



ANNUAL REPORT 2024/25

C M Holdings PLC

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Chairman's Review

It is a privilege to welcome you to the 113th Annual General Meeting of C M Holdings PLC and to present the Annual Report and Audited Financial Statements for the year ended 31st March 2025.

The Group navigated the year with purpose and resilience, delivering strong results despite an evolving economic backdrop. Revenue rose to Rs. 352 million, reflecting a 15% increase, largely driven by growth in rental earnings. While the Motor segment continued to face limitations due to the gradual relaxation of the vehicle import ban, it maintained momentum through a targeted focus on after-sales services and spare parts-laying the groundwork for a renewed phase of expansion.

Operating profit more than doubled to Rs. 702 million, fueled by exceptional gains from our listed equity investments and a notable rise in dividend inflows. This performance illustrates the soundness of our portfolio strategy and our ability to seize emerging opportunities.

The Investment segment was a standout contributor. Buoyed by favorable macroeconomic shifts-including easing interest rates, tapering inflation, and a more stable political climate-the Colombo Stock Exchange witnessed a remarkable surge, with the All-Share Price Index climbing from 11,444 to 15,815 during the period. These dynamics significantly enhanced the value of our holdings, resulting in fair value gains of Rs. 1.43 billion, a 449% increase over the prior year. Dividend income of Rs. 112 million further demonstrated the strength and resilience of our investment approach.

The total value of our equity portfolio expanded by 55%, reaching Rs. 4.47 billion from Rs. 2.89 billion-affirming our strategic pivot toward equity assets in a low-rate environment. This translated into a pre-tax profit of Rs. 613 million, a growth of 152%, underscoring the Group's agility and foresight in a recovering market.

In the Property segment, momentum continued to build. Rental income increased to Rs. 105 million, up 26%, with full occupancy at our Union Place property by year-end. We are now actively evaluating new avenues to expand leasable space and enrich recurring income streams.

Looking forward, the complete removal of import restrictions presents a renewed landscape for our Motor business. While challenges remain-including elevated duties, pricing pressures, and regulatory complexities-we expect a measured recovery supported by policy adjustments and rising consumer demand.

At a national level, the economic environment is showing signs of gradual recovery. Reforms under the IMF programme, combined with prudent fiscal management, contributed

to improved stability. A declining inflation trend has eased burdens on households and enterprises, while the rupee held firm on the back of strengthened reserves and a healthier external sector. The resumption of vehicle imports is anticipated to bolster government revenue, while revised tax thresholds should offer relief to middle- and lower-income segments.

As we look ahead, our outlook remains measured yet positive. The Motor sector stands poised for revival. Our Property operations offer room for strategic expansion. And our Investment portfolio continues to anchor the Group's earnings potential through prudent diversification and a long-term perspective.

I would like to take this opportunity to formally acknowledge and thank the Directors who had relinquished their positions as Directors and for their invaluable service and contributions.

I extend my sincere gratitude to Mr. A.M. de S. Jayaratne and Dr. J.M. Swaminathan, who resigned from the Board effective 31 December 2024. Their leadership, strategic insight, and unwavering commitment to the organisation have been instrumental in guiding us through significant periods of growth and transformation. On behalf of the Board and the company, I wish them every success in their future endeavours.

At the same time, we are pleased to welcome Mr. E.D.P. Soosaipillai, Mr. A.I. Piyadigama, and Mr. Amrit Rajaratnam to the Board. They each bring a wealth of experience in finance, operations and governance and I am confident that their expertise will be a valuable asset as we pursue our strategic priorities.

These changes reflect our continued commitment to strong governance and to maintaining a Board with the right mix of skills, perspectives and experience to support the long-term success of the Company.

In closing, I extend my heartfelt appreciation to the Board for its guidance, and to our shareholders and stakeholders for their enduring trust. With collective resolve and clear direction, we are well-positioned to capture future opportunities and sustain value creation in the years to come.

S D R Arudpragasam
Chairman

02 June 2025

Management Review and Analysis

Operating Environment

The Sri Lankan economy displayed notable progress toward stabilization during the financial year under review, marking a significant shift from the crisis conditions that peaked in 2022. This recovery was underpinned by a robust reform agenda supported by the International Monetary Fund (IMF) under its Extended Fund Facility (EFF). Key fiscal consolidation measures, disciplined monetary policies, and structural reforms collectively contributed to a more resilient economic environment.

Inflationary pressures eased substantially throughout the year, with headline inflation falling into single-digit territory and occasionally entering deflationary levels due to effective monetary interventions. Concurrently, interest rates trended downward, facilitating improved access to credit and stimulating private sector activity. The foreign exchange market stabilized, bolstered by increased inflows from tourism and worker remittances, which significantly strengthened gross official reserves. This reserve buildup enabled the gradual relaxation of import restrictions, creating a more conducive environment for trade and investment.

Key economic sectors such as tourism and agriculture experienced positive momentum. Tourism, in particular, saw a resurgence driven by increased international arrivals and improved global sentiment, helping to uplift consumer confidence and foreign currency inflows. Reflecting renewed investor confidence, both the All Share Price Index (ASPI) and the S&P SL20 Index on the Colombo Stock Exchange recorded historic highs during the year.

Despite these gains, the operating environment remains susceptible to volatility, particularly due to emerging global economic uncertainties, geopolitical tensions, and commodity price fluctuations observed in the latter part of the financial year. These headwinds may pose fresh challenges to sustained growth in the upcoming period.

Sector Review

Motor Sector

The motor sector continued to operate under challenging conditions due to the prolonged imposition of import restrictions on motor vehicles, which significantly limited new vehicle sales. Nevertheless, there were signs of optimism as the government announced a relaxation of these restrictions effective February 2025. The revised import guidelines are designed to prevent undue pressure on the foreign exchange reserves while allowing gradual normalization of the automotive market.

Despite the constrained regulatory environment, the segment's service and spare parts operations demonstrated resilience, contributing to an 11% year-on-year increase in motor segment revenue. Gross profit from the segment rose modestly by 4%, from Rs. 124 million in 2024 to Rs. 129 million in 2025, driven by effective cost management and operational efficiency.

With the relaxation of the import ban and the renewed vehicle sales market, the segment is strategically positioned to benefit from pent-up consumer demand. The reintroduction of vehicle imports is expected to provide a significant boost to top-line performance and profitability in the forthcoming financial year.

Investment and Property Sector

The investment and property sector experienced substantial growth, sustained by favourable macroeconomic conditions and bullish equity market sentiment. Investor confidence was underpinned by declining interest rates, improved inflation metrics, and political stability, all of which encouraged capital inflows and market participation.

The Group's investment portfolio benefitted considerably from these positive developments, delivering net fair value gains of Rs. 1.43 billion across both FVTPL and FVOCI instruments. This marks a remarkable 449% increase from the Rs. 261 million gains recorded in the previous year. Additionally, dividend income of Rs. 112 million further reinforced investment returns, reflecting the strength and yield-generating potential of the Group's asset base.

With equity markets outperforming fixed-income securities due to the prevailing low interest rate environment, the Group has strategically allocated its assets into equity instruments to maximize returns. As a result, the total investment portfolio expanded to Rs. 4.47 billion from Rs. 2.89 billion in the previous year—an impressive 55% increase in value.

On the property front, the Group maintained full occupancy at its Union Place premises, a testament to strong tenant relationships and the premium location of the property. Rental income rose by 26% to Rs. 105 million, up from Rs. 83 million the prior year. Long-term tenancy agreements ensured recurring revenue and stable cashflows, while reinforcing the segment's financial resilience.

Looking ahead, the Group remains committed to unlocking additional value from its property through potential expansion and development initiatives aimed at optimizing the full potential of the Union Place property in the evolving commercial real estate landscape in Colombo.

Management Review and Analysis

Financial Performance

The Group recorded a robust financial performance during the financial year ended 31st March 2025, with total revenue reaching Rs. 352 million, representing a 15% increase compared to Rs. 306 million in the previous year. This growth was predominantly driven by higher rental income and modest recovery in the motor segment's service revenue.

Operating profit surged to Rs. 702 million, reflecting an impressive 118% growth from Rs. 322 million in 2024. The performance was primarily fuelled by strong fair value gains in the investment portfolio and consistent dividend income, coupled with disciplined cost controls across operational segments.

Capital markets played a pivotal role in supporting the Group's investment strategy. The All Share Price Index (ASPI) saw a remarkable climb, closing at 15,815 points, a 38% increase year-on-year, further enhancing portfolio valuation.

The Group's total asset base expanded by 33% to Rs. 6.3 billion, up from the previous year's Rs. 4.7 billion. Meanwhile, net asset value per share improved significantly to Rs. 334, up from Rs. 236 in 2024. This growth reflects the increasing value of the Group's holdings in both listed and unlisted equities.

From a capital structure perspective, the Group maintained a conservative stance. The debt-to-equity ratio stood at 18%, with all borrowings concentrated in the motor segment. Notably, the investment and property segments remained debt-free, underscoring the Group's prudent financial management and commitment to long-term sustainability.

Outlook

The Group remains cautiously optimistic about the year ahead. With the anticipated full reopening of the motor vehicle market, continued stability in capital markets, and strong fundamentals in the property segment, the Group is well-positioned to build on its current momentum. However, management remains vigilant of potential global and domestic headwinds and will continue to adopt a balanced and adaptive strategy to navigate uncertainties while seeking new growth avenues.

Board of Directors

S. D. R. Arudpragasam

Chairman

FCMA (UK)

Mr. S.D.R. Arudpragasam joined the Board of C M Holdings PLC in 1999 and was appointed Deputy Chairman in November, 2012 and as Chairman effective 1st July 2022. Further, whilst being associated with The Colombo Fort Land and Building Group of companies since 1982 and having served on the Board of The Colombo Fort Land and Building PLC (CFLB) since the year 2000 and as Deputy Chairman up to end June 2022 was appointed Chairman CFLB with effect from 1st July 2022. He also serves as Chairman Lankem Ceylon PLC and Chairman/ Managing Director of E.B. Creasy & Company PLC in addition to holding other Directorships within the CFLB Group. He also functions as a member on several Board Subcommittees of the CFLB Group. Mr. Arudpragasam is a Fellow of the Chartered Institute of Management Accountants (UK)

Anushman Rajaratnam

Director

B.Sc. (Hons.), CPA, MBA

Mr. Anushman Rajaratnam was appointed to the Board in October 2013. He is at present the Group Managing Director of The Colombo Fort Land & Building PLC (CFLB). In addition, he serves on the Boards of several subsidiary companies and also functions as a member on several Board Subcommittees of the CFLB Group. Prior to joining the CFLB group, he worked overseas for a leading global Accountancy Firm. He holds a Bachelor of Science degree in Economics from the University of Surrey, UK, CPA Australia and MBA from Massachusetts Institute of Technology USA.

S. Rajaratnam

Director

B.Sc., CA

Mr. Sanjeev Rajaratnam was appointed to the Board in the year 2007. He currently holds the position of Joint Managing Director of E.B. Creasy & Company PLC amongst several other Directorships including The Colombo Fort Land & Building PLC. He also functions as a member on several Board Subcommittees of the CFLB Group. He is also a committee member of two associate companies of CFLB.

Mr. S. Rajaratnam holds a Bachelor of Science Degree in Business Administration from Boston College, U.S.A. and is a Member of the Institute of Chartered Accountants in Australia.

R. M. M. J. Ratnayake

Director

FCMA, CGMA, MBA

Mr Mohan J Ratnayake was appointed to the Board on 1st November 2022. He was the Chairman of the Committee which issued Sri Lanka's first internationally listed USD Bond by a corporate entity- Sri Lanka Telecom PLC which traded on the Singapore Stock Exchange. This was when the Sovereign had not been rated by international rating agencies. He currently serves as the Managing Director of Colonial Motors (Ceylon) Ltd. He also serves as an Independent Non Executive Director of ACL Plastics PLC and UB Finance PLC. He continues to serve on several Boards and chairs audit committees and other statutory Committees. He further served as Chairman of Lanka Reality Investments PLC and on the Board of a state owned entity in the export sector. He has expertise in the fields of Tea Exports, Tea Plantations and Telecommunications. He held the position of Deputy Chairman of a listed financial Institute falling under the purview of the Central Bank of Sri Lanka.

Mr. Mohan Ratnayake is a Fellow Member of the Chartered Institute of Management Accountants UK, a Chartered Global Management Accountant and has read for a MBA.

Amrit Rajaratnam

Director

LLB (Notts.), Barrister- at - Law

Mr. Amrit Rajaratnam was appointed to the Board on 31st December 2024. He holds a Bachelor's Degree in Law from the University of Nottingham and is a Barrister at Law (Lincoln's Inn). He began his career at the Law Firm of Julius & Creasy and later joined Lankem Ceylon PLC. He is also a Director of Beruwala Resorts PLC, Marawila Resorts PLC, Sigiriya Village Hotels PLC, York Arcade Holdings PLC., Colombo Fort Investments PLC, Colombo Investment Trust PLC and The Colombo Fort Land & Building PLC. He also holds other Directorships in several unlisted companies within the CFLB Group.

Board of Directors

Eugen Duliksha Pratharp Soosaipillai

Director

(FCA (Sri Lanka), FCMA (Sri Lanka))

Mr. D. Soosaipillai was appointed to the Board on 10th February 2025 as an Independent Non-Executive Director. He chairs the Board Audit Committee, the Related Party Transactions Review Committee, the Remuneration Committee and the Nomination and Governance Committee of the Company.

Mr. Soosaipillai is a fellow of the Institute of Chartered Accountants of Sri Lanka and the Institute of Certified Management Accountants of Sri Lanka.

In a career spanning over 35 years in the governance of financial and reporting systems both at the operational and strategic levels, Mr. Soosaipillai brings to the table a core discipline in finance, a core competency in Risk Identification, Assessment and Management at operational levels and Forward Risk Assessment at a strategic level and three decades of experience in senior management in the financial services industry.

His decade and a half of board level executive experience spans that of several leading specialized leasing companies in the capacity of Finance Director, Chief Executive Officer and Managing Director, whilst his experience as a Non-Executive Director includes the boards of LFC's, a Systemically Important LCB and Regional Plantation Companies.

He is currently an Independent Non-Executive Director on the Board of Finlays Colombo Ltd. since January 2021 and an Independent Non-Executive Director on the Board of York Arcade Holdings PLC since February 2025, where he chairs the Board Audit Committee, the Related Part Transactions Review Committee, the Remuneration Committee and the Nomination and Governance Committee of the company.

Mr. Soosaipillai previously served on the Board of Hatton National Bank PLC as an Independent Non-Executive Director, principally as Chair of the Board Integrated Risk Management Committee and the Board Procurement Committee as well as an active member of the Board Strategy and Investment Committee, the Board Recoveries Committee and the Board Human Resources and Remuneration Committee.

Appointed as an Independent Non-Executive Director of Commercial Credit and Finance PLC in January 2014, he was elected Chairman in March 2020, until his resignation from the Board in November 2022. During his Chairmanship at Commercial Credit and Finance PLC he chaired the

Board Nomination Committee and the Board Remuneration Committee. He previously chaired the Board Audit Committee and was an active member of the Board Integrated Risk Management Committee and the Board Related Party Transactions Review Committee.

Mr Soosaipillai was a board member of the Colombo Port City Economic Commission and Acting Director General from June 2023 to November 2024, and Chairman and Independent Non-Executive Director of HDFC Bank of Sri Lanka from April 2023 to October 2024. He served as an Independent Non-Executive Director of the two Regional Plantation Companies of James Finlays Plantation Holdings (Lanka) Ltd from May 2017 to March 2022 and was the Chair of the Board Audit Committee and a member of the Board Related Party Transactions Review Committee and the Board Remuneration Committee

He was briefly engaged by the World Bank as a Short-Term Consultant on a Payables Assessment assignment in the Maldives as part of a wider Public Finance Management project in 2012. He also served as the Managing Director of the Maldives Finance Leasing Company Ltd., for over 7 years and as the Chief Executive Officer of Ceylease Financial Services Ltd., a subsidiary of the Bank of Ceylon, prior to that.

Asoka Indrasiri Piyadigama

Director

(FCA (Sri Lanka), CPA (Aus.))

Mr. Asoka Piyadigama was appointed to the Board on 10th February 2025 as an Independent Non-Executive Director. He serves on the Boards of York Arcade Holdings PLC and Acme Printing and Packaging PLC.

With extensive experience in operational and finance roles, Mr. Piyadigama has progressed from Manager to Chief Financial Officer at prominent conglomerates, including Carsons Cumberbatch PLC, Lankem Ceylon PLC, and C.W. Mackie PLC. He currently serves as a member of the Audit Committee for some of the CFLB Group Companies.

He has also held positions as Audit and Business Advisory Manager at KPMG Sri Lanka and Deloitte Fiji and worked in key finance roles within the Manufacturing and FMCG sectors in Australia. Most recently, he was the Chief Executive Officer of the Institute of Chartered Accountants of Sri Lanka.

Mr. Piyadigama is a Fellow Member (FCA) of the Institute of Chartered Accountants of Sri Lanka and a Member of CPA Australia.

Corporate Governance

The business and affairs of the Company and its subsidiaries are managed and directed with the objective of balancing the attainment of corporate objectives with the alignment of corporate behaviour within the legal good governance framework of the industry and the country and also the accountability to shareholders and responsibility to other stakeholders.

We present below the Corporate Governance practices adopted and practiced by C M Holdings PLC, in accordance with those listed in the code of Best Practice on Corporate Governance issued by The Institute of Chartered Accountants of Sri Lanka and the rules on Corporate Governance set out in the Colombo Stock Exchange Listing Rules

THE BOARD

Composition of the Board

The Directors are from varied business and professional backgrounds. Their expertise in the fields of finance, corporate management and law with varied business and professional experience enables them to exercise independent judgement and their views carry substantial weight in decision making. The Board of Directors met on seven occasions during the year under review. In addition to Board Meetings decisions are approved by Resolutions in writing. The composition of the Board during the year, attendance at Board Meetings and other Director details are as follows:

Director	Any material business relationships with other Directors of the Listed Entity	Attendance / Eligibility at Board Meetings	Date of Appointment	Date of Resignation	Board Committees of the Company served during the year
Mr S. D. R. Arudpragasam - Chairman Non-Executive Director	None	7/7	30 September 1999	-	NomCo, RemCo, Audit, RPTRC
Dr. J. M. Swaminathan - Independent Non-Executive Director <i>(Resigned w.e.f. 31.12.2024)</i>	None	4/5	1 July 2003	31 December 2024	NomCo and RemCo Chair, Audit, RPTRC
Mr. A. M. de S. Jayaratne - Independent Non-Executive Director <i>(Resigned w.e.f. 31.12.2024)</i>	None	5/5	15 July 2005	31 December 2024	Audit and RPTRC Chair, NomCo, RemCo,
Mr. S. Rajaratnam - Non-Executive Director	None	7/7	4 July 2007	-	Audit, RPTRC
Mr. Anushman Rajaratnam Non-Executive Director	None	5/7	8 October 2013	-	None
Mr. R. M. M. J. Ratnayake - Non-Executive Director	None	7/7	1 November 2022	-	None
Mr. Amrit Rajaratnam - Non-Executive Director <i>(Appointed w.e.f. 31.12.2024)</i>	None	2/2	31 December 2024	-	None
Mr. E.D.P. Soosaipillai - Independent Non-Executive Director <i>(Appointed w.e.f. 10.02.2025)</i>	None	2/2	10 February 2025	-	Chair of NomCo, RemCo, Audit, RPTRC
Mr. A.I. Piyadigama - Independent Non-Executive Director <i>(Appointed w.e.f. 10.02.2025)</i>	None	2/2	10 February 2025	-	NomCo, RemCo, Audit, RPTRC

NomCo - Nominations & Governance Committee
Audit - Audit Committee

RemCo - Remuneration Committee
RPTRC - Related Party Transactions Review Committee

Details of attendance at Committee Meetings of the Audit, Related Party Transactions Review, Nominations and Governance and Remuneration Committees are given in the reports of the respective committees.

Corporate Governance

Board Balance

Presently the Board consists of seven Non- Executive Directors of whom two are Independent Non-Executive Directors. All Directors carry a blend of experience in the fields of finance, business management and Law and possess a high standard of integrity and business acumen. Directors both individually and as a whole, make a significant contribution towards the Board's decision making process. Further, the balanced structure of the Board makes the strategic decision making process more effective which ultimately facilitates build-up of sustainable value for shareholders and all its other stakeholders.

Independent Directors on the Board have declared that they are Independent of management and free of any business or other relationship that could materially interfere with or could reasonably be perceived to materially interfere with the exercise of their unfettered and independent judgements. All Independent Non-Executive Directors have also submitted signed and dated declarations of their independence or non-independence to the Board.

The Board makes a determination annually as to the independence or non-independence of each Independent Non-Executive Director based on such declarations made on the defined criteria and other information available to the Board.

Despite Mr. A. M. de S. Jayaratne and Dr. J. M. Swaminathan being over seventy years of age and having served on the Board of the Listed Entity, and some of its subsidiaries for over a period of nine years having served on other listed Entities in which a majority of the Directors of the Company were Directors and Mr. Jayaratne having served on the Board of the Ultimate Parent Company, The Colombo Fort Land & Building PLC for over a period of nine years, and the Board having considered the fact that the said Directors are Independent of management and having taken into consideration all other circumstances listed in the Rules pertaining to the Criteria for Defining Independence was of the view that the said Directors are nevertheless Independent, and accordingly Mr. A. M. de S. Jayaratne and Dr. J. M. Swaminathan, who were thus determined to be nevertheless independent served as Independent Non-Executive Directors until the close of business on 31st December 2024.

