

GOVERNMENT, AUTHORITIES AND ASSOCIATIONS

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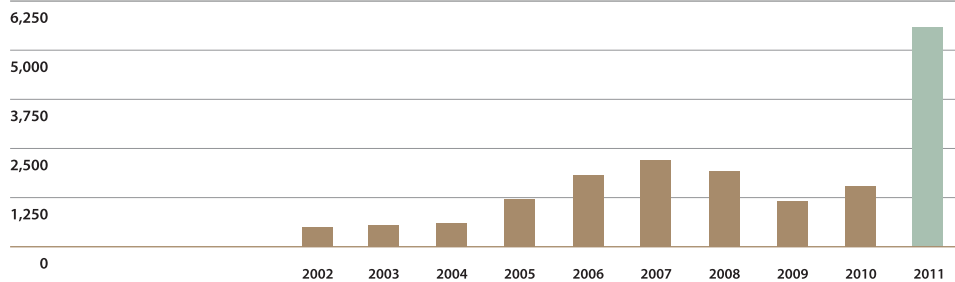
- Management Approach
- Sri Lanka Customs Department
- Department of Inland Revenue
- Department of Motor Traffic
- Central Environment Authority

Dimo maintains excellent relationships with all Authorities. The ones that have the greatest impact on the operations of the Company are identified in this section of the Annual Report.

All statutory filings and payments are made in a timely manner; all standards and guidelines are strictly adhered to; and there are no pending issues unless they are reported hereunder. We have always operated under the principle that taxes due must be promptly and fully-paid, and that it is an important part of the Company's obligation towards society. At the same time, the Company also contributes towards the formulation of the tax system through its membership and participation in relevant professional and industry bodies.

Group Revenue to Government

(Rs. mn)



In addition to the regular interactions that the Company has with the Authorities in the course of conducting its business, Dimo employed a formal study with the assistance of an independent third party.

Employees are promptly updated on regulatory changes applicable to the Group. Specialised training on aspects such as taxation, import procedures and changes in tariff structures is also provided from time to time.

Customs tariffs and the changes in their structure have a significant impact on the business volumes of the Group. The downward revision of tariffs in the year under review had a positive impact on business volumes and consequently on overall Group performance.

Dimo's contribution to the Exchequer stood at Rs. 5.5 bn (Rs. 1.5 bn in 2009/10) in the year under review and is depicted graphically in the value-added statement appearing on page 19 of this Annual Report.

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As a leading corporate citizen the Company conforms strictly with all rules and regulations pertaining to the environment, product standards, tax regulations and all other requirements of the business.

No financial assistance was received from the Government of Sri Lanka during the period under review.

Any penalties or non-monetary reprimands resulting from breaches of any rules or regulations have not been imposed on the Company.

Commitments to Membership on Associations

The Company remains a strong constituent of several key external associations. We have membership in the following associations:

- American Chamber of Commerce
- Ceylon Chamber of Commerce
- Ceylon Motor Traders Association
- Chamber of Construction Industry
- Department of Commerce
- National Chamber of Commerce
- Sri Lanka - Australia & New Zealand Business Council
- Sri Lanka - France Business Council
- Sri Lanka - German Business Council
- Sri Lanka - Italy Business Council
- Sri Lanka - Japan Business Council
- Sri Lanka - Malaysia Business Council
- Sri Lanka - Taiwan Business Council
- Sri Lanka Tyre Importers Association