s) Omitted	Reason	Explanation
GRI 403: Occupational Health and Safety 2018 (contd.)	403-2 Hazard identification, risk assessment, and incident investigation	-	403-2	Information unavailable/incomplete	Data to be collected for future reporting periods
	403-3 Occupational health services	-	403-3		
	403-4 Worker participation, consultation, and communication on occupational health and safety	69			
	403-5 Worker training on occupational health and safety	69			
	403-6 Promotion of worker health	69			
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	69			
	403-8 Workers covered by an occupational health and safety management system	-	403-8	Information unavailable/incomplete	Data to be collected for future reporting periods
	403-9 Work-related injuries	69			
	403-10 Work-related ill health	69			
Training and education					
GRI 3: Material Topics 2021	3-3 Management of material topics	122 - 127			
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	67			
	404-2 Programs for upgrading employee skills and transition assistance programs	66 - 67			
	404-3 Percentage of employees receiving regular performance and career development reviews	-	404-3	Information unavailable/incomplete	Data to be collected for future reporting periods
Diversity and equal opportunity					
GRI 3: Material Topics 2021	3-3 Management of material topics	122 - 127			
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	26 - 27, 62 - 69, 93			
GRI 405: Diversity and Equal Opportunity 2016 (contd.)	405-2 Ratio of basic salary and remuneration of women to men	-	405-2	Confidentiality constraints	Group does not disclose this information due to confidentiality reasons

GRI CONTENT INDEX

GRI Standard/ Other Source	Disclosure	Location (Page No.)	Omission		
			Requirement(s) Omitted	Reason	Explanation
Non-discrimination					
GRI 3: Material Topics 2021	3-3 Management of material topics	122 - 127			
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	81			
Freedom of association and collective bargaining					
GRI 3: Material Topics 2021	3-3 Management of material topics	122 - 127			
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	69, 80			
Child labor					
GRI 3: Material Topics 2021	3-3 Management of material topics	122 - 127			
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	80, 86			
Forced or compulsory labor					
GRI 3: Material Topics 2021	3-3 Management of material topics	122 - 127			
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	80, 86			
Security practices					
GRI 3: Material Topics 2021	3-3 Management of material topics	122 - 127			
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	81			
Local communities					
GRI 3: Material Topics 2021	3-3 Management of material topics	122 - 127			

GRI Standard/ Other Source	Disclosure	Location (Page No.)	Omission		
			Requirement(s) Omitted	Reason	Explanation
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	81			
	413-2 Operations with significant actual and potential negative impacts on local communities	N/A	413-2	Not applicable	There is no data to disclose on significant negative impacts since our operations aim to minimise significant negative impacts on local communities.
Public policy					
GRI 3: Material Topics 2021	3-3 Management of material topics	122 - 127			
GRI 415: Public Policy 2016	415-1 Political contributions	N/A	415-1	Not applicable	The Group does not receive any financial benefit from political contributions
Customer health and safety					
GRI 3: Material Topics 2021	3-3 Management of material topics	122 - 127			
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	127			
	416-2 Incidents of non- compliance concerning the health and safety impacts of products and services	80			
Customer privacy					
GRI 3: Material Topics 2021	3-3 Management of material topics	122 - 127			
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	80			

Ceylon Tea Brokers PLC is currently part of the value chain as a brokerage firm, on review of the requirements under GRI 13 Sector Standard: Agriculture, Aquaculture and Fishing Sectors 2022. However, the Group believes that all matters highlighted in the said standard would not be material for the current financial year.

NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Fifteenth (15th) Annual General Meeting of Ceylon Tea Brokers PLC will be held by way of electronic means on 27th September 2024 at 11:30 a.m. centered at the Boardroom of the Company, Level 7, Millennium House, No. 46/58, Nawam Mawatha, Colombo 2 for the following purposes:

1. To receive and consider the Annual Report of the Board of Directors on the affairs of the Company and its subsidiary and the Financial Statements for the year ended 31st March 2024 with the Report of the Auditors thereon.
2. To pass the ordinary resolution set out below to re-appoint Mr. C P R Perera who is 80 years of age as a Director of the Company;

"IT IS HEREBY RESOLVED THAT that Mr. C P R Perera who reached 70 years of age on 5th March 2014, be and is hereby re-appointed as a Director of the Company and it is hereby declared as provided for in Section 211 of the Companies Act No. 07 of 2007 that the age limit of 70 years referred to in Section 210 of the Companies Act shall not apply to Mr. C P R Perera."