Consequent to the revision of the Colombo Stock Exchange (CSE) Listing Rules in relation to Independent Directors, Mr.A.M.de S. Jayaratne and Dr. J.M. Swaminathan who were over 70 years of age and served as Independent Non-Executive Directors on the Board of C M Holdings PLC resigned with effect from the close of business on 31st December 2024.

Mr. E.D.P. Soosaipillai and Mr. A.I. Piyadigama who were appointed to the Board as Independent Non-Executive Directors meets the criteria for Directors independence as set out in Listing Rule 9.8.3 of the Colombo Stock Exchange and were determined to be independent by the Board.

Fit & Proper Assessment

The Company's fit and proper assessment for Directors and the CEO are in line with the guidelines set out in the Listing Rules, includes criteria on honesty, integrity and reputation, competence and capability and financial soundness. The Chairman, Directors and the CEO satisfy the fit and proper assessment criteria stipulated in the Listing Rules of the CSE.

Availability of Formal Schedule of Matters and Decision Making of the Board

The Code of Best Practice on Corporate Governance of the The Institute of Chartered Accountants of Sri Lanka advocates that the Board should have a formal schedule of matters especially reserved for its decision making.

The Board is responsible for:

- Determining the strategic direction of the Company and also setting the corporate values.
- Implementation and monitoring of business strategy of the Company.
- Ensuring of an effective internal control system and a proactive risk management system.
- Ensuring compliance with ethical, legal, health, environment and safety standards.
- Approval of Interim and Annual Financial Statements.
- Approval of budgets, corporate plans, major capital investments, divestments and acquisitions.
- Ensure compliance with Company policies.

The Directors have made themselves aware of applicable laws rules and regulations and subsequent changes particularly to the Listing Rules and applicable Capital Market provisions.

Chairman's Role

The Chairman is a Non-Executive Director and is responsible for steering the Board to preserve order and to facilitate the effective discharge of the Board's functions. He conducts Board proceedings in a manner which always ensures the following:

- The effective participation of Directors.
- Encourages an effective contribution from Directors within their respective capabilities, for the benefit of the Company.
- Ascertains the views of Directors on issues under consideration.

The Board is in complete control of the Company's affairs and is aware of its obligation to all shareholders and other stakeholders.

Chief Executive Officer (CEO)

Mr. Arosh Azariah Chief Executive Officer of the Company is in charge of and responsible for the operational matters of the Company.

Company Secretaries and Independent Professional Advice

The Company and all the Directors may seek advice from Corporate Managers & Secretaries (Private) Limited who are qualified to act as Secretaries as per the provisions of the Companies Act No. 07 of 2007. Advice is also sought from independent external professionals whenever the Board deems it necessary.

Independent Judgement

The Board is committed to exhibit high standards of integrity and independence of judgement. Each Director dedicates the time and effort necessary to carry out his responsibilities.

Financial Acumen

The Board includes six Finance Professionals who possess the knowledge and the competence to offer the Board the necessary guidance on matters of finance.

Nominations and Governance Committee and Appointments to the Board

There is a formal and transparent procedure for the appointment of new Directors to the Board, which is in accordance with the recommendations made by the Nominations & Governance Committee, in consultation with the Chairman and in compliance with the provisions of the Articles of Association of the Company, the policies adopted by the Company and the Rules on Corporate Governance.

The Board as a whole annually assesses the Board-composition to ascertain whether the combined knowledge and experience of the Board matches the strategic demands facing the Company. The findings of such assessments are taken into account when new Board appointments are considered and when incumbent Directors come up for re-election.

Upon the appointment of a new Director to the Board, the Company makes the required disclosures to the shareholders by making announcements to the Colombo Stock Exchange.

The report of the Nominations and Governance Committee is set out on page 36.

Re-election and Reappointment of Directors

In terms of the Articles of Association any Director appointed by the Board holds office until the next Annual General Meeting at which he seeks re-election by the Shareholders.

The Articles of Association require one third or a number nearest to one third of the Directors in office to retire at each Annual General Meeting. The Directors to retire in each year are those who have been longest in office since their last election or appointment. Retiring Directors are eligible for re-election by the Shareholders.

The Nominations & Governance Committee of the Company has recommended to the Board the re-election and reappointment of the Directors at the forthcoming Annual General Meeting and the Board of Directors have duly approved the said re-election and reappointment of the Directors. Further the Members have refrained from participating in decisions relating to his / her own re-election/ reappointment.

A Director appointed to the office of Chairman, Managing or Joint Managing Director shall not whilst holding that office be subject to retirement by rotation.

DIRECTORS' REMUNERATION

Remuneration Committee and the Remuneration Procedure

The Remuneration Committee Report is set out on page 35 of this report.

A Directors fee is paid to all Non-executive Directors based on a policy of non-discriminatory pay practices.

All managerial and secretarial services are provided by Corporate Managers & Secretaries (Private) Limited to whom a fee is paid.

Disclosures

Aggregate remuneration paid to Directors is disclosed in Note 24 to the Financial Statements on page 111.

Corporate Governance

RELATIONSHIP WITH SHAREHOLDERS

Constructive use of AGM / General Meetings

The Board considers the Annual General Meeting/ General Meetings an opportunity to communicate with shareholders and encourages their participation. Questions raised by the shareholders are answered and an appropriate dialogue is maintained with them.

The policy on Relations with Shareholders and Investors is available on the Company's website <https://www.cmholdingsplc.com> with where contact persons are also provided. Major issues and concerns of shareholders are communicated to all Directors by the Senior Management, Corporate Secretaries, Managers and Registrars of the Company.

Major Transactions

There have been no transactions during the year under review which falls within the definition of 'Major Transactions' as set out in the Companies Act No. 07 of 2007.

Others

The Company's principal communication with all its stakeholders is its Annual Report and Quarterly Financial Statements.

Price Sensitive Information

The Company exercised due care with respect to share price sensitive information.

ACCOUNTABILITY AND AUDIT

Financial Reporting

The Board places emphasis on complete disclosure of financial and non- financial information within the bounds of commercial reality. This enables both existing and prospective shareholders to make fair assessment on the Company's performance and future prospects. The Financial Statements are prepared in accordance with Sri Lanka Accounting Standards.

Disclosures

The Annual Report of the Board of Directors is given on pages 39 to 41 in this Report. The Auditors' Report on the Financial Statements is given on pages 44 to 47 of the Report.

Going Concern

The Directors are of the view that the Company is capable of operating in the foreseeable future after adequate assessment of the Company's financial position and resources. Therefore, the Going Concern principle has been adopted in the preparation of these Financial Statements.

However, any system can ensure only reasonable and not absolute assurance that errors and irregularities are prevented or detected within a reasonable timeframe.

Audit Committee

The Audit Committee Report is set out on pages 30 to 32 of this Report.

Related Party Transactions Review Committee

The Related Party Transactions Review Committee Report is set out on pages 33 to 34 of this Report.

The Related Party Transactions are disclosed in Note 32 to the financial statements.

COMPLIANCE STATUS WITH THE COLOMBO STOCK EXCHANGE LISTING RULES ON CORPORATE GOVERNANCE

The Company's compliance status with the Colombo Stock Exchange Listing Rules on Corporate Governance is disclosed on pages 18 to 29.

The Company was non-compliant in relation to the minimum number of Independent Non-Executive Directors from 1st January 2025 to 9th February 2025. This situation was fully rectified on 10th February 2025 consequent to the appointment of Independent Directors on 10th February 2025.

The Company was also non-compliant in relation to the constitution of Board Subcommittees from 1st January 2025 to 9th February 2025. The said non-compliance was rectified with effect from 10th February 2025, with the appointment of two Independent Non-Executive Directors and the consequent reconstitution of the Board Subcommittees with effect from 10th February 2025 in compliance with the requirements of the CSE Listing Rules. Due disclosures on non-compliance and subsequent compliance requirements were made to the CSE in this connection.

Company Policies

C M Holdings PLC has established a comprehensive suite of corporate policies that align with the Listing Rules of the Colombo Stock Exchange (CSE) and reflect the Company's commitment to ethical governance, transparency, and sustainable business practices. These policies encompass key areas such as:

- Matters relating to the Board of Directors`
- Board Committees
- Corporate Governance, Nominations, and Re-election
- Remuneration
- Internal Code of Business Conduct and Ethics
- Risk Management and Internal Controls
- Relations with Shareholders and Investors
- Environmental, Social, and Governance (ESG) Sustainability
- Control and Management of Company Assets and Shareholder Investments
- Corporate Disclosures
- Whistleblowing
- Anti-Bribery and Corruption

These policies are publicly accessible on the company's website <https://www.cmholdingsplc.com> ensuring transparency and adherence to best practices in corporate governance.

Internal Control

The Board of Directors is responsible for the Company's system of internal controls and for reviewing its effectiveness. The system is designed to safeguard assets against unauthorized use or disposal and to ensure that proper records are maintained. It includes all controls including financial, operational and compliance controls and risk management.

However, any system can ensure only reasonable and not absolute assurance that errors and irregularities are prevented or detected within a reasonable timeframe.

Corporate Governance

DIRECTORS OTHER DIRECTORSHIPS

The details pertaining to the names of the Companies (in Sri Lanka) in which the Directors serve as a Director or Key Management personnel is presented below.

The following table illustrates the total number of Board seats held by each Director of the Company.

Abbreviations:

C	- Chairman	GMD	- Group Managing Director
DC	- Deputy Chairman	MD	- Managing Director
EC	- Executive Chairman	JMD	- Joint Managing Director
EX	- Executive Director	CEO	- Chief Executive Officer
NE	- Non-Executive	D	- Director
INE	- Independent Non-Executive Director	Alt	- Alternate Director

Companies	Mr. S.D.R. Arudpragasam	Dr. J.M. Swaminathan Resigned w.e.f. 31.12.2024	Mr. A.M.de.S. Jayaratne Resigned w.e.f. 31.12.2024	Mr. Sanjeev Rajaratnam	Mr. Anushman Rajaratnam	Mr. R.M.M.J. Ratnayake	Mr. Amrit Rajaratnam appointed w.e.f. 31.12.2024	Mr. E.D.P. Soosaipillai appointed w.e.f. 10.02.2025	Mr. A.I. Piyadigama appointed w.e.f. 10.02.2025
The Colombo Fort Land and Building PLC*	✓	C/NE	✓	NE	✓	NE	✓	NE	
C M Holdings PLC*	✓	C/NE	✓	INE	✓	INE	✓	NE	✓
York Arcade Holdings PLC*	✓	C/NE	✓	INE	✓	NE	✓	NE	✓
Lankem Ceylon PLC*	✓	C/NE			✓	EX			
Lankem Developments PLC*	✓	C/NE	✓	INE	✓	NE			
Kotagala Plantations PLC*	✓	C/NE	✓	INE	✓	NE			
Agarapatana Plantations PLC*	✓	C/NE	✓	INE	✓	NE			
E.B. Creasy & Company PLC *	✓	C/MD/EX	✓	INE	✓	JMD/EX			
Muller & Phipps (Ceylon) PLC*	✓	C/NE			✓	NE			
Laxapana PLC (Formerly known as Laxapana Batteries PLC)*	✓	C/NE			✓	NE			
Beruwala Resorts PLC*	✓	C/NE			✓	NE	✓	NE	
Marawila Resorts PLC*	✓	C/NE			✓	NE	✓	NE	
Sigiriya Village Hotels PLC*	✓	C/NE			✓	NE	✓	NE	
C W Mackie PLC *	✓	NE	✓	INE	✓	NE			
ACME Printing & Packaging PLC*	✓	NE	✓	INE	✓	NE			✓
Colombo Fort Investments PLC*	✓	C/NE	✓	INE	✓	NE	✓	NE	
Colombo Investment Trust PLC*	✓	C/NE	✓	INE	✓	NE	✓	NE	
Alliance Five (Private) Limited*	✓	C			✓	D			
American Lloyd Travels Limited*	✓	D			✓	NE	✓	D	
Associated Farms (Private) Limited*	✓	C							
ACME Packaging Solutions (Pvt) Limited*	✓	D	✓	D	✓	D			
B.O.T. Hotel Services (Private) Limited*	✓	C	✓	D	✓	D	✓	D	
C. F. Travels Limited*					✓	D	✓	D	

Companies		Mr. S.D.R. Arudpragasam	Dr. J.M. Swaminathan Resigned w.e.f. 31.12.2024	Mr. A.M.de.S. Jayaratne Resigned w.e.f. 31.12.2024	Mr. Sanjeev Rajaratnam	Mr. Anushman Rajaratnam	Mr. R.M.M.J. Ratnayake	Mr. Amrit Rajaratnam appointed w.e.f. 31.12.2024	Mr. E.D.P. Soosaipillai appointed w.e.f. 10.02.2025	Mr. A.I. Piyadigama appointed w.e.f. 10.02.2025
C. W. M. Hotels Holdings Limited	✓	D		✓ D		✓ D				
Candy Delights Limited*	✓	C/MD		✓ D	✓ JMD					
Capital Finance Limited					✓ D					
Capital Investments Limited*	✓	D								
Capital Leasing Company Limited*	✓	C				✓ D				
Century Equity Trust Limited (Formerly Century Investments and Finance Limited)	✓	D								
Ceyflex Rubber Limited*	✓	C			✓ D					
Ceylon Tapes (Private) Limited*	✓	C				✓ D				
Ceytape (Private) Limited*	✓	C				✓ D				
Colombo Fort Group Services (Pvt) Limited*	✓	D				✓ D				
Colombo Fort Holdings Limited*	✓	D			✓ D					
Colombo Fort Hotels Limited*	✓	C			✓ D	✓ D		✓ D		
Colombo Fort Properties (Private) Limited						✓ D				
Colombo Fort Travels Limited*	✓	D			✓ D			✓ D		
Colombo Residencies (Private) Limited	✓	D								
Colonial Motors (Ceylon) Limited*	✓	DC	✓ D	✓ C	✓ D	✓ D	✓ MD			
Company Holdings (Private) Limited	✓	D			✓ D					
Consolidated Commercial Investments (Private) Limited					✓ D	✓ D		✓ D		
Consolidated Holdings (Private) Limited	✓	D				✓ D				
Consolidated Tea Plantations Limited*	✓	D		✓ D		✓ D				
Corporate Systems Limited*	✓	C			✓ D					
Creasy Plantation Management Limited*	✓	D								
Darley Butler & Company Limited*	✓	C/MD		✓ D	✓ JMD					
E B Creasy Ceylon (Private) Limited*	✓	C			✓ D					
E. B. Creasy Logistics Limited*	✓	C			✓ D					
E.B. Creasy Trading Limited*	✓	D			✓ D					
Financial Trust Limited					✓ D	✓ D		✓ D		
Fortland Finance Limited	✓	C			✓ D					
Galle Fort Hotel (Private) Limited*	✓	D			✓ D	✓ D		✓ MD		
Guardian Asset Management Limited*	✓	D			✓ D					
Great Eastern Resorts Ltd					✓ D	✓ D		✓ D		

Corporate Governance

Companies	Mr. S.D.R. Arudpragasam	Dr. J.M. Swaminathan Resigned w.e.f. 31.12.2024	Mr. A.M.de.S. Jayaratne Resigned w.e.f. 31.12.2024	Mr. Sanjeev Rajaratnam	Mr. Anushman Rajaratnam	Mr. R.M.M.J. Ratnayake	Mr. Amrit Rajaratnam appointed w.e.f. 31.12.2024	Mr. E.D.P. Soosaipillai appointed w.e.f. 10.02.2025	Mr. A.I. Piyadigama appointed w.e.f. 10.02.2025
Group Three Associate (Private) Limited*	✓	C		✓	D				
Horton Plains Resorts and Spa Limited					✓	D	✓	D	
Imperial Hotels Limited*	✓	C		✓	D	✓	D	✓	D
J.F. Packaging Limited*	✓	C			✓	D			
JF Ventures Limited*	✓	C			✓	D			
Kiffs (Private) Limited*	✓	C			✓	D			
Lanka Special Steel Limited*	✓	C		✓	D				
Lankem Agrochemicals Limited*	✓	C			✓	D			
Lankem Cargo Storage Limited*	✓	D			✓	D			
Lankem Chemicals Limited*	✓	C			✓	D			
Lankem Consumer Products Limited*	✓	C			✓	D			
Lankem Exports (Private) Limited*	✓	C							
Lankem Minerals Limited*	✓	D			✓	D			
Lankem Paints Limited*	✓	C			✓	D			
Lankem Plantation Services Limited*	✓	D							
Lankem Research Limited*	✓	C			✓	D			
Lankem Tea & Rubber Plantations (Pvt) Limited*	✓	C	✓	D	✓	D			
Lankem Technology Services Limited*	✓	C							
Maitland & Knox (Private) Limited*	✓	D		✓	D	✓	D	✓	D
Mayfield Investments (Private) Limited					✓	D			
Motor Mart Ceylon (Private) Limited	✓	D		✓	D	✓	D	✓	D
Muller & Phipps (Health Care) Limited (Formally known as Pettah Pharmacy (Pvt) Limited*	✓	C		✓	D				
Nature's Link Limited*	✓	C							
Nutriklim (Ceylon) Limited*	✓	D		✓	D				
Oakley Investments (Private) Limited	✓	D		✓	D	✓	D	✓	D
Property and Investment Holdings (Private) Limited	✓	D		✓	D	✓	D	✓	D
Rubber & Allied Products (Colombo) Limited*	✓	C	✓	D	✓	D			
Sherwood Holidays Limited*	✓	C		✓	D		✓	D	
Sigiriya Resorts Limited*				✓	D	✓	D	✓	D
Sunagro Farms Limited *	✓	C			✓	D			

Companies	Mr. S.D.R. Arudpragasam	Dr. J.M. Swaminathan Resigned w.e.f. 31.12.2024	Mr. A.M.de.S. Jayaratne Resigned w.e.f. 31.12.2024	Mr. Sanjeev Rajaratnam	Mr. Anushman Rajaratnam	Mr. R.M.M.J. Ratnayake	Mr. Amrit Rajaratnam appointed w.e.f. 31.12.2024	Mr. E.D.P. Soosaipillai appointed w.e.f. 10.02.2025	Mr. A.I. Piyadigama appointed w.e.f. 10.02.2025
Sunagro Lifescience Limited*	✓	C			✓	D			
Sunrise Resorts Limited				✓	D	✓	D		
Teacom (Private) Limited*	✓	C			✓	D	✓	D	
Transways (Private) Limited*				✓	D	✓	D		
Tropical Beach Resorts Limited				✓	D	✓	D		
Udaveriya Plantations Limited	✓	D			✓	D			
Unicom Clearing and Forwarding (Private) Limited*	✓	C			✓	D	✓	D	
Union Commodities (Private) Limited*	✓	C		✓	D	✓	MD	✓	D
Union Commodities Exports (Pvt) Limited*	✓	C			✓	D	✓	D	
Union Commodities Teas (Pvt) Limited*	✓	C			✓	D	✓	D	
Union Group (Private) Limited*	✓	D			✓	D			
Union Investments (Private) Limited*	✓	D	✓	D	✓	D	✓	D	
Villa Investments (Private) Limited				✓	D				
Voyages Ceylan (Private) Limited*				✓	D	✓	D	✓	D
Waverly Power (Private) Limited*	✓	C		✓	D	✓	D	✓	D
Weligama Hills Limited*	✓	D			✓	D			
York Conventions (Private) Limited*				✓	D	✓	D	✓	D
York Hotel Management Services Limited*	✓	C		✓	D	✓	D	✓	MD
York Tours Limited*				✓	D	✓	D	✓	D
Sterling Steels (Pvt) Limited (Formerly known as Bluescope Lysaght Lanka (Private) Limited)	✓	D		✓	D				
Cambodian Rubber Plantations Industries PTE Ltd					✓	D	✓	D	
Consolidated Rubber Plantations PTE Ltd					✓	D	✓	D	
Kelani Valley Canneries Limited*					✓	D			
Sunquick Lanka (Pvt) Limited*					✓	D			
Sunquick Lanka Properties (Pvt) Limited*					✓	D			
Lanka Agro Plantations Limited					✓	D	✓	D	
ACL Cables PLC			✓	INE					
Mireka Capital Land (Pvt) Limited			✓	D					
Overseas Realty (Ceylon) PLC			✓	C/NE					
Innovest Investments (Pvt) Limited			✓	C					
Hotel Sigiriya PLC		✓	NE						

Corporate Governance

Companies	Mr. S.D.R. Arudpragasam	Dr. J.M. Swaminathan Resigned w.e.f. 31.12.2024	Mr. A.M.de.S. Jayaratne Resigned w.e.f. 31.12.2024	Mr. Sanjeev Rajaratnam	Mr. Anushman Rajaratnam	Mr. R.M.M.J. Ratnayake	Mr. Amrit Rajaratnam appointed w.e.f. 31.12.2024	Mr. E.D.P. Soosaipillai appointed w.e.f. 10.02.2025	Mr. A.I. Piyadigama appointed w.e.f. 10.02.2025
Lanka Aluminum Industries PLC		✓ NE							
Serendib Land PLC		✓ NE							
Eden Hotel Lanka PLC		✓ NE							
Palm Garden Hotels PLC		✓ NE							
Renuka Holdings PLC		✓ INE							
Dolphin Hotels PLC		✓ NE							
Serendib Hotels PLC		✓ NE							
Alpha Apparels Limited		✓ D							
Benji Limited		✓ D							
Castalloys (PTE) Limited		✓ D							
Centre For Advancement of Resource Mobilization		✓ D							
CIC Agri Businesses (PTE) Limited		✓ D							
Comark engineers (PTE) Limited		✓ D							
Comark Lanka (PTE) Limited		✓ D							
D.V. Investments (Pvt) Limited		✓ D							
Finetex (Pvt) Limited		✓ D							
Frontier Capital Lanka (PTE) Limited		✓ D							
Fulgar Lanka (PTE) Limited		✓ D							
Lanka Investment and Management Services (PTE) Limited		✓ D							
LOLC Securities Limited		✓ D							
Metecno Lanka (Pvt) Limited		✓ D							
Navantis IT (PTE) Limited		✓ D							
Omega Line limited		✓ D							
Residence Peelawatte (PTE) Limited		✓ D							
Serendipity Retreats and Leisure (Pvt) Limited		✓ D							
Sirio Limited		✓ D							
Lake Investments(Pvt) Ltd							✓ D		
Texlan Center (Pvt) Limited		✓ D							
Texlan Lanka Limited		✓ D							
Vanya Safari (Pvt) Ltd							✓ D		
Venture Investments and Management Services (PTE) Limited		✓ D							
ACL Plastics PLC						✓ INE			
Lanka Tiles PLC						✓ INE			
Swisstek (Ceylon) PLC						✓ INE			

Companies	Mr. S.D.R. Arudpragasam	Dr. J.M. Swaminathan Resigned w.e.f. 31.12.2024	Mr. A.M.de.S. Jayaratne Resigned w.e.f. 31.12.2024	Mr. Sanjeev Rajaratnam	Mr. Anushman Rajaratnam	Mr. R.M.M.J. Ratnayake	Mr. Amrit Rajaratnam appointed w.e.f. 31.12.2024	Mr. E.D.P. Soosaipillai appointed w.e.f. 10.02.2025	Mr. A.I. Piyadigama appointed w.e.f. 10.02.2025
U B Finance PLC						✓	INE		
Serendib Land PLC						✓	INE		
Finlays Colombo Ltd								✓	INE
Gestetner of Ceylon PLC								✓	INE
Serendib Leisure Management Ltd		✓	D						
Kammala Hoteliers (Pte) Ltd		✓	D						
Sanctuary Resorts Lanka (Pte) Ltd		✓	D						
Far Eastern Exports (Colombo) Ltd	✓	D			✓	D			

Mr. A.M.de.S. Jayaratne resigned w.e.f. 31.12.2024 from C M Holdings PLC, York Arcade Holdings PLC, Lankem Developments PLC, Kotagala Plantations PLC, Agarapatana Plantations PLC, Muller & Phipps (Ceylon) PLC, Colombo Fort Investments PLC, Colombo Investment Trust PLC, ACL Cables PLC and resigned w.e.f. 30.12.2024 from C W Mackie PLC.

Mr. A.M. de S. Jayaratne served as Independent Non-Executive Director, until the close of business on 31st December 2024, continue to serve as Non-Executive Director of The Colombo Fort Land and Building PLC effective 1st January 2025.

Dr. J.M. Swaminathan resigned w.e.f. 31.12.2024 from C M Holdings PLC, Acme Printing and Packaging PLC, Colombo Fort Investments PLC and Colombo Investment Trust PLC. He also resigned w.e.f. 12.11.2024 from Renuka Holdings PLC.

Mr. S. Rajaratnam resigned w.e.f. 30.12.2024 from C W Mackie PLC.

Mr. Asoka Indrasiri Piyadigama and Mr. Eugen Duliksha Pratharp Soosaipillai were appointed to the Board of York Arcade Holdings PLC w.e.f. 10.02.2025.

Mr. Eugen Duliksha Pratharp Soosaipillai resigned w.e.f. 14.05.2025 from Gestetner of Ceylon PLC.

Mr. Asoka Indrasiri Piyadigama was appointed to the Board of Acme Printing and Packaging PLC w.e.f. 03.02.2025.

Mr. Anushman Rajaratnam was appointed as Managing Director to Union Commodities (Pvt) Ltd on 16.05.2025.

Dr. J. M. Swaminathan served as an Independent Director until the close of business on 31.12.2024 continue to serve as Non Executive Director of Dolphin Hotels PLC and Serandib Hotels PLC, effective 01.01.2025.

Note: The companies marked with an * are Subsidiaries or Associates of The Colombo Fort Land and Building Group.

Corporate Governance

Adherence to the Corporate Governance Rules of the Colombo Stock Exchange

Rule		Adherence
9.2	POLICIES	
9.2.1	Establish and maintain the following policies	Complied
	a) Matters relating to the Board of Directors b) Board Committees c) Corporate Governance, Nominations and Re-election d) Remuneration e) Internal Code of Business Conduct and Ethics for all Directors and employees, including policies on trading in the Entity's listed securities f) Risk management and Internal controls g) Relations with Shareholders and Investors h) Environmental, Social and Governance Sustainability i) Control and Management of Company Assets and Shareholder Investments j) Corporate Disclosures k) Whistleblowing l) Anti-Bribery and Corruption	
9.2.2	Any waivers from compliance with the Internal code of business conduct and ethics or exemptions granted by the Listed Entity shall be fully disclosed in the Annual Report	Not Applicable
9.2.3	Listed entities shall disclose in its Annual Report. (i) The list of policies that are in place in conformity rule 9.2.1. above with reference to its website. (ii) Details pertaining to any changes to policies adopted by the Listed Entities in compliance with Rule 9.2 above	Complied
9.2.4	Listed Entities shall make available all such policies to shareholders upon written request being made for any such Policy.	Will be made available when requests are received
9.2.5	i. If a Listed Entity fails to comply with Rule 9.2.1, the Exchange will issue a Notice of Show Cause, granting seven (7) Market Days to provide reasons for the non-compliance. ii. If no response is received within the given time or if the explanation is deemed insufficient, enforcement measures will follow as outlined below: a. A letter of warning will be issued by the Exchange. b. If the Entity fails to rectify the non-compliance within three (3) months from the date of the warning letter, a penalty of Rs. 250,000 will be imposed. iii. The Exchange will make a Market Announcement regarding the non-compliance, enforcement action, and penalty. The penalty must be settled within seven (7) Market Days from notification. Failure to do so will result in referral to the SEC under Section 65 of the SEC Act.	The company is compliant with rule 9.2.1 and therefore Rule 9.2.5 is not applicable.
9.3	BOARD COMMITTEES	
9.3.1	Establishment of Committee	Complied
	(a) Nominations and Governance Committee (b) Remuneration Committee (c) Audit Committee (d) Related Party Transactions Review Committee.	
9.3.2	Compliance with composition, responsibilities and disclosures required in respect of the above Board committees	Complied


Rule		Adherence
9.3.3	The Chairperson of the Board of Directors of the Listed Entity shall not be the Chairperson of the Board Committees	Complied
9.4	ADHERENCE TO PRINCIPLES OF DEMOCRACY IN THE ADOPTION OF MEETING PROCEDURES AND THE CONDUCT OF ALL GENERAL MEETINGS WITH SHAREHOLDERS	
9.4.1	Maintain records of all resolutions and the following information upon a resolution being considered at any General Meeting (a) The number of shares in respect of which proxy appointments have been validly made; (b) The number of votes in favour of the resolution; (c) The number of votes against the resolution; and (d) The number of shares in respect of which the vote was directed to be abstained.	Complied
9.4.2	Communication and relations with shareholders and investors a) Have a policy on effective communication and relations with shareholders and investors b) Disclose the contact person for such communication. c) Policy on relations with shareholders and investors shall include a process to make all Directors aware of major issues and concerns of shareholders d) When conducting of any shareholder meetings through virtual or hybrid means, compliance with the Guidelines issued by the Exchange	Complied
9.5	POLICY ON MATTERS RELATING TO THE BOARD OF DIRECTORS	
9.5.1	Establish and maintain formal policy governing matters relating to the Board a) Composition and Board Balance (Executive and Non-Executive), Role and function of Chairman and CEO and Procedure for Appraisal of Board Performance and appraisal of CEO b) Where Role of Chairman and CEO are combined Appointment of SID-Establish Board Charter inclusive of functions and safeguards for SID c) Board diversity - experience, skills, competencies, age, gender, industry requirements d) Maximum number of Directors and rationale e) Frequency of Board meetings f) Mechanisms for ensuring that Directors are kept abreast of the Listing Rules and on-going compliance and/or non-compliance g) Specify the minimum number of meetings, in numbers and percentage, that a Director must attend, h) Requirements relating to trading in securities of the Listed Entity and its listed group Companies and disclosure of such requirements i) Specify the maximum number of directorships in Listed Entities that may be held by Directors. j) Participation at meeting of the Board and Board committees by audio visuals means and participation to be taken into account when deciding the quorum.	(a) Complied (b) Not Applicable (c) - (j) Complied
9.5.2	Confirm compliance of 9.5.1. in Annual Report - If non compliant provide explanations with reasons and proposed remedial action.	Complied
9.6	CHAIRPERSON AND CEO	
9.6.1	Chairperson shall be a Non-Executive Director Chairperson and CEO shall not be held by the same individual, unless otherwise a SID is appointed	Complied
9.6.2	Market Announcement in the event Chairperson is an Executive Director and / or the positions of Chairman and CEO are held by the same individual.	Not Applicable

Corporate Governance

Rule		Adherence
9.6.3	The Requirement for a SID (a) Appoint of an Independent Director as the SID in the following instances: i. The positions of the Chairperson and CEO are held by the same individual. ii. The Chairperson is an Executive Director. iii. The Chairperson and CEO are Close Family Members or Related Parties (b)-(e) Responsibilities and duties of SID	Not Applicable
9.6.4	Set out the rationale for appointment of SID in the Annual Report	Not Applicable
9.7	FITNESS OF DIRECTORS AND CEOS	
9.7.1	a) Listed Entities shall ensure that the Directors and CEO are at all times fit and proper persons as required in terms of these Rules. b) In evaluating fitness and propriety of the persons referred in these Rules. Listed Entities shall utilize the Fit and Proper Assessment Criteria set out in Rule 9.7.3 below.	Complied
9.7.2	Listed Entities shall ensure that the persons recommended by the Nominations and Governance Committee as Directors are fit and proper before such nominations are placed before Shareholders' meeting or appointments are made.	Complied
9.7.3	'Fit and Proper Assessment Criteria' set out in Rule 9.7.3 a) Honesty, Integrity and Reputation - (i)-(vii) b) Competence and Capability -(i)-(ii) c) Financial Soundness -(i)-(iii)	Complied
9.7.4	Declarations to be obtained from Directors and CEO on an annual basis confirming that each of them have continuously satisfied the Fit and Proper Assessment Criteria set out in the Rules during the financial year concerned and satisfies the said criteria as at the date of such confirmation.	Complied
9.7.5	Disclosures in the Annual Report (a) Statement on Directors and CEO satisfying Fit and Proper Assessment Criteria (b) Any non-compliance/s and remedial action taken to rectify non compliance	Complied Not Applicable
9.8	BOARD COMPOSITION	
9.8.1	The Board of Directors of a Listed Entity shall, at a minimum, consist of five (05) Directors.	Complied
9.8.2	Minimum Number of Independent Directors: (a) At least two (2) Independent Directors or such number equivalent to one third (1/3) of the total number of Directors at any given time, whichever is higher.	Complied Non compliance status that prevailed and remedial action taken is disclosed in the Corporate Governance Report on page 7
	(b) Any change occurring to this ratio shall be rectified within ninety (90) days from the date of the change.	Not Applicable

Rule		Adherence
9.8.3	Criteria for determining independence:	
	<p>A Director shall not be considered independent if he/she:</p> <ul style="list-style-type: none"> (i) Has been employed by the Listed Entity during the period of three (3) years immediately preceding appointment as Director (ii) Currently has/had during the period of three (3) years immediately preceding appointment as a Director, a Material Business Relationship with the Listed Entity, whether directly or indirectly. (iii) Currently has/had during the preceding financial year a close Family Member who is a Director and/or CEO in the Listed Entity. (iv) Has a Significant Shareholding in the Listed Entity. (v) Has served an aggregate period of nine (9) years on the Board of the Listed Entity from the date of the first appointment. (vi) Is employed in another Company or business; <ul style="list-style-type: none"> a) In which a majority of the other directors of the Listed Entity are employed or are directors; or b) In which a majority of the other directors of the Listed Entity have a Significant Shareholding or Material Business Relationship; or c) That has a Significant Shareholding in the Listed Entity or with which the Listed Entity has a Business Connection. (vii) Is a director of another Company; <ul style="list-style-type: none"> a) In which a majority of the other Directors of the Listed Entity are employed or are Directors; or b) That has a Business Connection in the Listed Entity or a Significant Shareholding. (viii) Has a Material Business Relationship or a Significant Shareholding in another company or business; <ul style="list-style-type: none"> a) In which a majority of the other Directors of the Listed Entity are employed or are Directors; and/or b) Which has a Business Connection with the Listed Entity or Significant Shareholding in the same; and/or c) Where the core line of business of such Company is in direct conflict with the line of business of the Listed Entity. (ix) Is above the age of seventy (70) years. Provided that a person above the age of seventy (70) years may nevertheless be considered independent if compliant with Rule 9.8.3 (ix) (a) to (d) and The requirements of sub clauses (a), (b) and (c) shall be repeated at each Annual General Meeting of the Listed Entity in respect of any director over the age of seventy years whom the Listed Entity wishes to continue to treat as independent. 	<p>Complied</p> <p>However where independence was impaired declared to be nevertheless independent up to 31st December 2024.</p>
9.8.5	The Board of Directors of Listed Entities shall require:	
	<ul style="list-style-type: none"> (a) Each Independent Director to submit a signed and dated declaration annually (b) Make an annual determination as to the “independence” or “non-independence” of each Independent Director and set out the names of Directors determined to be ‘independent’ in the Annual Report. (c) If independence is impaired against any of the criteria set out in Rule 9.8.3, an immediate Market Announcement is required 	<p>Complied</p> <p>Complied</p> <p>Not Applicable</p>
9.8.6	Enforcement Actions for Non-Compliance with Rules 9.8.1 and 9.8.2	
	<p>A. In the event a Listed Entity fails to comply with Rules 9.8.1 and/or 9.8.2 of these Rules</p> <p>B. Where a Listed Entity has failed to comply with Rules 9.8.1 or 9.8.2 and has not disclosed of such noncompliance to the Exchange or the market</p>	<p>Complied with Rule 9.8.1 and 9.8.2</p> <p>9.8.6 A and B Not Applicable</p>

Corporate Governance

Rule		Adherence
9.9	ALTERNATE DIRECTORS	
	<p>Compliance with the following requirements and such requirements shall also be incorporated into the Articles of Association</p> <p>a) Alternate Directors shall only be appointed in exceptional circumstances and for a maximum period of one (1) year from the date of appointment</p> <p>b) If an Alternate Director is appointed for a Non-Executive Director such alternate should not be an executive Director of the Listed Entity.</p> <p>c) If an Alternate Director is appointed by an Independent Director, the person so appointed should meet the criteria of independence The Nominations and Governance Committee shall review and determine that the person nominated as the alternate would qualify as an Independent Director before such appointment is made.</p> <p>d) Immediate Market Announcement regarding the appointment of an Alternate Director</p> <p>e) Attendance of Alternate Director to be counted for the purpose of quorum at Board and Board Committee meetings.</p>	Complied
9.10.	DISCLOSURES RELATING TO DIRECTORS	
9.10.1	Disclose its policy on the maximum number of directorships in Listed Entities Board members shall be permitted to hold as per Rule 9.5.1. Non compliance to be reported in the Annual Report (maximum number of Listed Company Directorships - 25).	complied
9.10.2	Market announcement on appointment of new Director (i - iii)	Complied - New Appointments during 2024/2025 have been disclosed
9.10.3	Immediate Market Announcement regarding any changes to the composition of the Board Committees (i - iii)	Complied -Changes during 2024/2025 have been disclosed
9.10.4	Disclosure in Annual Report - Directors details	
	<ul style="list-style-type: none"> Name, qualifications and brief profile Nature of his/her expertise in relevant functional areas Whether either the Director or Close Family Members has any material business relationships with other Directors Whether Executive, Non-Executive and/or independent Director Total number and names of Companies in Sri Lanka in which the Director concerned serves as a Director and/or KMP stating whether listed or unlisted, whether functions as executive or non- executive (If the directorships are within the Group names need not be disclosed) Number of Board meetings attended Names of Board Committees in which the Director serves as Chairperson or a member Attendance of committee meetings TOR and powers of SID 	 <p>Complied</p>
9.10.5	<p>Non-Disclosure of Changes to Board and Committees</p> <p>A. Failure to disclose new appointments or changes to the Board of Directors</p> <p>B. Failure to disclose changes to the composition of Board Committees in terms of Rule 9.10.3 (ii)</p>	Not Applicable
9.11	NOMINATIONS AND GOVERNANCE COMMITTEE	
9.11.1	Establishment of Nominations and Governance Committee	
9.11.2	Maintain a formal procedure for the appointment of new Directors and re-election of Directors to the Board through the Nominations and Governance Committee.	Complied
9.11.3	Written terms of reference	

Rule		Adherence
9.11.4	Composition	
	<p>(1) The members of the Nominations and Governance Committee shall;</p> <p>(a) Comprise of a minimum of three (03) Directors of the Listed Entity, out of which a minimum of two (02) members shall be Independent Directors.</p> <p>(b) Not comprise of Executive Directors of the Listed Entity</p> <p>(2) An Independent Director shall be appointed as the Chairperson</p> <p>(3) Identify Members in the Annual Report</p>	Complied
9.11.5	Functions	
	<p>(i) Evaluate the appointment of Directors to the Board of Directors and Board Committees</p> <p>(ii) Recommend (or not recommend) the re-appointment/ re-election of current Directors</p> <p>(iii) Establish and Maintain a formal and transparent procedure to evaluate, select and appoint/ re- appoint Directors</p> <p>(iv) Establish and maintain a set of criteria for selection of Directors</p> <p>(v) Establish and maintain a suitable process for the periodic evaluation of the performance of the Board of Directors and the CEO of the Entity to ensure that their responsibilities are satisfactorily discharged.</p> <p>(vi) Develop a succession plan for the Board of Directors and Key Management Personnel</p> <p>(vii) Review the structure, size and composition of the Board and Board Committees with regard to effective discharge of duties and responsibilities</p> <p>(viii) Review and recommend the overall corporate governance framework of the Listed Entity taking into account the Listing Rules of the Exchange, other applicable regulatory requirements and industry/international best practices.</p> <p>(ix) Periodically review and update the Corporate Governance Policies / Framework of the Entity in line with the regulatory and legal developments relating to same, as a best practice.</p> <p>(x) Receive reports from the Management on compliance with the corporate governance framework of the Entity including the Entity's compliance with provisions of the SEC Act, Listing Rules of the Exchange and other applicable laws, together with any deviations/ non-compliances and the rational for same.</p>	Complied
9.11.6	Disclosures in Annual Report Nomination & Governance Committee Report and contents to be incorporated -Sections (a)-(m)	
9.12	REMUNERATION COMMITTEE	
9.12.1	The term "remuneration" shall make reference to cash and all non-cash benefits whatsoever received	
9.12.2	Establishment of Remuneration Committee	Refer page 7 - Corporate Governance Report and Remuneration Committee Report on page 35
9.12.3	Establish and maintain a formal and transparent procedure for developing policy on Executive Directors' remuneration and for fixing the remuneration packages of individual Directors. No Director shall be involved in fixing his/her own remuneration.	
9.12.4	Remuneration for Non-Executive Directors should be based on a policy which adopts the principle of non-discriminatory pay practices among them to ensure that their independence is not impaired.	
9.12.5	Written terms of reference	

Corporate Governance

Rule		Adherence
9.12.6	Composition (1) The members of the Remuneration Committee shall; (a) Comprise of a minimum of three (03) Directors of the Listed Entity, out of which a minimum of two (02) members shall be Independent Directors. (b) Not comprise of Executive Directors of the Listed Entity (2) Where both the Parent Company and the subsidiary are 'Listed Entities', the Remuneration Committee of the Parent Company may be permitted to function as the Remuneration Committee of the subsidiary. (3) An Independent Director shall be appointed as the Chairperson.	Refer Page 7 of the Corporate Governance Report and the Remuneration Committee Report on Page 35
9.12.7	Functions (1) Recommend the remuneration payable to the Executive Directors and CEO of the Listed Entity and/or equivalent position thereof to the Board of the Listed Entity which will make the final determination upon consideration of such recommendations. (2) Engage any external Consultant or expertise that may be considered necessary to ascertain or assess the relevance of the remuneration levels applicable to Directors and CEO.	
9.12.8	Disclosure in Annual Report a) Names of the Chairperson and members of the Remuneration Committee and the nature of directorships held by such members (or persons in the Parent Company's Remuneration Committee in the case of a Group Company); (b) A statement regarding the remuneration policy; and, (c) The aggregate remuneration of the Executive and Non-Executive Directors	
9.13	AUDIT COMMITTEE	Refer Audit Committee Report
9.13.1	Where Listed Entities do not maintain separate Committees to perform the Audit and Risk Functions, the Audit Committee of such Listed Entities shall additionally perform the Risk Functions	Complied
9.13.2	Written terms of reference	Complied
9.13.3	Composition (1) The members of the Audit Committee shall; (a) Comprise of a minimum of three (03) Directors of the Listed Entity, out of which a minimum of two (02) members shall be Independent Directors. (b) Not comprise of Executive Directors of the Listed Entity (2) Quorum - requires that the majority of those in attendance to be independent Directors. (3) Compulsorily to meet on a quarterly basis prior to recommending the financials to be released to the market. (4) An Independent Director shall be appointed as the Chairperson of the Audit Committee by the Board of Directors. (5) Unless otherwise determined by the Audit Committee, the CEO and the Chief Financial Officer (CFO) of the Listed Entity shall attend the Audit Committee meetings by invitation. Provided however where the Listed Entity maintains a separate Risk Committee, the CEO shall attend the Risk Committee meetings by invitation. (6) The Chairperson of the Audit Committee shall be a Member of a recognized professional accounting body. Provided however, this Rule shall not be applicable in respect of Risk Committees where a Listed Entity maintains a separate Risk Committee and Audit Committee.	Complied
9.13.4	Functions Detailed in Rule (1) (i) -(xiii) and (2)	Complied