3. To re-elect Mr. Kahandawala Hewage Saminda Deshapriya who retires by rotation in terms of Article 87 (i) of the Articles of Association of the Company as a Director.
4. To re-appoint Messrs. KPMG, Chartered Accountants, as the Auditors of the Company and to authorize the Directors to fix their remuneration.
5. To authorize the Directors to determine donations for the year ending 31st March 2025 and up to the date of the next Annual General Meeting.

By Order of the Board
CEYLON TEA BROKERS PLC



P W Corporate Secretarial (Pvt) Ltd
Director / Secretaries

30th August 2024
Colombo

Notes:

1. A shareholder entitled to participate and vote at the above virtual meeting is entitled to appoint a proxy to participate and vote in his/her place by completing the Form of Proxy enclosed herewith.
2. A proxy need not be a shareholder of the Company.
3. Shareholders who are unable to participate in the above virtual meeting are also encouraged to submit a duly completed Form of Proxy appointing the Chairman or any other Member of the Board to participate and vote on their behalf.
4. For more information on how to participate by virtual means in the above virtual meeting, please refer Guidelines and Registration Process enclosed herewith.

FORM OF PROXY

I/We*

(NIC/Passport/Co. Reg. No.)

of

being a shareholder / shareholders of CEYLON TEA BROKERS PLC hereby appoint

(NIC/Passport No. of or failing him/her,*

Mr. R J N De Mel of Colombo or failing him*

Mr. W A T Fernando of Colombo or failing him*

Mr. D G W De Silva of Colombo or failing him

Mr. K A D Fernando of Colombo or failing him*

Mr. H T D Nonis of Colombo or failing him*

Mr. Z Mohamed of Colombo or failing him*

Ms. N T M S Cooray of Colombo or failing her*

Ms. H M S Perera of Colombo or failing her*

Mr. C P R Perera of Colombo or failing him*

Mr. K H S Deshapriya of Colombo or failing him*

as my/our* proxy to represent and speak and vote for me/us* and on my/our* behalf at the Fifteenth Annual General Meeting of the Company to be held on 27th September 2024 at 11:30a.m. and at any adjournment thereof and every poll which may be taken in consequence of the aforesaid meeting.

I/We,* the undersigned, hereby authorize my/our proxy to speak and vote for me/us* and on my /our* behalf in accordance with the preference as indicated below

		For	Against
1	To pass the ordinary resolution set out under item 2 of the Notice of Meeting for the re-appointment of Mr. C P R Perera		
2	To re-elect Mr. Kahandawala Hewage Saminda Deshapriya as a Director who retires by rotation as a Director in terms of Article 87 (i) of the Articles of Association of the Company		
3	To appoint Messrs. KPMG Chartered Accountants as Auditors of the Company and to authorize the Directors to fix their remuneration.		
4	To authorize the Directors to determine donations for the year ending 31st March 2025 and up to the date of the next Annual General Meeting.		

In witness my/our* hands this day of Two Thousand and Twenty-Four.

*Please delete as appropriate

.....

Signature of Member/s

Notes:

1. A proxy need not be a member of the Company.
2. Instructions as to completion appear overleaf

Instructions for Completion

1. The full name, National Identity Card number and the registered address of the shareholder appointing the Proxy and the relevant details of the Proxy should be legibly entered in the Form of Proxy which should be duly signed and dated.
2. The completed Proxy should be forwarded to the Company for deposit at the Registered Office through the Company Secretaries, P W Corporate Secretarial (Pvt) Ltd, No. 3/17, Kynsey Road, Colombo 08 (email ctb.pwcs@gmail.com) by 11:30 a.m. on 25th September 2024.

In forwarding the completed and duly signed Proxy to the Company, please follow the Guidelines and Registration Process for the Annual General Meeting attached to the Notice of Annual General Meeting.

3. The Proxy shall –
 - (a) In the case of an individual be signed by the shareholder or by his attorney, and if signed by an attorney, a notarial certified copy of the Power of Attorney should be attached to the completed Proxy if it has not already been registered with the Company.
 - (b) In the case of a company or corporate / statutory body either be under its Common Seal or signed by its Attorney or by an Officer on behalf of the Company or corporate / statutory body in accordance with its Articles of Association or the Constitution or the Statute. (as applicable)
4. If you wish to appoint a person other than the Chairman or a Director of the Company as your Proxy, please insert the relevant details in the space provided.
5. Please indicate with a 'X' in the space provided how your Proxy is to vote on each resolution. If no indication is given, the Proxy in his discretion will vote as he thinks fit.