Rule		Adherence
9.13.5	Disclosures in Annual Report	
	Audit Committee Report <ul style="list-style-type: none"> Names of chairperson and members with nature of directorships Status of risk management and internal control - Company and Group Statement on CEO and CFO assurance on operations and finances Opinion on compliance with Financial reporting requirements, information requirements under the Listing Rules, Companies Act, SEC Act and any other requirements. Availability of formal Audit Charter Internal audit assurance and summary of the work internal audit Details demonstrating effective discharge of functions and duties Statement on external auditors' assurance on their independence Confirmation on determining auditor's independence 	Refer Audit Committee Report
9.14	RELATED PARTY TRANSACTIONS REVIEW COMMITTEE	Refer Related Party Transactions Review Committee Report
9.14.1.	Establishment of Committee Listed Entities shall have a Related Party Transactions Review Committee that conforms to the requirements set out in Rule 9.14 of these Rules	Complied
9.14.2	Composition (1) The Related Party Transactions Review Committee shall comprise of; <ul style="list-style-type: none"> Minimum three (03) Directors out of which a minimum of two (02) members shall be Independent Directors May comprise of Executive Directors An Independent Director shall be appointed as the Chairperson 	Complied
9.14.3	Functions (1) Committee shall be responsible for reviewing the Related Party Transactions (2) Objective - ensure that the interests of shareholders as a whole are taken into account when entering into Related Party Transactions. (3) The objective and the economic and commercial substance of the Related Party Transactions should take precedence over the legal form and technicality. (4) Establish and maintain a clear policy, procedure and process in place for the identification, clarification and reporting the Related Party Transactions on an end-to-end basis across the Entity's operations	Complied
9.14.4	General Requirements (1) The Related Party Transactions Review Committee shall meet at least once a calender quarter. It shall ensure that the minutes of all meetings are properly documented and communicated to the Board of Directors. (2) Should ensure having access to, enough knowledge or expertise to assess or aspects of proposed Related Party Transactions, and where necessary obtain appropriate professional and expert advice from appropriately qualified person when necessary. (3) Board of Directors to approve RPT when required by the committee (4) If a Director has a material personal interest in a matter being considered at a Board Meeting to approve a Related Party Transaction as required in Rule 9.14.4(3), such Director shall not: (a) be present while the matter is being considered at the meeting; and, (b) vote on the matter.	Complied Not Applicable

Corporate Governance

Rule		Adherence
9.14.5	Review of Related Party Transactions by the Related Party Transactions Review Committee	Complied
9.14.6	Shareholder Approval	
	<p>1. Listed Entities shall obtain shareholder approval by way of a Special Resolution for the following Related Party Transaction.</p> <p>a) Non-recurrent transactions</p> <p>i) Transactions exceeding one third (1/3) of the Total Assets as per the latest Audited Financial Statements</p> <p>ii) Transactions exceeding one third (1/3) of the Total Assets as per the latest Audited Financial Statements when aggregated with other non- recurrent transactions entered into with the same Related Party during the same financial year</p> <p>iii) Acquisition of substantial asset from, or disposal of a substantial asset to, any Related Party of the Entity or its associates</p> <p>b) Recurrent transactions</p> <p>(i) One third (1/3) of the gross revenue (or equivalent term for revenue in the Income Statement) and in the case of group entity consolidated group revenue of the Entity as per the latest Audited Financial Statements; or</p> <p>(ii) One third (1/3) of the gross revenue (or equivalent term for revenue in the Income Statement) and in the case of group entity consolidated group revenue of the Entity as per the latest Audited Financial Statements of the Entity, when aggregated with other recurrent transactions entered into with the same Related Party during the same Financial year; and;</p> <p>(iii) The transactions are not in the ordinary course of business and in the opinion of the Related Party Transactions Review Committee, are on terms favorable to the Related Party than those generally available to the public.</p>	Not Applicable
9.14.7	Disclosures	
	<p>(1) Immediate Disclosures</p> <p>A Listed Entity shall make an immediate Market Announcement to the Exchange</p> <p>(a) Any non-recurrent Related Party Transaction with a value exceeding 10% of the Equity or 5% of the Total Assets whichever is lower, of the Entity as per the latest Audited Financial Statements; or</p> <p>(b) Of the latest transaction, if the aggregate value of all non- recurrent Related Party Transactions entered into with the same Related Party during the same Financial year amounts to 10% of the Equity or 5% of the Total Assets whichever is lower, of the Entity as per the latest Audited Financial Statements.</p> <p>Subsequent non-recurrent transactions which exceed 5% of the Equity of the Entity, entered into with the same Related Party during the Financial year.</p>	Not applicable all non-recurrent transactions were below the disclosure threshold.
9.14.8	Disclosures in the Annual Report	Complied

Rule		Adherence
9.14.9	<p>Acquisition and Disposal of Assets From/to Related Parties</p> <p>1) Shareholder approval is required by Special Resolution for the acquisition from or disposal of substantial assets to Related Companies by the Listed Entity or any of its subsidiaries. [Subject to exemptions as per Rule 9.14.9 (3)]</p> <p>2) Substantial Value of the asset or the value of the consideration relating to such asset exceeds 1/3 of the Total Assets.</p> <p>(3) Rule 9.14.9(1) does not apply to:</p> <p>a) Transactions between the Listed entity and a wholly owned subsidiary.</p> <p>b) Transaction between wholly owned subsidiaries of the Listed Entity.</p> <p>c) Takeover offer made by the Listed Entity in accordance with Takeovers and Mergers Code 1995 (as amended).</p> <p>d) Any transaction entered into by the Listed Entity with a bank as principal, on arm's length terms and in the ordinary course of it's banking business.</p> <p>(4)</p> <p>a) The Related Party Transactions Review Committee should obtain competent independent advice from independent professional experts with regard to the value of the substantial assets of the Related Party Transaction under consideration.</p> <p>b) Person who is in the same group of the Listed Entity or significant interest in or financial connection with the Listed Entity or the relevant Related Party shall not be eligible to give such advice.</p> <p>(5) Independent advice obtained should be circulated with the notice of meeting to obtain the shareholder approval</p> <p>(6) The competent independent advice required in terms of Rule 9.14.9 (4) shall include:</p> <p>a) Key assumptions, conditions or restrictions that impact the estimate value.</p> <p>b) The different valuation methodologies considered in valuing the subject asset/s and justification for adopting one or more of them in the valuation.</p> <p>c) Sources of information relied upon for the valuation.</p> <p>d) Identity of individuals participating in the valuation assignment and their qualifications.</p> <p>e) Confirmation of the independence of the parties participating in the advice.</p> <p>f) A statement as to whether the transaction is on usual commercial terms, in ordinary and usual course of business, fair and reasonable and in the interests of the Listed Entity and its shareholders.</p>	Not Applicable

Corporate Governance

Rule		Adherence
9.14.10	Exempted Related Party Transactions	
	<p>(a) Subject to Rule 9.14.8 (2), transactions with Related Parties which are recurrent, of revenue or trading nature and which is necessary for day-to-day operations of a Listed Entity or its subsidiaries and, in the opinion of the Related Party Transactions Review Committee, terms are not favorable to the Related Party than those generally available to the public.</p> <p>(b) The payment of dividend, issue of Securities by the Listed Entity by way of a capitalization of reserves, the exercise of Rights, options or warrants (subject to Rules contained in Section 5 and 7 of these Rules), sub-division of shares or consolidation of shares.</p> <p>(c) The grant of options, and the issue of Securities pursuant to the exercise of options, under an employee share option scheme/employees share purchase scheme (subject to Rule 5.6 of these Rules).</p> <p>(d) A transaction in marketable securities carried out in the open market where the counterparty's identity is unknown to the Listed Entity at the time of the transaction.</p> <p>(e) The provision or receipt of financial assistance or services, upon usual commercial terms and in the ordinary course of business, from a Company whose activities are regulated by any written law relating to licensed banks, Finance Companies or insurance Companies or are subject to supervision by the Central Bank of Sri Lanka or Insurance Board of Sri Lanka.</p> <p>(f) Directors' fees and remuneration, and employment remuneration</p>	Complied
9.15	PENALTIES FOR NON-COMPLIANCE WITH BOARD COMMITTEE COMPOSITION REQUIREMENTS	Not Applicable
	<p>A. When a Listed Entity fails to comply with Rules 9.11.4(1), 9.11.4(2), 9.12.6, 9.13.3(1), 9.13.3(4), 9.13.3(6), or 9.14.2</p> <p>B. Where a Listed Entity has failed to comply with Rules 9.11.4(1), 9.11.4(2), 9.12.6, 9.13.3(1), 9.13.3(4), 9.13.3(6) or 9.14.2 and has not disclosed of such non-compliance to the Exchange or the market:</p> <ul style="list-style-type: none"> - If non-compliance is rectified: (a) - (b) - If non-compliance is not rectified: (c) - (e) 	The Company was non compliant with the composition of Board Subcommittees during the period 1/1/2025 to 9/2/2025 and due disclosures were made to the CSE. Such non compliances were rectified on 10/2/2025
9.17	ADDITIONAL DISCLOSURES BY BOARD OF DIRECTORS	
	<ul style="list-style-type: none"> • Declared all material interests in contracts involving the entity and that they have refrained from voting on matters in which they were materially interested • Conducted a review of the internal controls covering Financial, operational and compliance controls and risk management and obtained reasonable assurance of their effectiveness and successful adherence, and, if unable to make any of these declarations an explanation on why it is unable to do so; • Made arrangement to make themselves aware of applicable laws, rules and regulations and are aware of changes particularly to Listing Rules and applicable capital market provisions; • Disclosure of relevant areas of any material non-compliance with law or regulation and any fines, which are material, imposed by any government or regulatory authority in any jurisdiction where the Entity has operations. 	Complied Refer Annual Report of the Board of Directors and Corporate Governance Report

Rule		Adherence
9.18	ENFORCEMENT PROCEDURE FOR NON-COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS	
	<p>a) If a Listed Entity fails to comply with any of the requirements contained in Rules 9.3.1, 9.8.1, 9.8.2(a), 9.11.4(1), 9.11.4(2), 9.12.6, 9.13.3(1), 9.13.3(4), 9.13.3(6) or 9.14.2 of these Rules, it shall make an immediate Market Announcement about such non-compliance within one (1) Market Day from the date of the non-compliance. The announcement shall be prepared in conformity with Appendix 9B. Such announcement shall be repeated on the first (1st) Market Day of each calendar month until the Entity becomes compliant with the respective Rule/s.</p> <p>b) The non-compliance must be rectified within three (03) months from the date of non-compliance.</p> <p>c) If not rectified within three months, the Entity's Securities shall be transferred to the Watch List immediately upon the expiration of the said period..</p> <p>d) While the Securities are on the Watch List, Directors, CEO, their Close Family Members, parent Entity, and entities where they hold 50% or more voting rights, cannot transact in the Entity's Securities without prior SEC approval. This restriction continues for three (03) months after resignation or until compliance is restored-whichever is earlier.</p> <p>e) Upon being placed on the Watch List, the Entity must make a Market Announcement including:</p> <ul style="list-style-type: none"> • The remedial action proposed within six (06) months. • The following statements: <ul style="list-style-type: none"> i) Any change in the plan will be announced within 1 Market Day after Board approval. ii) If the plan is not implemented within 6 months, trading will be suspended. iii) If suspension lasts more than 6 months, delisting will follow. <p>f) At the first General Meeting following the transfer to the Watch List, shareholders must be informed of the non-compliance, remedial actions, and that continued failure will result in suspension and potential delisting.</p> <p>g) The outcome of the above General Meeting must be announced to the Market by the next Market Day, including any decisions made.</p> <p>h) The Entity must rectify non-compliance within six (06) months from the date of Watch List transfer.</p> <p>i) Failure to comply within six months will result in trading suspension. The Exchange will also announce the enforcement action and any penalties imposed.</p> <p>j) In addition to actions under 9.18(c) and 9.18(i), the Exchange shall impose penalties on the Listed Entity and/or its Directors as of the date of non-compliance.</p> <p>k) If suspension exceeds six (06) months, the Securities shall be delisted under Rule 11.3.</p> <p>l) The Exchange's decision to delist the Securities and any attached conditions shall be communicated to the SEC.</p>	<p>The Company was non compliant with the Board and Board Subcommittees composition during the period 1/1/2025 to 9/2/2025 and due disclosures were made to the CSE. Such non compliances were rectified on 10/2/2025</p>

Audit Committee Report

The Audit Committee has the responsibility of assisting the Board in fulfilling its overall responsibility to the shareholders in relation to the integrity of the Company's financial reporting process in accordance with the Companies Act and other legislative reporting requirements including the adequacy of disclosures in the financial statements in accordance with the Sri Lanka Accounting Standards. The Terms of References of the Audit Committee defines the authority of the Committee and is periodically reviewed and revised with the concurrence of the Board.

Composition

The Audit Committee of C M Holdings PLC (CMH PLC) comprised of the following Members until the close of business on 31st December 2024.

- Mr. A.M. de S. Jayaratne - Chairman (Independent Non-Executive Director)
- Dr. J.M. Swaminathan - Member (Independent Non-Executive Director)
- Mr. S. D. R. Arudpragasam - Member (Non-Executive Director)

Consequent to the resignation of Mr. A.M. de S. Jayaratne and Dr. J.M. Swaminathan from the Board of Directors at the close of business on 31st December 2024 and the subsequent appointment of Mr. E.D.P. Soosaipillai and Mr. A.I. Piyadigama, Independent Non-Executive Directors on 10th February 2025, this Committee was reconstituted on 10th February 2025 and comprises of the following members :

- Mr. E.D.P. Soosaipillai - Chairman (Independent Non-Executive Director)
- Mr. A.I. Piyadigama - Member (Independent Non-Executive Director)
- Mr. S. Rajaratnam - Member (Non-Executive Director)

Non-compliance disclosures were made to the CSE on 8th January and 3rd February 2025 and the compliance disclosure was made to the CSE on 13th February 2025, following the appointment of the Independent Non-Executive Directors and the reconstitution of the Audit Committee.

The Chairman of the Committee, Mr. E.D.P. Soosaipillai is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka (FCA) and the Institute of Certified Management Accountants of Sri Lanka (FCMA). The Committee has extensive experience in financial oversight and audit, financial expertise and regulatory compliance in order to carry out their role efficiently and effectively. All three members are finance professionals.

Brief profiles of the Audit Committee members are given on pages 5 and 6.

The Company's Secretaries, Corporate Managers & Secretaries (Private) Limited functions as the Secretaries to the Audit Committee.

Meeting and Attendance

The Audit Committee has met on seven occasions during the financial year ended 31st March 2025 and the attendance was as follows:

Audit Committee for the period 1st April 2024 to 31st December 2024	Mr. A. M. de S. Jayaratne - Chairman	4/4
	Dr. J.M. Swaminathan - Member	4/4
	Mr. S.D.R. Arudpragasam - Member	4/4
Audit Committee for the period 10th February 2025 to 31st March 2025	Mr. E.D.P. Soosaipillai - Chairman	3/3
	Mr. A.I. Piyadigama - Member	3/3
	Mr. S. Rajaratnam - Member	3/3

Meetings of the Audit Committee were held in each calendar quarter of the financial year.

In addition to Meetings, matters referred to the Committee were reviewed and recommended in writing, to the Board for approval.

Other members of the Board, the Chief Executive Officer and Representatives from Corporate Managers & Secretaries (Private) Limited are invited to attend meetings as and when required. The proceedings of the Audit Committee are regularly reported to the Board.

Terms of Reference

The Committee is governed by specific terms of reference set out in the Audit Committee Charter. The Committee focuses on the following objectives in discharging its responsibilities taking into consideration the terms of reference together with the requirements of the Listing Rules of the Colombo Stock Exchange.

- a) Risk Management.
- b) Efficiency of the system of internal controls.
- c) Independence and objectivity of the External (Statutory) Auditors.
- d) Appropriateness of the principal accounting policies used.
- e) Financial Statement integrity.

Role of the Audit Committee

The Audit Committee principally performs an advisory role to the Board and its main objective is to assist the Board of Directors by advising the management in ensuring that the Company follows best practices of sound financial reporting and adhering to relevant accounting standards and principles, adequacy of internal controls and risk control measures, efficient management reporting systems and adherence to other statutory requirements. In fulfilling this role, the Audit Committee is empowered to examine the financial records of the Company and other communications as necessary in order to ensure that the Company adheres to accepted norms of ethical guidelines, rules and regulations.

The Audit Committee recommends to the Board the appointment or re-appointment of external Auditors ensuring independence and maintains a close professional relationship with them. The Committee also recommends to the Board the fees payable to external Auditors.

Activities during the year

Risk management, internal control and financial reporting

The committee obtained and reviewed the statements from management confirming that adequate internal control measures are in place and implemented in the Company, including but not limited to a statement of assurance from the CEO and the CFO on the Company's operations and finances. A formal risk management framework will be developed in the next year and be subject to review and improvement over time.

The Audit Committee reviewed the financial reporting system adopted to prepare Financial Statements to ensure that the reliability of the process and consistency of the accounting policies and methods adopted are in compliance with financial reporting requirements, information requirements under the CSE Listing Rules, the Companies Act, the SEC Act, Sri Lanka Accounting Standards (SLFRS/LKAS) and other relevant financial reporting related regulations and requirements.

The Committee satisfied itself that adequate internal controls and procedures are in place to provide reasonable assurance that the Company's assets are safeguarded.

A formal Internal Audit charter is being compiled at present and arrangements to implement an Internal Audit function is in progress.

The Committee effectively discharged its apex function of reviewing and recommending the quarterly unaudited financials and the annual audited financials for approval of the Board.

External Audit

The Company has appointed Deloitte Partners (formerly PricewaterhouseCoopers) as its External Auditors and the services provided by them are segregated between audit/assurance services and other advisory services such as tax advisory.

Deloitte Partners (formerly PricewaterhouseCoopers) has also issued a declaration as required by the Company's Act No. 07 of 2007 that they do not have any relationship or interest in any of the companies in the Group, which may have a bearing on the independence of their role as Auditors.

Audit Committee Report

The Audit Committee has evaluated the auditor's independence and determined that they are in fact independent and objective in their role. No non-audit work was performed by them or affiliated parties in the year under review other than tax advisory services. Audit Partner rotation is under review by the committee as is auditor rotation and appropriate recommendations will be made to the Board in the next year.

The Committee after evaluating the independence and performance of the External Auditors has recommended to the Board the reappointment of Messrs. Deloitte Partners for the financial year ending 31st March, 2026 subject to the approval of the Shareholders at the Annual General Meeting of the Company.



E.D.P. Soosaipillai
Chairman

02 June 2025

Report of the Related Party Transactions Review Committee

The Related Party Transactions Review Committee (RPTRC) is entrusted with the responsibility of ensuring that the interest of the Shareholders are taken into consideration when entering into transactions with a Related Party.

Composition

The Related Party Transactions Review Committee of the Parent Company, The Colombo Fort Land and Building PLC functioned as the Company's Related Party Transactions Review Committee until 18th September 2024 and comprised of the following members:-

Mr. A.M. de S. Jayaratne - Chairman Independent Non-Executive Director, CFLB

Mr. S.D.R. Arudpragasam - Member Non- Executive Director, CFLB

Mr. C.P.R. Perera - Member Independent Non-Executive Director, CFLB

In compliance with Corporate Governance Rules of the Colombo Stock Exchange, the Company constituted its independent Related Party Transactions Review Committee on 18th September 2024, comprising the following members. The said committee was in force and validly constituted until the close of business on 31st December 2024.

Mr. A.M. de S. Jayaratne - Chairman (Independent Non-Executive Director)

Dr. J.M. Swaminathan (Independent Non-Executive Director)

Mr. S. D. R. Arudpragasam - Member (Non- Executive Director)

Consequent to the resignation of Mr. A.M. de S. Jayaratne and Dr. J.M. Swaminathan from the Board of Directors at the close of business on 31st December 2024 and the subsequent appointment of Mr. E.D.P. Soosaipillai and Mr. A.I. Piyadigama, Independent Non-Executive Directors on 10th February 2025, this Committee was reconstituted on 10th February 2025 and comprises the following members: -

Mr. E.D.P. Soosaipillai - Chairman (Independent Non-Executive Director)

Mr. A.I. Piyadigama - Member (Independent Non-Executive Director)

Mr. S. Rajaratnam - Member (Non-Executive Director)

Non-compliance disclosures were made to the CSE on 8th January and 3rd February 2025 and the compliance disclosure was made to the CSE on 13th February 2025, following the appointment of the Independent Non-Executive Directors and the reconstitution of the Related Party Transaction Review Committee.

The Committee has extensive experience in financial oversight, regulatory compliance and business acumen in order to carry out their role efficiently and effectively. All three members are finance professionals. Brief profiles of the Committee members are given on pages 5 and 6.

The Company's Secretaries, Corporate Managers & Secretaries (Private) Limited functions as the Secretaries to the Committee.

Moreover, Representatives from Corporate Managers & Secretaries (Private) Limited, Managers & Secretaries and other Directors and the CEO are invited to the meetings as and when required.

Meetings of the Committee

The Related Party Transactions Review Committee has met on 5 occasions in respect of C M Holdings PLC during the financial year ended 31st March, 2025. A Meeting was held at a minimum in each calendar quarter during the financial year ended 31st March, 2025 and the attendance is as follows;

Report of the Related Party Transactions Review Committee

Related Party Transactions Review Committee for the period 1st April 2024 to 17th September 2024	Mr. A. M. de S. Jayaratne - Chairman	2/2
	Mr. S.D.R. Arudpragasam - Member	2/2
	Mr. C.P.R. Perera - Member	2/2
Related Party Transactions Review Committee for the period 18th September 2024 to 31st December 2024	Mr. A. M. de S. Jayaratne - Chairman	1/1
	Dr. J.M. Swaminathan - Member	1/1
	Mr. S.D.R. Arudpragasam - Member	1/1
Related Party Transactions Review Committee for the period 10th February 2025 to 31st March 2025.	Mr. E.D.P. Soosaipillai - Chairman	2/2
	Mr. A.I. Piyadigama - Member	2/2
	Mr. S. Rajaratnam - Member	2/2

In addition to these Meetings Related Party Transactions were referred to the RPTRC and have been reviewed and recommended by Resolutions in writing.

During the said period, the RPTRC has reviewed and recommended to the Board for approval, Related Party Transactions in a manner consistent with the Listing Rules in respect of C M Holdings PLC and the activities and views of the Committee are communicated on a regular basis to the Board of Directors.

The Committee is free to seek external professional advice on matters within their purview when necessary.

Policies, Procedures and Functions of the Committee

The policies and procedures adopted by the Related Party Transactions Review Committee when reviewing and recommending transactions are consistent with Section 9.14 of the Listing Rules of the Colombo Stock Exchange.

The functions of the Committee are as follows,

- To identify the persons/entities considered to be Related Parties.
- Review all proposed Related Party Transactions. (Except for transactions which are exempt)
- Advise Management on Related Party Transactions and where necessary direct the transactions for Board approval/ Shareholder approval as deemed appropriate.
- Obtain updates on previously reviewed Related Party Transactions from Senior Management and approve any material changes.
- Establish guidelines for Senior Management to follow in ongoing dealings with Related Parties.
- Review and assess on an annual basis the transactions for Compliance against the Committee guidelines.
- Ensuring that immediate market disclosures and disclosures in the Annual Report are made as required by the applicable rules and regulations.

Conclusion

The Related Party Transactions Review Committee has reviewed the Related Party Transactions entered into during the financial year under review and has communicated its comments and observations to the Board of Directors.

The Board of Directors have also declared in the Annual Report of the Board of Directors that there were no recurrent / non-recurrent related party transactions which exceeded the respective disclosure thresholds stated in Section 9.14 of the Colombo Stock Exchange Listing Rules.

The Company has complied with the requirements of the Listing Rules on Related Party Transactions and details of Related Party Transactions are disclosed under Note No 32 to the financial statements in this Annual Report.



E D P Soosaipillai
Chairman

02 June 2025

Report of the Remuneration Committee

The main function of the Remuneration Committee is to assist the Board in developing and administering an equitable and transparent method for setting policy on the overall human resources strategy of the Group and the remuneration of Executive Directors, if any and senior management of the Group. There is a Board approved nondiscriminatory remuneration policy for all Non-Executive Directors to ensure that their Independence is not impaired

Composition

The Remuneration Committee of C M Holdings PLC (CMH PLC) comprised of the following Members until the close of business on 31st December 2024:

Dr. J.M. Swaminathan - Chairman (Independent Non- Executive Director)
Mr. A.M. de S. Jayaratne - Member (Independent Non-Executive Director)
Mr. S.D.R. Arudpragasam - Member (Non- Executive Director)

Consequent to the resignation of Mr. A.M. de S. Jayaratne and Dr. J.M. Swaminathan from the Board of Directors at the close of business on 31st December 2024 and the subsequent appointment of Mr. E.D.P. Soosaipillai and Mr. A.I. Piyadigama, Independent Non-Executive Directors on 10th February 2025, the Committee was reconstituted on 10th February 2025 and comprised of the following members as at 31st March 2025 and as of date of this Report:

Mr. E.D.P. Soosaipillai - Chairman (Independent Non-Executive Director)
Mr. A.I. Piyadigama - Member (Independent Non-Executive Director)
Mr. S.D.R. Arudpragasam - Member (Non- Executive Director)

Non-compliance disclosures were made to the CSE on 8th January and 3rd February 2025 and the compliance disclosure was made to the CSE on 13th February 2025, following the appointment of the Independent Non-Executive Directors and the reconstitution of the Remuneration Committee.

Brief profiles of the Members are given on pages 5 and 6 of the Annual Report.

The Company's Secretaries, Corporate Managers & Secretaries (Private) Limited functions as the Secretaries to the Remuneration Committee.

All managerial and secretarial services are provided by Corporate Managers & Secretaries (Private) Limited to whom a fee is paid.

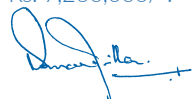
Meeting and Attendance

The Remuneration Committee has met on 02 occasions during the financial year ended 31st March 2025 and the attendance was as follows:

Remuneration Committee for the period 1st April 2024 to 31st December 2024	Dr. J.M. Swaminathan - Chairman	1/1
	Mr. A. M. de S. Jayaratne - Member	1/1
	Mr. S.D.R. Arudpragasam - Member	1/1
Remuneration Committee for the period 10th February 2025 to 31st March 2025.	Mr. E.D.P. Soosaipillai - Chairman	1/1
	Mr. A.I. Piyadigama - Member	1/1
	Mr. S.D.R. Arudpragasam - Member	1/1

Other members of the Board, the Chief Executive Officer and Managers from Corporate Managers & Secretaries (Private) Limited are invited to attend meetings as and when required. The proceedings of the Remuneration Committee are reported to the Board.

The aggregate remuneration of the Non-Executive Directors of the Company for the financial year ended 31st March 2025 is Rs. 7,260,000/-.



E.D.P. Soosaipillai
Chairman

02 June 2025

Nominations & Governance Committee Report

The Nominations & Governance Committee was established to ensure that the governance framework of the Company aligns with the requirements of the Colombo Stock Exchange (CSE), and the Securities and Exchange Commission of Sri Lanka (SEC)

The Committee supports the Board in fulfilling its statutory and fiduciary responsibilities relating to the corporate governance and selection/appointment of new Directors, re-election and re-appointment of current Directors, selection and appointment of the CEO to ensure the highest levels of Corporate Governance in the Company and among members of the Board of Directors.

There is a formal and transparent procedure for the appointment of new Directors to the Board, and the re-election and reappointment of current Directors which is in accordance with the recommendations made by the Nominations & Governance Committee, in consultation with the Chairman and in compliance with the provisions of the Articles of Association of the Company, the Policies adopted by the Company and the Rules on Corporate Governance

The composition and the scope of work of the Committee are in line with the Terms of Reference of the Committee which is periodically reviewed and revised with the concurrence of the Board

Membership

The Nominations & Governance Committee of C M Holdings PLC (CMH PLC) comprised of the following Members until the close of business on 31st December 2024:

Dr. J.M. Swaminathan - Chairman
(Independent Non- Executive Director)

Mr. A.M. de S. Jayaratne - Member
(Independent Non-Executive Director)

Mr. S.D.R. Arudpragasam - Member
(Non- Executive Director)

Consequent to the resignation of Mr. A.M. de S. Jayaratne and Dr. J.M. Swaminathan from the Board of Directors at the close of business on 31st December 2024 and the subsequent appointment of Mr. E.D.P. Soosaipillai and Mr. A.I. Piyadigama, Independent Non-Executive Directors on 10th February 2025, this Committee was reconstituted on 10th February 2025 and comprises of the following members: -

Mr. E.D.P. Soosaipillai - Chairman
(Independent Non-Executive Director)

Mr. A.I. Piyadigama - Member
(Independent Non-Executive Director)

Mr. S.D.R. Arudpragasam - Member
(Non- Executive Director)

Brief profiles of the Members are given on pages 5 and 6 of the Annual Report.

Non-compliance disclosures were made to the CSE on 8th January and 3rd February 2025 and the compliance disclosure was made to the CSE on 13th February 2025, following the appointment of the Independent Non-Executive Directors and the reconstitution of the Nominations and Governance Committee.

Meeting Attendance

The Nomination & Governance Committee has met on 02 occasions during the financial year ended 31st March 2025 and the attendance was as follows:

Mr. A.M. de S. Jayaratne	- 1/1
Dr. J. M. Swaminathan - Chairman	- 1/1
Mr. S.D.R. Arudpragasam	- 2/2
Mr. E.D. P Soosaipillai - Chairman	- 1/1
Mr. A.I. Piyadigama	- 1/1

Other members of the Board, the Chief Executive Officer and Managers from Corporate Managers & Secretaries (Private) Limited are invited to attend meetings as and when required. The proceedings of the Nominations and Governance Committee are reported to the Board.

Purpose of the Committee

The Committee oversees the corporate governance structure of the organization, providing an overview of the principles, policies, and practices of the Board of Directors. This framework enables the Company to meet the governance requirements of the Colombo Stock Exchange (CSE), and the Securities and Exchange Commission of Sri Lanka (SEC).

Furthermore, the Committee is responsible for reviewing and recommending improvements to the Company's governance policies and practices

The Committee monitors the effectiveness of compliance with the relevant regulatory and legal requirements and makes recommendations to the Board on such matters and any corrective action to be taken, as the Committee may deem appropriate

Whilst exercising the oversight with respect to the corporate governance by the Board of Directors, the Committee also considers and recommends succession arrangements from time to time for the retiring Directors, the Chief Executive Officer, and senior management taking into account the additional/new expertise required. The Committee reviewed the structure, size, composition including gender representation and competencies (including the skills, knowledge and experience) of the Board members and made recommendations to the Board with regard to any changes.

The fitness and propriety of the Directors were considered during the year as and when required to ensure compliance with requirements and Corporate Governance Rules of the CSE.

Performance evaluations of the Board and that of the CEO were conducted in March 2025, reviewed by the Committee, and discussed at the Board Meeting.

The policies have been documented, and recommendations have been made to the Board of Directors by the committee when nominating Directors for re-election/reappointment at the forthcoming Annual General Meeting.

The newly appointed Directors were briefed on the structure, processes and resources of the Company and the applicable corporate governance framework, applicable Listing Rules, securities market regulations and other applicable laws and regulations. Further an annual update was given to existing Directors on Corporate Governance, Listing Rules, securities market regulation and other applicable laws and regulations. Any major issues relating to the Company are communicated to the Independent Directors and special meetings of the Board are held when the need arises to address such matters.

Dr. J.M. Swaminathan and Mr. A.M. de S. Jayaratne who were determined to be nevertheless independent, served as Independent Non-Executive Directors until the close of business on 31st December 2024. Mr. E.D.P. Soosaipillai and Mr.A.I. Piyadigama who were appointed to the Board on 10th February 2025 as Independent Non-Executive Directors meet the criteria for independence as set out in Listing Rule 9.8.3 of the Colombo Stock Exchange and were determined to be independent by the Board.

Reappointments/Re-elections

In terms of the Articles of the Association any Director appointed by the Board holds office until the next Annual General Meeting at which he seeks re-election by the Shareholders.

The Articles of Association require one third or a number nearest to one third of the Directors in office to retire at each Annual General Meeting. The Director to retire in each year is who has been longest in office since his/her last election or appointment. The retiring Director is eligible for re-election by the Shareholders.

Accordingly, respective members of the Committee whilst refraining from participating in recommending their own re-election or re-appointment, in terms of the Articles of Association of the Company, recommended the to re-election of Mr. R.M.M.J. Ratnayake who retires by rotation, Mr. Amrit Rajaratnam who was appointed during the year and as well as the re-election of Mr. E.D.P. Soosaipillai and Mr. A.I. Piyadigama who were appointed to fill casual vacancies on the Board during the year and to reappoint in terms of Section 211 of the Companies Act No.7 of 2007 Mr. S.D.R. Arudpragasam who is over seventy years of age as a Director at the forthcoming Annual General Meeting to be held on 30 June 2025, based on their performance and the contribution made to achieve the objectives of the Board.

In view of the pivotal leadership role played by Mr. S.D.R. Arudpragasam, Chairman, his Management oversight skills, integrity, expertise, extensive experience and business acumen, the Committee has recommended to the shareholders to reappoint Mr. S.D.R. Arudpragasam who is over seventy years of age and who retires in terms of Section 210 of the Companies Act No. 7 of 2007.

The Directors coming up for re-election or reappointment do not have any close family relationship with the directors, the listed entity nor do they have any relationship with shareholders holding over 10% of shares, other than disclosed hereunder

Nominations & Governance Committee Report

Information of Directors who are to be re-elected/reappointed at the AGM are as follows:

Board Member	Date first appointed Director	Date last re-appointed/ re-elected as a Director	Board Committees served on	Any relationships including close family relationships between the member and the directors of C M Holdings, the Company or its shareholders holding more than ten per-centum (10%) of the shares of C M Holdings PLC
Mr. S.D.R. Arudpragasam - Chairman (Non-Executive Director)	30.09.1999	26.09.2024	Audit Committee, RPTRC (upto 31.12.2024) Nominations & Governance Committee and Remuneration Committee	Mr. S. D. R. Arudpragasam is a Director of the Parent Company The Colombo Fort Land & Building PLC which hold 63.49% of equity in CMH as at 31.03.2025
Mr. R.M.M.J. Ratnayake - Director (Non-Executive Director)	01.11.2022	27.09.2023	None	None
Mr. Amrit Rajaratnam - Director (Non-Executive Director)	31.12.2024	N/A	None	Mr. Amrit Rajaratnam is a Director of the Parent Company The Colombo Fort Land & Building PLC which hold 63.49% of equity in CMH as at 31.03.2025
Mr. E.D.P. Soosaipillai - Director (Independent Non-Executive Director)	10.02.2025	N/A	Audit Committee, RPTRC, Nominations & Governance Committee and Remuneration Committee	None
Mr. A.I. Piyadigama - Director (Independent Non-Executive Director)	10.02.2025	N/A	Audit Committee, RPTRC, Nominations & Governance Committee and Remuneration Committee	None

The names, qualifications, principle commitments and other Directorships or Chairmanships of the aforesaid directors coming up for re-election or reappointment and of the rest of the Board members of C M Holdings PLC are given in their profiles on pages 5 and 6 and under the caption "Details of Directors' other Directorships" appearing on pages 12 to 17.

The Corporate Governance requirements stipulated under the Listing Rules of the CSE have been met and where the Listed Entity failed to comply with any provisions of such Rules, a statement explaining the reason for such non-compliance and the proposed remedial action taken for the rectification of such non-compliance has been made. The Company's compliance status with the Colombo Stock Exchange Listing Rules on Corporate Governance is disclosed on pages 18 to 29.



E.D.P. Soosaipillai
Chairman

02 June 2025

Annual Report of the Board of Directors

The Board of Directors of C M Holdings PLC present their Report on the affairs of the Company together with the Audited Financial Statements for the year ended 31st March, 2025.

The details set out herein provide the pertinent information required by the Companies Act No. 07 of 2007, and the Colombo Stock Exchange Listing Rules and are guided by recommended best practices.

General

The Company was re-registered on 1st July, 2008 as required under the Companies Act No. 07 of 2007.

Principal Activities /Business Review

The principal activities of the Company together with those of its subsidiary companies are given in Note 1 to the Financial Statements on page 53. A review of the Company's business and its performance during the year with comments on financial results is contained in the Chairman's Review and Management Review & Analysis which together with the financial statements reflects the state of affairs of the Company.

The Directors to the best of their knowledge and belief confirm that the Company has not engaged in any activities that contravene laws and regulations and prudential requirements and that the Company has disclosed its non-compliances.

Financial Statements

The Financial Statements of the Company and the Group are given on pages 48 to 118.

Auditors' Report

The Auditors' Report on the Financial Statements is given on pages 44 to 47.

Accounting Policies

The Accounting Policies adopted in the preparation of the Financial Statements are given on pages 53 to 74.

Interest Register

Directors' Interest in Transactions

The Directors have made general disclosures as provided for in Section 192 (2) of the Companies Act No. 07 of 2007. Arising from this, details of contracts in which they have an interest are disclosed in Note 32 to the Financial Statements on pages 114 to 117.

The Directors further declare that the Company had not entered into any contracts in which the Directors had a material interest.

Neither the Directors nor their close family members have had any material business relationships with other Directors.

Directors' Interest in Shares

The Directors of the Company who have an interest in the shares of the Company have disclosed their shareholdings and any acquisitions/disposals to the Board in compliance with Section 200 of the Companies Act.

Details pertaining to Directors and Chief Executive Officer's direct shareholdings are set out below.

Name of the Director	No. of Shares As at 31.03.2025	No. of Shares As at 31.03.2024
Mr. S.D.R. Arudpragasam	-	500
Dr. J.M. Swaminathan (Resigned w.e.f. 31.12.2024)	N/A	561
Mr. A.M. de S. Jayaratne (Resigned w.e.f. 31.12.2024)	N/A	467
Mr. S. Rajaratnam	-	-
Mr. Anushman Rajaratnam	-	-
Mr. R.M.M.J. Ratnayake	185	185
Mr. Amrit Rajaratnam (Appointed w.e.f. 31.12.2024)	-	-
Mr. E.D.P. Soosaipillai (Appointed w.e.f. 10.02.2025)	-	-
Mr. A.I. Piyadigama (Appointed w.e.f. 10.02.2025)	-	-
Mr. A . S. Azariah - CEO	-	-

Directors' Remuneration

Directors' remuneration in respect of the Company and the Group for the financial year is given in Note 24 to the financial statements on page 111.

Directorate

The names of the Directors who held office during the financial year are given below and brief profiles of the Directors currently in office appear on pages 5 and 6.

Annual Report of the Board of Directors

Mr. S. D. R. Arudpragasam - Chairman - Non-Executive
Dr. J. M. Swaminathan - Independent Non Executive
(Resigned w.e.f. 31.12.2024)

Mr. A. M. de S. Jayaratne - Independent Non Executive
(Resigned w.e.f. 31.12.2024)

Mr. S. Rajaratnam - Non Executive

Mr. Anushman Rajaratnam - Non Executive

Mr. R. M. M. J. Ratnayake - Non Executive

Mr. Amrit Rajaratnam - Non Executive
(Appointed w.e.f. 31.12.2024)

Mr. E.D.P. Soosaipillai - Independent Non- Executive
(Appointed w.e.f. 10.02.2025)

Mr. A.I. Piyadigama - Independent Non- Executive
(Appointed w.e.f. 10.02.2025)

Dr. J. M. Swaminathan and Mr. A. M. de S. Jayaratne resigned from the Board with effect from 31st December 2024.

Mr. Amrit Rajaratnam was appointed to the Board with effect from 31st December 2024 and in terms of Article 95 of the Articles of Association Mr. Amrit Rajaratnam, retires and being eligible offers himself for re-election.

Mr. E.D.P. Soosaipillai was appointed to the Board with effect from 10th February 2025 and in terms of Article 95 of the Articles of Association Mr. Soosaipillai, retires and being eligible offers himself for re-election.

Mr. A.I. Piyadigama was appointed to the Board with effect from 10th February 2025 and in terms of Article 95 of the Articles of Association Mr. A.I. Piyadigama, retires and being eligible offers himself for re-election.

In terms of Article Nos. 88 and 89 of the Articles of Association, Mr. R. M. M. J. Ratnayake retires by rotation and being eligible offers himself for re-election.

Mr. S.D.R. Arudpragasam, Director being over seventy years of age retires and offers himself for reappointment under and by virtue of the Special Notice received from a shareholder of the Company which is referred to in the Notice of Meeting.

Corporate Donations

No donations were made by the Company for the financial year 2024/2025. (2023/2024 - Nil).

Auditors

The Financial Statements of the Company for the year have been audited by Messrs. Deloitte Partners (formerly PricewaterhouseCoopers) who were reappointed as Auditors at the Annual General Meeting held on 26th September 2024.

The remuneration payable by the Company and the Group to the Independent Auditors is given in Note 24 to the Consolidated Financial Statements on page 111.

The Directors are satisfied that based on written representations made by the Independent Auditors to the Board, the Auditors do not have any relationship or any interest with the Company and its subsidiaries that would impair their independence.

Revenue

The Revenue of the Group for the year was Rs. 352 Mn. (2023/2024- Rs. 306 Mn)

Results

The Group made a profit before tax of Rs. 613 Mn. against a profit of Rs. 243 Mn. in the previous year. The detailed results are given in the Consolidated Income Statement on page 49.

Dividends

No dividends were paid for the year ended 31st March 2025.

Investments

Investments made by the Company and the Group are given in Notes 10 and 11 on pages 82 to 102.

Property, Plant & Equipment

During 2024/2025 the Group invested Rs. 3.4 Mn. in Property, Plant & Equipment (2023/2024 - Rs. 1.2 Mn.). Further, your Directors are of the opinion that the net amounts at which Land and other Property, Plant & Equipment appear in the Consolidated Balance Sheet are not greater than their market value as at 31st March, 2025.

Stated Capital

The Stated Capital of the Company as at 31st March, 2025 was Rs. 288,386,885/- and is represented by 15,200,000 issued and fully paid Ordinary Shares.

Reserves

The total reserves and their composition are set out in Note 17 on pages 105 to 106 to the consolidated Financial Statements.

The movements are shown in the Statement of Changes in Equity in the Financial Statements.

Taxation

The Group's liability to taxation has been computed in accordance with the provisions of the Inland Revenue Act No. 24 of 2017 and subsequent amendments thereto. Income Tax and other taxes paid and liable by the Group are disclosed in Note 27 on page 112.

Related Party Transactions

During the financial year there were no recurrent nor non recurrent related party transactions which exceeded the respective disclosure thresholds mentioned in Section 9.14 of the Colombo Stock Exchange Listing Rules. The Company has complied with the requirements of the Listing Rules on Related Party Transactions.

The Related Party Transactions presented in the Financial Statements are disclosed in Note 32 from page 114 to 117.

Share Information

Information relating to earnings, dividend, net assets, market value per share and share trading is given on pages 119 and 120.

Events Occurring after the Reporting Date

Events occurring after the reporting date that would require adjustments to or disclosure are disclosed in Note 33 on page 118.