CORPORATE INFORMATION

Name of the Company

Ceylon Tea Brokers PLC

Legal Form

The Company incorporated in Sri Lanka under the Companies Act No. 07 of 1982 which was re-registered under the provisions of the Companies Act No. 7 of 2007 on 20th January 2010 and quoted on the Diri Savi Board of the Colombo Stock Exchange on 16th March 2010.

Date of Incorporation

15th June 1999

Company Registration Number

PB 1280 PQ

Board of Directors

Mr. R. J. N. De Mel (Chairman)
Mr. W. A. T. Fernando (Managing Director)
Mr. D. G. W. De Silva (Director/ Chief Executive Officer)
Mr. K A D Fernando (Director/ Chief Operating Officer)
Mr. H. T. D. Nonis
Mr. Z. Mohamed
Mr. C. P. R. Perera
Mr. B. R. L. Fernando
Ms. N. T. M. S. Cooray
Ms. H. M. S. Perera
Mr. K. H. S. Deshapriya

Registered Office/Head Office

Level 7, 'Millennium House', 46/58, Nawam Mawatha, Colombo 02.

VAT Registration No.

114238546 7000

Telephone

(+94) 11-4607777

Facsimile

(+94) 11-4607788

Website

www.ceylontebrokers.com

Credit Ratings

The Company has been assigned an Issuer rating of [SL] BBB with stable outlook by Lanka Rating Agency Limited.

Secretaries

P W Corporate Secretarial (Pvt) Ltd

No. 3/17, Kynsey Road, Colombo 08.
Telephone: (+94) 11-4640360-3
Fax: (+94) 11-4740588
Email: pwcs@pwcs.lk

Registrars

Central Depository Systems (Pvt) Limited

Ground Floor
M & M Center
341/5, Kotte Road, Rajagiriya
Telephone: (+94) 11-2356497

Lawyers

F. J. & G. de Saram

Attorneys-at-Law
216, De Saram Place, Colombo 10.
Telephone: (+94) 11-4718200
Fax: (+94) 11-4718220
Email: fjpgdesaram@fjpgdesaram.com

D.L. & F. De Saram

Attorneys-at-Law
47, C.W.W. Kannangara Mawatha, Alexandra Pl, Colombo 7.
Telephone: (+94) 11-2695782
Fax: (+94) 11-2695782
Email: info@desaram.com

Mr. K. Wasantha S. Fernando

Attorney - at - Law
No. 4/145,1/1, Thalakotuwa Gardens, Polhengoda, Colombo 05.
Telephone: (+94) 11-5238868
Email: k.w.s.fernando@gmail.com

Auditors

Messrs KPMG,
32A, Sir Mohomad Macan Markar Mawatha, Colombo 03.
Telephone: (+94) 11-2426426
Fax: (+94) 11-2445872
Email: frt@kpmg.lk

Subsidiary Company

Logicare (Pvt) Ltd – Fully Owned

Bankers

Bank of Ceylon

Metropolitan Branch, Bank of Ceylon building, York Street, Colombo 01.

Commercial Bank of Ceylon PLC

Foreign Branch, Commercial House, 21, Sir Razik Fareed Mawatha, Colombo 01.

DFCC Bank PLC

Head office Branch, W. A. D. Ramanayake Mawatha, Colombo 02.

Hatton National Bank PLC

No.10, Sri Uttarananda Mawatha, Colombo 03.

National Development Bank PLC

No. 42, DHPL Building, Nawam Mawatha, Colombo 02.

Nations Trust Bank PLC

Corporate Branch, No. 242, Union Place, Colombo 02.

People's Bank

First City Branch, York Street, Colombo 01.

Sampath Bank PLC

No. 46/38, Nawam Mawatha, Colombo 02.

Seylan Bank PLC

Millennium Branch, Seylan Tower, No. 90, Galle Road, Colombo 03.

Union Bank of Colombo PLC

Head Office Branch, No. 64, Galle Road, Colombo 03.

Standard Chartered Bank

No. 37, York Street, Colombo 01.

Cargills Bank Limited

No. 696, Galle Road, Colombo 03.

Pan Asia Banking Corporation PLC

450, Galle Road, Colombo 03



Ceylon Tea Brokers PLC
Level 07, Millennium House,
No. 46/58, Nawam Mawatha, Colombo 02, Sri Lanka.
www.ceylonteabrokers.com