Contingent Liabilities and Capital Commitment

Contingent liabilities and capital commitments as at the reporting date are disclosed in Notes 34 and 35 on page 118.

Employment Policy

The Company does not employ any staff. All operational services are provided by Corporate Managers & Secretaries (Private) Limited who function as Managers & Secretaries of the Company.

Shareholders

It is the Company's policy to endeavour to ensure equitable treatment to its shareholders.

Statutory Payments

The Directors to the best of their knowledge and belief are satisfied that all statutory payments due to the Government in respect of the Company have been made or where relevant provided.

Internal Control

The Board of Directors takes overall responsibility for the Company's internal control system. The Company and management annually reviews the effectiveness of the Company's internal controls in order to ensure reasonable assurance that assets are safeguarded against unauthorized use or disposal and to ensure all transactions are properly authorized, recorded and maintained. It includes all controls including financial, operational and compliance controls and risk management.

The Board reviews the recommendations of External Auditors and takes appropriate action to maintain an adequate internal control system. However any system can ensure only reasonable and not absolute assurance that errors and irregularities are prevented or detected within a reasonable timeframe.

The Board of Directors has ensured that the financial reporting system has been designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes which have been carried out in accordance with Sri Lanka Accounting Standards and Regulatory requirements.

Going Concern

The Board of Directors after making necessary inquiries and reviews including reviews of the Company's budget for the subsequent year, capital expenditure requirements future prospects and risks, cash flows and borrowing facilities have a reasonable expectation that the Company has adequate resources to continue its operations in the foreseeable future. Therefore, the Going Concern basis has been adopted in the preparation of the financial statements.

For and on behalf of the Board,



S. D. R. Arudpragasam
Chairman



Anushman Rajaratnam
Director

By Order of the Board,



Corporate Managers & Secretaries (Private) Limited
Secretaries

02 June 2025

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Independent Auditor's Report



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To the Shareholders of C M Holdings PLC Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of C M Holdings PLC (the Company) and the consolidated financial statements of the Company and its subsidiaries (the Group), which comprise the statement of financial position as at 31 March 2025 the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements of the Company and the consolidated financial statements of the Group give a true and fair view of the financial position of the Company and the Group as at 31 March 2025, and of their financial performance and their cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Basis for Opinion

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

C S Manoharan FCA, T U Jayasinghe FCA, M D B Boyagoda FCA, H A C H Gunarathne FCA, M P M T Gunasekara FCA, N R Gunasekera FCA, M S J Henry FCA, M M R Hilmy FCA, H P V Lakdeva FCA, K M D R P Manatunga ACA, M M M Manzeer FCA, L A C Tillekeratne ACA, D C A J Yapa ACA

Regd. Office: P.O. Box 918, 100 Braybrooke Place, Colombo 02, Sri Lanka. Reg. No.: w/4179



To the Shareholders of C M Holdings PLC (contd.)

Report on the Audit of the Financial Statements (contd.)

Key Audit Matters

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

The Company and the Group:

Key audit matter	How our audit addressed the Key audit matter
<p><i>Fair value of investments in unquoted equity instruments.</i></p> <p>As at 31 March 2025, the Group and Company's investments in unquoted equity instruments amounting to LKR 966.39 Mn and LKR 874.59 Mn, respectively, represents 15% of the Group's total assets and 30% of the Company's total assets.</p> <p>The unquoted investments comprise equity shares of an investment company for which market prices for similar investments are not available and which has little or no observable inputs and a plantation company. The Group applies the adjusted net asset approach to arrive at the fair value of these investments.</p> <p>The value of the equity investment of the investment company is based on the adjusted net assets. The net assets value itself hinges on the fair value of its investment in subsidiaries. These subsidiaries together hold a property portfolio located island-wide operating within the leisure sector. The fair value of these properties is measured using the market-comparable method.</p> <p>The valuation of the underlying property portfolio is an area of significance due to the subjective nature of the property valuations dependent on certain key valuation assumptions, such as the price ranges at which nearby lands are transacted and the physical state of the buildings.</p> <p>The valuation of the assets in the subsidiaries of the investment company was important to our audit due to the fact that the valuation of properties is inherently judgmental and the relative significance of the value of properties to the subsidiaries' financial statements.</p>	<p>Our procedures to test the valuation of investment in the unquoted equity instruments included the following:</p> <ul style="list-style-type: none">» Evaluated the competence, independence and objectivity of the valuation experts engaged by management. Evaluated the appropriateness of the valuation methodology adopted by the external valuer by comparing with the methods used in general industry practices for similar properties.» Evaluated the relevance and reasonableness of significant assumptions used in the valuation [i.e. price ranges at which nearby lands are transacted, consideration of other factors such as access to main roads, size of the land extent in one plot, physical state of the buildings, replacement cost per sq ft] with the assistance of our internal valuation specialist.» Verified the land values considered by the valuer by corroborating to property market information that is publicly available.» Obtained the audited financial statements of the subsidiaries of the investment company to corroborate the net asset values.

Independent Auditor's Report



To the Shareholders of C M Holdings PLC (contd.)

Report on the Audit of the Financial Statements (contd.)

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

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

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



To the Shareholders of C M Holdings PLC (contd.)

Report on the Audit of the Financial Statements (contd.)

- » 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 Company's and 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 of the Company and the consolidated financial statements of the Group 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 Company/ 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 of the Company and the consolidated financial statements of the Group 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 Company and the consolidated financial statements of the Group 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 3991.

CHARTERED ACCOUNTANTS

Colombo
02 June 2025

Statement of Financial Position

(all amounts in Sri Lanka Rupees unless otherwise stated)

	Note	Group		Company	
		31 March 2025	31 March 2024	31 March 2025	31 March 2024
ASSETS					
Non-current assets					
Property, plant and equipment	6	426,268,041	386,690,284	2,241,649	1,430,829
Investment property	7	1,057,267,405	1,051,275,711	1,057,267,405	1,051,275,711
Capital work in progress	7.1	-	13,087,187	-	13,087,187
Intangible assets	8	4,870,824	4,870,824	-	-
Right of use assets	9	21,010,920	36,769,114	-	-
Investment in subsidiaries	10	-	-	14,000,000	14,000,000
Other Investments		-	-	24,000,000	-
Financial Assets at FVOCI	11	2,827,713,019	1,783,987,974	1,617,445,581	986,510,881
		4,337,130,209	3,276,681,094	2,714,954,635	2,066,304,608
Current assets					
Inventories	13	138,332,158	148,585,219	-	-
Trade and other receivables	14	53,204,943	177,087,264	38,239,307	194,006,687
Financial assets at fair value through profit or loss	11	1,643,973,039	1,106,268,411	127,999,802	88,540,144
Income tax receivables		1,110,941	1,110,941	-	-
Cash and cash equivalents	15	133,373,267	19,453,879	81,870,736	7,581,548
		1,969,994,348	1,452,505,714	248,109,845	290,128,379
Total assets		6,307,124,557	4,729,186,808	2,963,064,480	2,356,432,987
EQUITY					
Stated capital	16	288,386,885	288,386,885	288,386,885	288,386,885
Other reserves	17	1,823,457,689	936,867,093	619,652,028	180,985,961
Retained earnings	17	2,958,652,677	2,365,783,331	1,930,400,092	1,823,308,379
		5,070,497,251	3,591,037,309	2,838,439,005	2,292,681,225
Non-controlling interest		3,330,113	2,681,173	-	-
Total equity		5,073,827,364	3,593,718,482	2,838,439,005	2,292,681,225
LIABILITIES					
Non-current liabilities					
Borrowings	19	21,940,389	36,594,513	-	-
Deferred income tax liabilities	12	83,240,005	9,969,187	72,629,893	9,969,187
Defined benefit obligations	20	11,099,269	9,352,549	-	-
Lease liabilities	9	6,566,153	24,096,000	-	-
Trade and other payables	18	11,590,223	2,220,850	11,590,223	2,220,850
		134,436,039	82,233,099	84,220,116	12,190,037
Current liabilities					
Trade and other payables	18	231,759,062	256,286,222	39,783,578	31,988,532
Current income tax liabilities		621,781	19,573,193	621,781	19,573,193
Lease liabilities	9	53,837,358	38,712,543	-	-
Borrowings	19	812,642,953	738,663,269	-	-
		1,098,861,154	1,053,235,227	40,405,359	51,561,725
Total liabilities		1,233,297,193	1,135,468,326	124,625,475	63,751,762
Total equity and liabilities		6,307,124,557	4,729,186,808	2,963,064,480	2,356,432,987
Net asset value per share	31	333.59	236.25	186.74	150.83

I certify that these financial statements have been prepared in compliance with the requirements of the Companies Act, No. 07 of 2007.

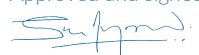


MVM Paulraj

Director - Corporate Managers & Secretaries (Private) Limited

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:



SD R Arudpragasam
Chairman



Anushman Rajaratnam
Director

Date: 02 June 2025

The accounting policies and notes as set out in pages 53 to 118 form an integral part of these financial statements.

Statement of Profit or Loss

(all amounts in Sri Lanka Rupees unless otherwise stated)

	Note	Group		Company	
		Year ended 31 March		Year ended 31 March	
		2025	2024	2025	2024
Revenue	21	351,505,848	305,685,802	104,644,517	82,996,899
Cost of sales	24	(117,591,806)	(98,749,794)	-	-
Gross profit		233,914,042	206,936,008	104,644,517	82,996,899
Distribution costs	24	(578,538)	(1,614,975)	-	-
Administrative expenses	24	(173,624,646)	(168,706,684)	(46,612,942)	(40,602,570)
Net impairment losses on financial assets	3.4	(2,873,102)	(2,420,192)	-	-
Other income	22	131,173,787	122,690,277	29,361,057	95,625,967
Other gains	23	514,049,789	165,078,266	38,148,854	12,915,644
Operating profit		702,061,332	321,962,700	125,541,486	150,935,940
Finance income	26	2,267,616	60,174,145	2,870,059	60,920,790
Finance costs	26	(91,453,873)	(139,135,912)	-	-
Finance income / costs - net		(89,186,257)	(78,961,767)	2,870,059	60,920,790
Profit before income tax		612,875,075	243,000,933	128,411,545	211,856,730
Income tax expense	27	(21,319,833)	(34,683,250)	(21,319,832)	(34,683,249)
Profit for the year		591,555,242	208,317,683	107,091,713	177,173,481
Attributable to:					
Owners of the parent		591,512,027	208,052,490	107,091,713	177,173,481
Non - controlling interests		43,215	265,193	-	-
		591,555,242	208,317,683	107,091,713	177,173,481
Earnings per share attributable to owners of the parent during the year					
Basic/ Diluted earnings per share	28	38.92	13.69	7.05	11.66

The accounting policies and notes as set out in pages 53 to 118 form an integral part of these financial statements.

Statement of Comprehensive Income

(all amounts in Sri Lanka Rupees unless otherwise stated)

	Note	Group		Company	
		Year ended 31 March		Year ended 31 March	
		2025	2024	2025	2024
Profit for the year		591,555,242	208,317,683	107,091,713	177,173,481
Other comprehensive income:					
Items that will not be reclassified to profit or loss					
Remeasurements of post employment benefit obligations	20	9,012	(686,640)	-	-
Gain on property revaluation		46,503,407			
Change in fair value of financial assets at FVOCI net of tax		842,041,221	95,599,389	438,666,067	23,887,940
Reclassification of FVOCI disposal gain/ (loss) to retained earnings		-	(40,012)	-	-
Other comprehensive income for the year		888,553,640	94,872,737	438,666,067	23,887,940
Total comprehensive income for the year		1,480,108,882	303,190,420	545,757,780	201,061,421
Attributable to :					
Owners of the parent		1,479,375,673	303,055,612	545,757,780	201,061,421
Non - controlling interests		733,209	134,808	-	-
Total comprehensive income for the year		1,480,108,882	303,190,420	545,757,780	201,061,421

The accounting policies and notes as set out in pages 53 to 118 form an integral part of these financial statements.

Statement of Changes in Equity

(all amounts in Sri Lanka Rupees unless otherwise stated)

(a) Group

	Note	Stated capital (Note 16)	Retained earnings (Note 17 (c))	Other reserves (Note 17 (d))	Total	Non- controlling interest	Total
Balance at 1 April 2023		288,386,885	2,230,919,825	841,217,343	3,360,524,053	2,546,365	3,363,070,418
Profit for the year		-	208,052,490	-	208,052,490	265,193	208,317,683
Other comprehensive income		-	(686,640)	95,689,762	95,003,122	(130,385)	94,872,737
Total comprehensive income for the year		-	207,365,850	95,689,762	303,055,612	134,808	303,190,420
Reversal of unclaimed dividends	17		3,457,644	-	3,457,644	-	3,457,644
Transfer of gain on disposal of equity investments at fair value through other comprehensive income to retained earnings	17	-	40,012	(40,012)	-	-	-
Dividends	29	-	(76,000,000)	-	(76,000,000)	-	(76,000,000)
Balance at 31 March 2024		288,386,885	2,365,783,331	936,867,093	3,591,037,309	2,681,173	3,593,718,482
Balance at 1 April 2024		288,386,885	2,365,783,331	936,867,093	3,591,037,309	2,681,173	3,593,718,482
Profit for the year		-	591,512,027	-	591,512,027	43,215	591,555,242
Other comprehensive income		-	9,012	887,854,634	887,863,646	689,994	888,553,640
Total comprehensive income for the year		-	591,521,039	887,854,634	1,479,375,673	733,209	1,480,108,882
Reversal of unclaimed dividends	17	-	-	-	-	-	-
Transfer of gain on disposal of equity investments at fair value through other comprehensive income to retained earnings	17	-	1,348,307	(1,264,038)	84,269	(84,269)	-
Dividends	29	-	-	-	-	-	-
Balance at 31 March 2025		288,386,885	2,958,652,677	1,823,457,689	5,070,497,251	3,330,113	5,073,827,364

(b) Company

	Note	Stated capital (Note 16)	Retained earnings (Note 17 (c))	Other reserves (Note 17 (d))	Total
Balance at 1 April 2023		288,386,885	1,718,677,254	157,098,021	2,164,162,160
Profit for the year		-	177,173,481	-	177,173,481
Other comprehensive income		-	-	23,887,940	23,887,940
Total comprehensive income for the year		-	177,173,481	23,887,940	201,061,421
Reversal of unclaimed dividend	17	-	3,457,644	-	3,457,644
Dividends	29	-	(76,000,000)	-	(76,000,000)
Balance at 31 March 2024		288,386,885	1,823,308,379	180,985,961	2,292,681,225
Balance at 1 April 2024		288,386,885	1,823,308,379	180,985,961	2,292,681,225
Profit for the year		-	107,091,713	-	107,091,713
Other comprehensive income		-	-	438,666,067	438,666,067
Total comprehensive income for the year		-	107,091,713	438,666,067	545,757,780
Reversal of unclaimed dividend	17	-	-	-	-
Dividends	29	-	-	-	-
Balance at 31 March 2025		288,386,885	1,930,400,092	619,652,028	2,838,439,005

The accounting policies and notes as set out in pages 53 to 118 form an integral part of these financial statements.

Statement of Cash Flows

(all amounts in Sri Lanka Rupees unless otherwise stated)

	Note	Group		Company	
		Year ended 31 March		Year ended 31 March	
		2025	2024	2025	2024
Cash flows from operating activities					
Cash generated from / (used in) operating activities	30	202,829,343	541,815,824	230,295,898	447,536,533
Interest paid		(87,738,905)	(134,337,906)	-	-
Defined benefit obligations paid	20	(694,850)	(1,461,750)	-	-
Income tax paid		(30,422,172)	(48,275,112)	(30,422,171)	(48,275,112)
Net cash (used in) / generated from operating activities		83,973,416	357,741,056	199,873,727	399,261,421
Cash flows from investing activities					
Purchase of property, plant and equipment	6	(3,359,960)	(1,194,749)	(1,273,650)	(25,800)
Payments for investment property	7	(345,000)	-	(345,000)	-
Proceeds from sale of property, plant and equipment		14,928,220	85,007	-	-
Movement in capital work-in-progress		421,668	(13,087,187)	421,668	(13,087,187)
Purchase of investments		(162,572,089)	(540,415,927)	(154,172,355)	(493,157,529)
Disposal of investments		14,045,441	36,258,252	-	79,907
Interest received		1,191,826	60,174,145	1,191,826	60,920,790
Dividends received		112,430,303	113,360,119	28,592,972	54,841,100
Net cash (used in) / generated from investing activities		(23,259,591)	(344,820,340)	(125,584,539)	(390,428,719)
Cash flows from financing activities					
Proceeds from borrowings		750,098,250	11,714,550	-	-
Repayment of borrowings		(642,960,106)	(31,544,698)	-	-
Principal elements of lease payments		(6,120,000)	(3,080,000)	-	-
Dividends paid		-	(27,750,750)	-	(27,750,750)
Net cash (used in) / generated from financing activities		101,018,144	(50,660,898)	-	(27,750,750)
(Decrease) / Increase in cash and cash equivalents		161,731,969	(37,740,182)	74,289,188	(18,918,048)
Movement in cash and cash equivalents					
At 1 April		(96,732,407)	(58,992,225)	7,581,548	26,499,596
(Decrease) / Increase		161,731,969	(37,740,182)	74,289,188	(18,918,048)
At 31 March	15	64,999,562	(96,732,407)	81,870,736	7,581,548

The accounting policies and notes as set out in pages 53 to 118 form an integral part of these financial statements.

Notes to the Consolidated Financial Statements

(all amounts in Sri Lanka Rupees unless otherwise stated)

1. General information

C M Holdings PLC is a public limited liability Company domiciled in Sri Lanka and incorporated on 9 July 1909 under the Joint Stock Companies Ordinance of 1861. The Registered office of the Company is located at No. 297, Union Place, Colombo 02. The Company was re-registered under the Companies Act, No. 07 of 2007 on 1 July 2008. The principal activities of the Company is carrying on the businesses of holding investments and property development.

Union Investments (Private) Limited, a wholly owned subsidiary of C M Holdings PLC, is a limited liability Company incorporated on 16 February 1978 under the Companies Ordinance, (Cap,145) and domiciled in Sri Lanka. The registered office of the Company and the principal place of the business is located at No. 8-5/2, Leyden Bastian Road, York Arcade building, Colombo 1. The Company was incorporated on 16 February 1978 and re-registered under the Companies Act, No. 07 of 2007 on 29 July 2008. The principal activity of the Company is carrying on the business of an investment Company.

Guardian Asset Management Limited, a partially - owned subsidiary of C M Holdings PLC is a limited liability Company domiciled in Sri Lanka and incorporated on 8 March 1995 under the Companies Act, No. 17 of 1982 and re-registered under the Companies Act, No. 07 of 2007 on 1 August 2008. The registered office of the Company is located at No. 8-5/2, Leyden Bastian Road, York Arcade building, Colombo 01. The principal activities of the Company are asset management, funds and portfolio management and the management of trusts.

Guardian Trustees Limited is a wholly owned subsidiary of Guardian Asset Management Limited. It is a limited liability

Company domiciled in Sri Lanka and incorporated on 26 May 1995 under Companies Act, No. 17 of 1982 and re-registered under the Companies Act, No. 07 of 2007 on 1 August 2008. It is an indirect subsidiary of C M Holdings PLC. The registered office of the Company is located at No. 8-5/2, Leyden Bastian Road, York Arcade building, Colombo 01. The principal activities of the Company are asset management funds, portfolio management and the management of trusts. The Company having ceased all operations in 2015, The Board of Directors resolved to strike off the entity from the Company register as of August 2015 and the said strike off process is in progress as at the statement of financial position date.

Colonial Motors (Ceylon) Limited, a wholly owned subsidiary of C M Holdings PLC is a limited liability Company domiciled in Sri Lanka and incorporated on 18 November 1996 under the Companies Act, No. 17 of 1982 and re-registered under the Companies Act, No. 7 of 2007 on 3 August 2009, and commenced its operations on 23 October 2012. The registered office of the Company is located at No. 449, Negombo Road, Peliyagoda. The principal activity of the Company is import and sale of motor vehicles, and spare parts and providing vehicle maintenance services.

Motor Mart Ceylon (Private) Limited is a wholly owned subsidiary of Colonial Motors (Ceylon) Limited. It is a limited liability Company domiciled in Sri Lanka and incorporated on 4 November 2016 under the Companies Act, No.07 of 2007. It is an indirect subsidiary of C M Holdings PLC. The registered office of the Company is located at No.449, Negombo Road, Peliyagoda. The principal activity of the Company is to secure agencies for commercial vehicles.

The parent of the Group is The Colombo Fort Land & Building PLC and the Group structure as at 31 March 2025 is as follows:

Name of the Company	Relationship	Holding	Proportion of voting power interest	
			2025	2024
Union Investments (Private) Limited	Subsidiary	Direct	99.99%	99.99%
Guardian Assets Management Limited	Subsidiary	Direct / Indirect	93.75%	93.75%
Colonial Motors (Ceylon) Limited	Subsidiary	Direct	99.99%	99.99%
Motor Mart Ceylon (Private) Limited	Subsidiary	Indirect	99.99%	99.99%

Notes to the Financial Statements

(all amounts in Sri Lanka Rupees unless otherwise stated)

2. Summary of material accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below: These policies have been consistently applied to all years presented, unless otherwise stated.

2.1 Basis of preparation

(a) Compliance with SLFRS

The financial statements of the Company and the Group have been prepared in accordance with Sri Lanka Accounting Standards, which comprise Sri Lanka Financial Reporting Standards ("SLFRS"s), Sri Lanka Accounting Standards ("LKAS"s), relevant interpretations of the Standing Interpretations Committee ("SIC") and International Financial Reporting Interpretations Committee ("IFRIC"). Sri Lanka Accounting Standards further comprises of Statements of Recommended Practices (SoRPs), Statements of Alternate Treatments (SoATs) and Financial Reporting Guidelines issued by the Institute of Chartered Accountants of Sri Lanka. The preparation of financial statements in conformity with Sri Lanka Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's and the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the Company's and the Group's financial statements are disclosed in note 4 - critical accounting estimates to the financial statements.

(b) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities, and certain classes of property, plant and equipment - measured at fair value or revalued amount

2.2 Changes in accounting policies and disclosures

(c) New and amended standards adopted by the Company and Group

The Company and Group have applied the following standards and amendments for the first time for their annual reporting period commencing 1 April 2024:

(i) Amendment to LKAS 1, 'Presentation of Financial Statements'

The amendments specify that only the covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024

(ii) Amendments to LKAS 7, 'Statement of Cash Flows' and SLFRS 7 'Financial Instruments: Disclosures - Supplier Finance Arrangements'

The amendment requires the Company to disclose information about its supplier finance arrangements that enable users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows.

This amendment will be effective for annual reporting periods beginning on or after 1 January 2024

(iii) Amendments to LKAS 16, 'Leases-Lease Liability in a Sale and Leaseback'

The amendment specifies the subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in SLFRS 15 to be accounted for as a sale. The amendments require the sellerlessee to determine 'lease payments' or 'revised lease payments' such that the seller lessee does not recognize a gain or loss that relates to the right of use retained by the seller-lessee, after the commencement date.

(iv) Amendments to IFRS S1 'Sustainability-related Financial Information'

The amendment requires companies to disclose sustainability-related risks and opportunities, focusing on governance, strategy, and performance. It aims for consistency and comparability, supporting informed investment decisions.

(v) Amendments to IFRS S2 Climate-related Disclosures

The amendment sets out the requirements for identifying, measuring and disclosing information about climate-related risks and opportunities that is useful to primary users of general-purpose financial reports in making decisions relating to providing resources to the entity.

(d) New accounting standards, amendments and interpretations issued but not yet adopted

(i) Amendment to SLFRS 9, 'Financial Instruments' and SLFRS 7 'Financial Instruments: Disclosure.

The amendments specifies;

- » when a financial liability settled using an electronic payment system can be deemed to be discharged before the settlement date;
- » how to assess the contractual cash flow characteristics of financial assets with contingent features when the nature of the contingent event does not relate directly to changes in basic lending risks and costs; and

- » new or amended disclosure requirements relating to investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features that do not relate directly to basic lending risks and costs.

The amendments are effective for annual reporting periods beginning on or after 1 January 2026.

(ii) Amendments to SLFRS 18 'Presentation and Disclosure in Financial Statements'

The amendment requires additional defined subtotals in the statement of profit or loss; requiring disclosures about management-defined performance measures; and adding new principles for the aggregation and disaggregation of items.

This amendment will be effective for annual reporting periods beginning on or after 1 January 2027.

The adoption of amendments to published standards is not expected to have a material impact on the financial statements of the Group and the Company.

There are no other standards that are not yet effective and that would be expected to have a material impact on the Group and the Company in the current or future reporting periods and on foreseeable future transactions.

2.3 Comparative information

Previous period figures and notes have been changed and reclassified wherever necessary to conform to the current year's presentation.

2.4 Consolidation

(a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group 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 to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, the liabilities incurred to the former owners of the acquired business, and the equity interests issued by the Group, fair value of any asset or liability resulting from a contingent consideration arrangement and

fair value of any pre-existing equity interest in the subsidiary. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any Non-Controlling Interest ('NCI') in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the NCI's proportionate share of the recognised amounts of acquiree's identifiable net assets. Inter Company transactions, balances and unrealised gains on transactions between Group Companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of financial position respectively.

(b) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of the Company.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss. If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

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(all amounts in Sri Lanka Rupees unless otherwise stated)

2.5 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in 'Sri Lanka Rupees' (LKR), which is the Company's and the Group's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in the profit or loss. Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss on a net basis within 'Finance income or cost'.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified at Fair Value through Other Comprehensive income are recognised in other comprehensive income.

2.6 Current and deferred income tax

The tax expense for the period comprises current and deferred income tax. Tax is recognised in the profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity respectively. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation. Management establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised using the liability method, on temporary differences arising between the tax bases of

assets and liabilities and their carrying amounts in the financial statements. However, deferred income tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.7 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the period in which they are incurred.

2.8 Inventories

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

The cost of inventories comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

2.9 Financial assets

2.9.1 Classification

The Company and the Group classify its financial assets in the following measurement categories.

- » those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- » those to be measured at amortised cost

The classification depends on the Company's and the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Company and the Group have made an irrevocable election at the time of initial recognition to account for the equity investment at Fair Value through Other Comprehensive Income (FVOCI). The Company and the Group reclassify debt investments when and only when its business model for managing those assets changes.

2.9.2 Recognition and measurement

Regular way purchases and sales of financial assets are recognised on the trade-date, the date on which the Company and the Group commit to purchase or sell the asset.

At initial recognition, the Company and the Group measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in statement of profit or loss.

2.9.3 Subsequent measurement

(i) Debt instruments

Subsequent measurement of debt instruments depends on the Company's and the Group's business models for managing the asset and the cash flow characteristics of the asset.

There are three measurement categories into which debt instruments are classified:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely

payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in comprehensive income and presented in other income/ gains (losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in statement of profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to statement of profit or loss and recognised in other income/ (losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/ (losses) and impairment expenses are presented as separate line item in statement of profit or loss.

FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

(ii) Equity instruments

The Company and the Group subsequently measure all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to statement of profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in statement of profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognised in other gains/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

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2.9.4 Impairment

The Company and Group assesses on a forward looking basis the expected credit loss associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Company and the Group apply the simplified approach permitted by SLFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. To measure the expected credit losses, trade receivables have been Grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of customers and the corresponding historical credit losses experienced. The historical loss rates are adjusted to reflect current and forward looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

2.9.5 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company and the Group have transferred substantially all risks and rewards of ownership.

2.9.6 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the Counterparty.

2.9.7 Derivatives and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period.

The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The Company and the Group designate certain derivatives as either:

- (i) hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedges),
- (ii) hedges of a particular risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges), or
- (iii) hedges of a net investment in a foreign operation (net investment hedges).

At inception of the hedge relationship, the Company and the Group document the economic relationship between hedging instruments and hedged items including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The Company and the Group document its risk management objective and strategy for undertaking its hedge transactions.

2.10 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three (3) months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

In the Statement of Financial Position, bank overdrafts are shown within borrowings in current liabilities.

2.11 Trade receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components when they are recognised at fair value and subsequently measured at amortised cost using the effective interest method, less loss allowance.

2.12 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.13 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. Borrowings are classified as current liabilities unless the Company and the Group have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period.

2.14 Property, plant & equipment

Property, plant and equipment other than land is stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items and also includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

Land is shown at fair value based on a valuation performed by an external independent professional valuer. Where an item of property, plant and equipment is revalued, the entire class of such asset is revalued. Revaluations are made with sufficient regularity (every three or five years) to ensure that their carrying value do not differ materially from their fair value at the reporting date.

Increases in the carrying amount arising on revaluation of land is credited to other comprehensive income and shown as revaluation reserve in shareholders' equity. Decreases that offset previous increases of the same asset are charged in

other comprehensive income and debited against revaluation reserve directly in equity; all other decreases are charged to the statement of profit or loss.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the statement of profit or loss during the financial period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate the cost or revalued amounts of the assets, net of their residual values, over their estimated useful lives as follows:

	%
Building	5
Plant, machineries	10-25
Motor vehicles	25
Leasehold Improvements	5

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at end of each reporting period.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within Other income - net in the statement of profit or loss.

Any balance remaining in the revaluation reserve in respect of an asset is transferred directly to retained earnings on disposal of an asset that was revalued.

2.15 Investment property

Property that is held for long-term rental yields or for capital appreciation or both, is classified as investment property. Investment property also includes property that is being constructed or developed for future use as investment property. Land held under operating leases is classified and accounted for by the Group and Company as investment property when the definition of investment property would otherwise be met.

Investment property is depreciated using a straight line method over its estimated useful life of 20 years.

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Investment property is measured initially at its cost, including related transaction costs and (where applicable) borrowing costs.

After initial recognition, investment property is accounted for under the cost model. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment.

2.16 Impairment of non financial assets (Excluding Goodwill)

Non financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are Grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non- financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

2.17 Provisions

Provisions are recognised when the Company and the Group have a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources will be required to settle the obligation and when a reliable estimate of the amount can be made. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions for asset retirement obligations are measured at the present value of management's best estimate of the expenditures required to settle the present obligation at the end of the reporting period. The discount rate used to

determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to passage of time is recognised as finance cost.

2.18 Employee benefits

(a) Defined benefit plans - gratuity

Defined benefit plan defines an amount of benefit that an employee will receive on retirement, usually dependent on one or more factors such as years of service and compensation. The defined benefit plan comprises the gratuity provided under the Act No. 12 of 1983.

The liability recognised in the statement of financial position in respect of defined benefit plan is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using the yield rate of the long term government bonds that have terms to maturity approximating to the terms of the related defined benefit obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and included in employee benefit expense in the comprehensive income.

The current service cost of the defined benefit plan reflects the increase in the defined benefit obligations resulting from employee service in the current year. It is recognised in the comprehensive income in employee benefit expense, except where included in the cost of an asset. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in comprehensive income as past service costs.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the statement of financial position.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service costs.

The assumptions based on which the results of the actuarial valuation was determined, are included in note 21 to the financial statements.

(b) Defined contribution plans

For defined contribution plans, such as the Employees' Provident Fund and Employees' Trust Fund, the Group contributes 12% and 3% respectively, of the employees' basic or consolidated wage or salary. The Company and the Group have no further payment obligations once the contributions have been paid. The Group and the employees are members of these defined contribution plans.

(c) Short term employee benefits

Wages, salaries, including non-monetary benefits, that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

2.19 Stated capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where any Group Company purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

2.20 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders.

2.21 Revenue recognition

Revenue from Goods and services deliverable under contracts with customers are identified as separate performance obligations ('obligations') to the extent that the customer can benefit from the goods or services on their own or together with other resources that are readily available to the customer and that the separate goods and services are considered distinct from other goods and services in the agreement. Where individual goods and services do not meet the criteria to be identified as separate performance obligations. They are aggregated with other goods and/or services in the agreement

until a separate performance obligation is identified. The Group generates revenue from import and sale of motor vehicles, spare parts, providing vehicle maintenance services and rental income from its investment properties.

The Company and the Group determines the transaction price to which it expects to be entitled to in return for providing the promised obligations to the customer based on the committed contractual amounts, net of sales taxes and discounts.

The transaction price is allocated between the identified obligations according to the relative standalone selling prices of the obligations. The standalone selling price of each obligation deliverable in the contract is determined according to the prices that the Company and the Group would achieve by selling the same goods and/or services included in the obligation to a similar customer on a standalone basis. Where the Group does not sell equivalent goods or services in similar circumstances on a standalone basis it is necessary to estimate the standalone price. When estimating the standalone price, the Group maximises the use of external input observing the standalone prices for similar goods and services when sold by third parties or using a cost-plus reasonable margin approach. Revenue is recognised when the respective obligations in the contract are delivered to the customer and payment remains probable. The revenue is recognised as follows;

(a) Sale of motor vehicles, spare parts and repair & maintenance

Revenue from the sale of motor vehicles and motor vehicle spare parts, are recognized in the statement of profit or loss when the control of goods have been transferred to the buyers, usually on delivery of the goods.

Revenue from motor vehicle repair and maintenance service contracts is recognized in the statement of profit or loss by reference to the stage of completion of the transaction at the end of the reporting period. Recognition of revenue is based on the percentage of completion of the contract, and is determined by the proportion costs incurred to date bear to estimated total cost of the transaction.

Motor vehicles are registered once full payment is received from the customers. Vehicle repair and maintenance services and sale of spare parts are paid for on cash basis and on 2 month credit period for selected customers and services.

(b) Rental income

Rental income is recognised on an accrual basis in the ordinary course of business as per applicable terms and conditions set in the registered lease agreements with the respective tenants. Rental payments are to be paid by the 10th of each month in which the rental falls due subject to relative clauses of the lease agreement for each respective tenant.

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2.22 Interest income

Interest income is recognised using the effective interest method. When a loan granted or a receivable is impaired, the Company and the Group reduce the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continue unwinding the discount as interest income. Interest income on impaired loan and receivables are recognised using the original effective interest rate. Interest income on bank balances and bank deposits are recognised on accrual basis

2.23 Dividend income

Dividend income is recognised when the right to receive payment is established.

2.24 Leases

Leases are recognised as right-of-use ("ROU") assets and a corresponding liability at the date on which the which a lessor makes an underlying asset available for use by a lessee (i.e. the commencement date). Contracts may contain both lease and non-lease components. The Company and the Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

(a) Right of use assets

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability (present value of future lease payments discounted using the Company's incremental borrowing rate) adjusted for any lease payments made at or before the commencement date, plus any initial direct cost incurred.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the group is reasonably certain to exercise a purchase option, the right of-use asset is depreciated over the underlying asset's useful life. While the group revalues its land and buildings that are presented within property, plant and equipment, it has chosen not to do so for the right-of-use buildings held by the Group.

(b) Lease liabilities

Liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- » fixed payments (including in-substance fixed payments), less any lease incentives receivable
- » variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date

- » amounts expected to be payable by the group under residual value guarantees
- » the exercise price of a purchase option if the group is reasonably certain to exercise that option, and
- » payments of penalties for terminating the lease, if the lease term reflects the group exercising that option

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Variable lease payments that depend on sales are recognised in profit or loss in the period in which the condition that triggers those payments occurs. The Company and the Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

(c) Short term leases and leases of low value assets

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short term leases are leases with a lease term of 12 months or less without a purchase option. Low-value assets comprise IT equipment and small items of office furniture.

2.25 Intangible assets

(a) Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of aggregate of fair value of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired. If the fair value of consideration transferred, non controlling interest recognized and previously held interest measured at fair value is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the statement of profit or loss as a bargain purchase.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognized immediately as an expense and is not subsequently reversed.

(b) Software

Costs associated with maintaining software programs are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets where the following criteria are met:

- » it is technically feasible to complete the software so that it will be available for use
- » management intends to complete the software and use it
- » there is an ability to use the software
- » it can be demonstrated how the software will generate probable future economic benefits
- » adequate technical, financial and other resources to complete the development and to use the software are available, and
- » the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use. Software are amortised over three years

3. Financial risk management

The principal financial instruments of the Group and Company comprise of bank loans, finance leases, short term deposits, investment in equity securities, unit trust and cash. The main purpose of these financial instruments is to raise and maintain liquidity for the Group's and Company's operations, and maximize returns on the Group's and Company's financial reserves. The Group and Company has various other financial instruments such as receivables and payables which arise directly from its business activities.

Financial risk factors

The Group's and the Company's activities are exposed to a variety of financial risks: market risk (including currency risk, cash flow interest rate risk, and price risk), credit risk and liquidity risk.

The Group's and Company's overall financial risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group and the Company. Financial risk management is carried out through risk reviews, and adherence to the Group's and the Company's financial risk management policies. The Board of Directors regularly reviews these risks and approves the risk management policies, which covers the management of these risks.

Market risk consists of:

Foreign exchange risk - risk that the value of recognized assets and liabilities, future commercial transactions will fluctuate due to changes in foreign exchange rates.

Fair value interest rate risk - risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

Cash flow interest rate risk - risk that future cash flows associated with a financial instrument will fluctuate due to changes in market interest rates.

Price risk - risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instrument traded in the market.

Credit risk - risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

Liquidity risk (funding risk) - risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments.

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3.1 Foreign Currency Exchange Risk

The Group is principally exposed to foreign exchange risk arising with respect to the Great Britain Pound, United States Dollar and Japanese Yen, due to its import activities of motor vehicles and motor vehicle spare parts for local sale and / or repair and maintenance services. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency.

Exposure

The Group's exposure to foreign currency risk at the end of the reporting period, expressed in (presentation) currency units, was as follows:

	31 March 2025			31 March 2024		
	LKR	USD	Other	LKR	USD	Other
Trade receivables	33,066,862	-	-	34,410,625	-	-
Bank loans	766,209,637	-	-	659,071,496	-	-
Trade Payables	14,261,776	-	-	11,489,077	-	-

The Company had no exposure to foreign currency risk at the end of the reporting period.

Amounts recognised in profit or loss

During the year, the following foreign-exchange related amounts were recognised in profit or loss:

	Group	
	2025	2024
Net foreign exchange gain/(loss) included in other gains	-	922
Total net foreign exchange gains recognised in profit before income tax for the period	-	922

Foreign currency risk arises whenever the Group has contractual cash flows whose values are subject to unanticipated changes in exchange rates due to a contract being denominated in a foreign currency. This type of exposure is short term in nature and the Group continuously monitors the market exchange rates and takes necessary steps to mitigate the risk by adapting to the market conditions.

Sensitivity

As at 31 March 2025, if LKR has weakened by 1%, all other variables held constant the resultant net foreign exchange losses in LKR are as follows -

	Group	
	2025	2024
Great Britain Pound	-	-
United State Dollar	-	10
Japanese Yen	-	-

3.2 Cash flow and fair value interest rate risk

The borrowings are periodically contractually repriced (see below) and to that extent are also exposed to the risk of future changes in market interest rates.

The Group's borrowings are in terms of LKR, and the Groups' interest rate risk arises from fluctuations in AWPLR. Based on the outlook on AWPLR, the Group takes necessary decisions on restructuring the loans at the relevant time period.

The exposure of the Group's and the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

As at the end of the reporting period, the Group had the following variable rate borrowings outstanding:

	31 March 2025		31 March 2024	
	Weighted average interest rate %	Balance	Weighted average interest rate %	Balance
Bank Loans	9.32	496,528,781	15.78	380,070,836
Net exposure to cash flow interest rate risk		496,528,781		380,070,836

Sensitivity

Profit or loss is sensitive to higher/lower interest as a result of changes in interest rates in variable rate bank borrowings above;

	Group	
	2025	2024
Interest rates - increase by 10%	(49,652,878)	(38,007,083)
Interest rates - decrease by 10%	49,652,878	38,007,083

There were no loans in the Company as at the reporting year end.

3.3 Price risk

The Group's exposure to equity securities and price risk arises from investments held by the Company and the Group classified in the statement of financial position either as at fair value through profit or loss (FVPL) or at fair value through other comprehensive income (FVOCI).

To manage its price risk arising from investments in equity securities, the Company and the Group diversify its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company and the Group.

Sensitivity

The following table presents the changes of fair values as a result of changes in fair value of instruments for the periods ended 31 March 2025 and 31 March 2024:

	Impact on post-tax profit		Impact on other components of equity	
	2025	2024	2025	2024
Group				
Financial assets at fair value through profit or Loss (FVPL) - increase by 46% (2024 increased by 17%) (note 11(c))	514,049,789	165,077,344	-	-
Financial assets at fair value through other comprehensive income (FVOCI) - increase by 51% (2024 increased by 8%) (note 11(d))	-	-	916,058,415	95,599,389
Company				
Financial assets at fair value through profit or Loss (FVPL) - increase by 43% (2024 increased by 17%) (note 11(c))	38,148,854	12,915,644	-	-
Financial assets at fair value through other comprehensive income (FVOCI) - increase by 51% (2024 increased by 5%) (note 11(d))	-	-	502,073,149	23,887,940

Amounts recognised in profit or loss and other comprehensive income

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(all amounts in Sri Lanka Rupees unless otherwise stated)

The amounts recognised in profit or loss and other comprehensive income in relation to the various investments held by the Group and Company are disclosed in note 11 - financial instruments.

3.4 Credit risk

Credit risk arises from cash and cash equivalents, derivative financial instruments, and deposits with banks, as well as credit exposures to customers, including outstanding receivables (net of deposits held). The utilization of credit limits is regularly monitored.

Credit risk is managed on Group and Company basis. For bank and financial institutions, only independently rated parties with sound financial background are accepted.

If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the management. The compliance with credit limits by customers is regularly monitored by line management.

For some trade receivables the Group and the Company may obtain security in the form of guarantees or letters of credit which can be called upon if the counterparty is in default under the terms of the agreement.

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

Credit quality of cash and short term deposits is shown under note 11 (b) to the financial statements.

The Group and the Company has the below financial assets that are subject to the expected credit loss model:

The Group has the following types of financial assets that are subject to the expected credit loss model:

- Trade and other receivables

While cash and cash equivalents are also subject to the impairment requirements of SLFRS 9, the identified impairment loss was immaterial.

Trade and other receivables

The group applies the simplified approach under SLFRS 9 to measure expected credit losses for all trade receivables and contract assets. To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The Assessment is made to reflect past payment behavior, customer-specific financial information, and both current and forward-looking macroeconomic information factors affecting the ability of the customers to settle the receivables.

On that basis, the loss allowance as at 31 March 2025 and 31 March 2024 was determined as follows for trade receivables:

Group	0 day to 30 days	31 days to 90 days	91 days above	Total
31 March 2025				
Expected loss rate	-	-	-	49%
Gross carrying amount - trade receivables	9,574,794	9,141,247	14,350,821	33,066,862
Loss allowance	-	-	16,131,755	16,131,755
31 March 2024				
Expected loss rate	-	-	-	39%
Gross carrying amount - trade receivables	10,821,748	3,988,916	19,599,961	34,410,625
Loss allowance	-	-	13,258,653	13,258,653

The closing loss allowances for trade receivables as at 31 March 2025 and 31 March 2024 reconcile to the opening loss allowances as follows:

	Group		Company	
	2025	2024	2025	2024
Opening loss allowance at 1 April	13,258,653	10,838,461	-	-
Increase in loss allowance recognised in profit or loss	2,873,102	2,420,192	-	-
Unused amount reversed	-	-	-	-
Closing loss allowance at 31 March	16,131,755	13,258,653	-	-

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the group, and a failure to make contractual payments for a period of greater than 120 days past due.

3.5 Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient liquid funds to meet its financial obligations.

In the management of liquidity risk, the Group and Company monitor and maintain a level of cash and cash equivalents deemed adequate by the management to finance the Company's and the Group's operations and to mitigate the effects of fluctuations in cash flows. Due to the nature of the underlying business, the Group and Company aim at maintaining flexibility in funding by keeping credit lines available.

The table below analyses the Group's and the Company's non-derivative financial liabilities into relevant maturity Groupings based on the remaining period at the statement of financial position date to the contractual maturity date.

Group	Less than 3 months	Between 3 months and 1 year	Between year 1 and year 2	Between year 2 and year 5	Over 5 years
As at 31 March 2025					
Borrowings	68,373,705	744,269,248	21,940,389	-	-
Trade and other payables	227,457,555	4,301,507	3,758,508	7,831,715	-
Lease liabilities	30,000,000	60,382,471	-	-	-
As at 31 March 2024					
Borrowings	116,186,286	622,476,983	36,594,513	-	-
Trade and other payables	250,158,213	6,128,009	2,220,850	-	-
Lease liabilities	27,925,983	15,044,940	26,746,560	-	-
Company	Less than 3 months	Between 3 months and 1 year	Between year 1 and year 2	Between year 2 and year 5	Over 5 years
As at 31 March 2025					
Borrowings	-	-	-	-	-
Trade and other payables	35,482,071	4,301,507	3,758,508	7,831,715	-
As at 31 March 2024					
Borrowings	-	-	-	-	-
Trade and other payables	25,860,523	6,128,009	2,220,850	-	-

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(all amounts in Sri Lanka Rupees unless otherwise stated)

3.6 Capital risk management

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

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

Consistent with others in the industry, the Group and Company monitor capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings and leases (including 'current and non-current borrowings and leases as shown in the balance sheet) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the statement of financial position plus net debt. Total equity is calculated as 'Total equity' in the statement of financial position.

The gearing ratio as at 31 March were as follows:

	2025	2024
Group		
Total borrowings and leases	894,986,853	838,066,324
Less: Cash and cash equivalents	(133,373,267)	(19,453,879)
Net debt	761,613,586	818,612,445
Total equity	5,073,827,364	3,593,718,482
Total capital	5,835,440,950	4,412,330,927
Gearing ratio	13.05%	18.55%
Company		
Total borrowings and leases	-	-
Less: Cash and cash equivalents	(81,870,736)	(7,581,548)
Net debt	-	-
Total equity	2,838,439,005	2,292,681,225
Total capital	2,838,439,005	2,292,681,225
Gearing ratio	-	-

3.7 Fair value estimation

The table below analyses financial instruments carried at fair value by valuation methods. The different levels have been defined as follows;

- » Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- » Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- » Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3)

Group	Level 1	Level 2	Level 3	Total
31 March 2025				
Assets				
Financial assets at fair value through profit or loss				
Investment in unit trusts	13,379,802	-	-	13,379,802
Investment in equity shares	1,630,593,237	-	-	1,630,593,237
Financial Assets at FVOCI				
Investment in equity shares	1,861,316,449	-	966,396,570	2,827,713,019
	3,505,289,488	-	966,396,570	4,471,686,058

31 March 2024				
Assets				
Financial assets at fair value through profit or loss				
Investment in unit trusts	12,521,260	-	-	12,521,260
Investment in equity shares	1,093,747,151	-	-	1,093,747,151
Financial Assets at FVOCI				
Investment in equity shares	1,240,577,348	-	543,410,626	1,783,987,974
	2,346,845,759	-	543,410,626	2,890,256,385

Company	Level 1	Level 2	Level 3	Total
31 March 2025				
Assets				
Financial assets at fair value through profit or loss				
Investment in unit trusts	11,509,241	-	-	11,509,241
Investment in equity shares	116,490,561	-	-	116,490,561
Financial Assets at FVOCI				
Investment in equity shares	742,859,825	-	874,585,756	1,617,445,581
	870,859,627	-	874,585,756	1,745,445,383

31 March 2024				
Assets				
Financial assets at fair value through profit or loss				
Investment in unit trusts	11,044,028	-	-	11,044,028
Investment in equity shares	77,496,116	-	-	77,496,116
Financial Assets at FVOCI				
Investment in equity shares	509,036,460	-	477,474,421	986,510,881
	597,576,604	-	477,474,421	1,075,051,025

(i) Valuation techniques used to determine fair values

Specific valuation techniques used to value financial instruments include:

- » the use of quoted market prices
- » for other financial instruments - adjusted net assets value

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(ii) Fair value measurements using significant unobservable inputs (level 3).

The following table presents the changes in level 3 items for the periods ended 31 March 2025 and 31 March 2024:

Subsequent measurement for the level 3 items performed based on "Adjusted Net Asset Value Approach"

	Unlisted equity securities FVTOCI	
	Group	Company
Opening balance 1 April 2023	274,597,680	215,611,156
Additions	270,000,000	270,000,000
Reclassified	(38,518,506)	(36,191,884)
Loss recognised in other comprehensive income	37,331,452	28,055,149
Closing balance 31 March 2024	543,410,626	477,474,421
Opening balance 1 April 2024	543,410,626	477,474,421
Additions	128,861,551	128,861,551
Reclassified	-	-
Gain recognised in other comprehensive income	294,124,393	268,249,784
Closing balance 31 March 2025	966,396,570	874,585,756

(iii) Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements (see (i) above for the valuation techniques adopted):

Description	Fair value at		Un-observable inputs	Range of inputs		Relationship of unobservable inputs to fair value
	31 March 2025	31 March 2024		2025	2024	
Unlisted equity shares						
- Group	966,396,570	543,410,626	Adjusted net assets value of shares held by the company	15.29 per share	10.92 per share	The higher the adjusted net assets value, the higher the fair value
- Company	874,585,756	477,474,421	- Colombo Fort Hotels Limited - Consolidated Tea Plantation Limited	91 per share	54 per share	

4. Critical accounting estimates and judgements

4.1 Critical accounting estimates and assumptions

The Group and Company make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Impairment assessment of goodwill

The Group tests goodwill for impairment annually in accordance with its accounting policy stated in note 2.25 (a) and whenever events or change in circumstances indicate that this is necessary within the financial year. The cash generating unit, being the lowest level of assets for which there are separately identifiable cash flows, was assessed as the subsidiary for the purpose of such testing of impairment of goodwill.

The recoverable amount of the CGU is determined based on Value - In - Use (VIU) calculations.

The VIU calculations apply Discounted Cash Flow Model using cash flow projections based on the forecasts and projections approved by the management covering a five year period.

Cash flows beyond the five year period are extrapolated using the estimated growth rate as stated below. The growth rate does not exceed the long-term average growth rate for the business in which the CGU operates.

In the Discounted Cash Flow (DCF) model, the free cash flows have been discounted by the pre-tax discount rate.

The subsidiary is engaged in the business of asset management, fund and portfolio management, and management of Trusts including unit trusts and investment trusts and to act as trustees thereof.

These forecasts and projections reflect management expectations of revenue growth, operating costs and margins for the CGU based on past experience and future plans and strategies.

The following assumptions were applied in the value in use computation.

The following assumptions were applied in the value in use computation.

1. EBITDA margin

Projected EBITDA margin is determined based on expected growth potential of the business.

2. Free cash flow (FCF) growth rate

FCF growth projections are based on expected growth in operational cashflows.

3. Pre-tax discount rate

Pre-tax discount rate of the Group is used as the discount rate for cash flow projections.

4. Terminal growth rate

Terminal growth reflects the management expectations on the growth potential of the business in Sri Lanka for the foreseeable future

Given below are the projected variables used for the impairment test for 2025 and 2024:

	2025	2024
EBITDA margin (1)	78%	95%
Free cash flow growth rate (2)	9%	5%
Pre-tax discount rate (3)	8%	16%
Terminal growth rate (4)	7%	7%

Based on the impairment test performed, the recoverable amounts exceed the carrying value, hence no provision for impairment of goodwill was recognised as of 31 March 2025.

Impact of possible changes in key assumptions

The Group's review includes an impact assessment of change in key assumptions. Sensitivity analysis shows that no impairment loss is required for the carrying value of the goodwill, including where realistic variances are applied to key assumptions.

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Defined benefit plan - gratuity

The present value of the defined benefit plan depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for defined benefit plan include the discount rate, future salary increase rate, mortality rate, withdrawal and disability rates and retirement age. Any changes in these assumptions will impact the carrying amount of defined benefit plan. The Group and Company determine the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows, expected to be required to settle the defined benefit plan. In determining the appropriate discount rate, the Group and Company consider the interest yield of long term government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related defined benefit plan. Other key assumptions for defined benefit plan are based in part on current market conditions.

Impairment of receivables

The Company and the Group review all receivables at the date of statement of financial position to assess whether an allowance should be recorded in the statement of profit or loss. Management uses judgment in estimating such amounts in the light of the duration of outstanding and any other factors management are aware of that indicates uncertainty in recovery.

Contingent liabilities

Determination of the treatment of contingent liabilities in the financial statements is based on the management's view of the expected outcome of the applicable contingency. The Group consults with legal counsel on matters related to litigation and other experts both within and outside the Group and Company with respect to matters in the ordinary course of business.

4.2 Critical judgements in applying the entity's accounting policies

(a) Critical judgements in determining the lease term - SLFRS 16

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

For leases of buildings and motor vehicles, the following factors are normally the most relevant:

- » If there are significant penalties to terminate (or not extend), the Group and Company is typically reasonably certain to extend (or not terminate);
- » If any leasehold improvements are expected to have a significant remaining value, the Group and Company is typically reasonably certain to extend (or not terminate), and
- » Otherwise, the Group and Company considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset;

Most extension options in buildings and motor vehicles leases have not been included in the lease liability, because the Group and Company could replace the assets without significant cost or business disruption.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Group and Company becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

5. Segment information

Operating segments are reported being consistent with the internal management reporting practices towards the Board of Directors who are the strategic decision makers of the Group. Based on the above internal process revenue, cost, depreciation, amortization, assets and liabilities are allocated under the below segments.

(a) Primary reporting format - business segments

The Group is organised into three main business segments:

- » Sale of motor vehicles which includes import and sale of motor vehicles along with the provision of value added services to the customer.
- » Providing motor vehicle repair and maintenance services including sale of spare parts and workshop related activities for value addition.
- » Investment and property holding where the entity engages in leasing out its investment properties and earning a rental income amongst other investment activities.

The segment results for the year ended 31 March 2025 are as follows:

	Motor vehicle sales	Repair & maintenance services	Investment & property holding	Group
Total segmental revenue	7,381,261	239,480,070	104,644,517	351,505,848
	7,381,261	239,480,070	104,644,517	351,505,848
Operating profit	490,444	15,912,137	685,658,751	702,061,332
Finance income	-	-	2,267,616	2,267,616
Finance costs	(2,734,511)	(88,719,362)	-	(91,453,873)
Finance (costs) / income - net	(2,734,511)	(88,719,362)	2,267,616	(89,186,257)
Profit before income tax	(2,244,067)	(72,807,225)	687,926,367	612,875,075
Income tax expense	-	-	(21,319,833)	(21,319,833)
Net profit	(2,244,067)	(72,807,225)	666,606,534	591,555,242

The segment results for the year ended 31 March 2024 are as follows:

	Motor vehicle sales	Repair & maintenance services	Investment & property holding	Group
Total segmental revenue	-	222,688,903	82,996,899	305,685,802
	-	222,688,903	82,996,899	305,685,802
Operating profit	-	(6,258,241)	328,220,941	321,962,700
Finance income	-	-	60,174,145	60,174,145
Finance costs	-	(139,135,912)	-	(139,135,912)
Finance (costs) / income - net	-	(139,135,912)	60,174,145	(78,961,767)
Profit before income tax	-	(145,394,153)	388,395,086	243,000,933
Income tax expense	-	-	(34,683,250)	(34,683,250)
Net profit	-	(145,394,153)	353,711,836	208,317,683

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5. Segment information contd.

Other segment items included in the income statement are as follows -

Year ended 31 March 2025 are as follows:	Motor vehicle sales	Repair & maintenance services	Investment & property holding	Group
Depreciation of property, plant & equipment, investment property and right of use assets	-	25,425,793	7,481,656	32,907,449

Year ended 31 March 2024 are as follows:	Motor vehicle sales	Repair & maintenance services	Investment & property holding	Group
Depreciation of property, plant & equipment, investment property and right of use assets	-	25,290,238	7,038,779	32,329,017

The segment assets and liabilities at 31 March 2025 and capital expenditure for the year then ended are as follows:

Year ended 31 March 2025 are as follows:	Motor vehicle sales	Repair & maintenance services	Investment & property holding	Group
Assets	18,851,110	607,912,764	5,680,360,683	6,307,124,557
Liabilities	31,193,361	1,064,628,670	137,475,162	1,233,297,193
Capital expenditure		2,086,310	1,618,650	3,704,960

The segment assets and liabilities at 31 March 2024 and capital expenditure for the year then ended are as follows:

Year ended 31 March 2024 are as follows:	Motor vehicle sales	Repair & maintenance services	Investment & property holding	Group
Assets	-	604,977,167	4,124,209,641	4,729,186,808
Liabilities	-	1,071,231,069	64,237,257	1,135,468,326
Capital expenditure	-	1,168,949	25,800	1,194,749

Inter segment transfers or transactions are entered into under the normal commercial terms and conditions that would also be available to unrelated third parties.

Segment assets consist primarily of property, plant and equipment, investment property, intangible assets, inventories, trade and other receivables cash and cash equivalents and other assets.

Segment liabilities comprise operating and other liabilities.

Capital expenditure comprises additions to property, plant and equipment, investment property and intangible assets.

(b) Secondary reporting format - geographical segments

The Group's business segments operate in one main geographical area, hence they do not qualify for secondary reporting.

6. Property, plant and equipment

Group	Freehold land	Buildings	Plant, machinery & other equipment	Motor vehicles	Total
Year ended 31 March 2024					
Opening net book amount	293,000,000	84,031,565	16,858,221	1,545,214	395,435,000
Additions	-	-	1,194,749	-	1,194,749
Disposals	-	-	(175,000)	-	(175,000)
Depreciation charge (note 24)	-	(7,097,274)	(2,061,540)	(751,842)	(9,910,656)
Depreciation on disposal	-	-	146,191	-	146,191
Closing net book amount	293,000,000	76,934,291	15,962,621	793,372	386,690,284
At 31 March 2024					
Cost or fair value	293,000,000	138,228,300	80,940,101	35,379,547	547,547,948
Accumulated depreciation	-	(61,294,009)	(64,977,480)	(34,586,175)	(160,857,664)
Net book amount	293,000,000	76,934,291	15,962,621	793,372	386,690,284
Year ended 31 March 2025					
Opening net book amount	293,000,000	76,934,291	15,962,621	793,372	386,690,284
Additions	-	-	3,359,960	-	3,359,960
Disposals	-	-	-	(8,774,627)	(8,774,627)
Revaluation surplus	39,500,000	7,003,407	-	-	46,503,407
Depreciation charge (note 24)	-	(7,097,274)	(2,394,964)	(638,192)	(10,130,430)
Depreciation on disposal	-	-	-	8,619,447	8,619,447
Closing net book amount	332,500,000	76,840,424	16,927,617	-	426,268,041
At 31 March 2025					
Cost or fair value	332,500,000	145,231,707	84,300,061	26,604,920	588,636,688
Accumulated depreciation	-	(68,391,283)	(67,372,444)	(26,604,920)	(162,368,647)
Net book amount	332,500,000	76,840,424	16,927,617	-	426,268,041

Property, plant and equipment in use of the Group include fully depreciated assets, which amounted to LKR 112,164,394 (2024 - LKR 113,961,444) as of reporting period end.

The Group reassessed its accounting policy for freehold land under property, plant and equipment with respect to measurement of a land after initial recognition in 2018/2019. The Group applied the revaluation model prospectively in 2018/2019.

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6. Property, plant and equipment contd.

Details of the valuation of freehold land are given below:

Company	Description of Property	Fair Value of Land	No of Buildings	Valuation Technique	Significant Unobservable Inputs	Estimates for Unobservable Inputs	Level of Fair Value Hierarchy	Sensitivity of Fair Value to Unobservable Inputs	Valuation date	Valuer
Colonial Motors (Ceylon) Limited	41/35, Nagahamulla Road, Thalangama South	332,500,000	9	Direct comparison method of valuation	Price per Perch	133 Perches of Land @ LKR 2,500,000/- per perch.	Level - 03	Positivity Correlated Sensitivity	31.03.2025	WikiFrank Chartered Valuers (Pvt) Ltd

If freehold land was stated on a historical cost basis, the amounts would be as follows:

	2025	2024
Freehold land		
Cost	67,245,720	67,245,720
Accumulated depreciation	-	-
Net book amount	67,245,720	67,245,720

The fair value of land was determined by means of a revaluation during the financial year ended 31 March 2025. The valuation was performed by WikiFrank Chartered Valuers (Pvt) Ltd a Chartered Valuation Surveyor who is an accredited independent valuer who has valuation experience for similar Land in Sri Lanka. Fair value of the Land was determined using the direct comparison method.

Company	Buildings	Plant, machinery & other equipment	Total
Year ended 31 March 2024			
Opening net book amount	826,709	956,931	1,783,640
Additions	-	25,800	25,800
Depreciation charge (note - 24)	(56,048)	(322,563)	(378,611)
Closing net book amount	770,661	660,168	1,430,829
At 31 March 2024			
Cost or fair value	1,120,959	9,960,791	11,081,750
Accumulated depreciation	(350,298)	(9,300,623)	(9,650,921)
Net book amount	770,661	660,168	1,430,829
Year ended 31 March 2025			
Opening net book amount	770,661	660,168	1,430,829
Additions	-	1,273,650	1,273,650
Depreciation charge (note 24)	(56,048)	(406,782)	(462,830)
Closing net book amount	714,613	1,527,036	2,241,649
At 31 March 2025			
Cost or fair value	1,120,959	11,234,441	12,355,400
Accumulated depreciation	(406,346)	(9,707,405)	(10,113,751)
Net book amount	714,613	1,527,036	2,241,649

Property, plant and equipment in use of the Company include fully depreciated assets, which amounted to LKR. 8,848,590 (2024 - LKR 8,807,715) as of reporting period end.

7. Investment property

	Group		Company	
	2025	2024	2025	2024
At 1 April - Opening balance	1,051,275,711	1,057,935,878	1,051,275,711	1,057,935,878
Additions	345,000	-	345,000	-
Transferred from capital work-in-progress (note 7)	12,665,519	-	12,665,519	-
Depreciation charge (note 24)	(7,018,825)	(6,660,167)	(7,018,825)	(6,660,167)
At 31 March	1,057,267,405	1,051,275,711	1,057,267,405	1,051,275,711
At 31 March				
Cost				
- Land	997,610,249	997,610,249	997,610,249	997,610,249
- Building	146,213,852	133,203,333	146,213,852	133,203,333
	1,143,824,101	1,130,813,582	1,143,824,101	1,130,813,582
Accumulated depreciation	(86,556,696)	(79,537,871)	(86,556,696)	(79,537,871)
At 31 March	1,057,267,405	1,051,275,711	1,057,267,405	1,051,275,711

The Group has initially accounted for the investment property at cost, and subsequently accounted for it under the cost model in accordance with the policy adopted by its ultimate parent. The investment property is depreciated using a straight line method over its estimated useful life of 20 years.

Rental income as disclosed in note 21 - revenue, is generated by the Investment property at 297, Union Place, Colombo 02. Material direct expenses attributable to the above property are Repairs and maintenance expenditures, utilities, business running expenses and non - refundable government taxes as disclosed in note 24 - Expenses by nature.

Details of the valuation of the land and buildings under Investment Property of the Company carried out by WikiFrank Chartered Valuers (Pvt) Ltd is as follows:

a. Property at Union Place

Total extent of land	206 perches
Total valuation for land and building	3,807,591,000
Number of Buildings	2
Location	No. 297, Dr. Colvin R. De Silva Mawatha, Colombo 02
Date of valuation	31 March 2025
Valuation Technique	Depreciated Replacement Cost and Comparative method
Estimates for observable Inputs	203.46 Perches @ LKR18,000,000/- per perch for land, 18,600 sq.ft @LKR.5,000/- per sq.ft, 6,684 sq.ft @Rs.4,000/- and 8,525 sq.ft @Rs.3,000/- for buildings
Level of Fair Value Hierarchy	Level 2

b. Property at Pelawatta

Total extent of land	109.2 perches
Total valuation for land and building	382,200,000
Number of Buildings	-
Location	479/G Pannipitiya Road, Thalangama South, Battaramulla
Date of valuation	31 March 2025
Valuation Technique	Comparative method
Estimates for observable Inputs	109.2 Perches @ LKR 3,500,000/- per perch
Level of Fair Value Hierarchy	Level 2

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(all amounts in Sri Lanka Rupees unless otherwise stated)

7. Investment property contd.

The market comparable method involves comparing the prices of comparable properties located in the same area.

The valuation was performed by WikiFrank Chartered Valuers (Pvt) Ltd who is an external independent property valuer, having appropriate recognised professional qualifications and recent experience in the location and the category of the property being valued.

(i) Leasing arrangements

The investment properties are leased to tenants under operating leases, with rentals payable monthly. Lease income from operating leases where the Group/Company is a lessor is recognised in income on a straight-line basis over the lease term.

There are no variable lease payments that depend on an index or rate. Where considered necessary to reduce credit risk, the Group and the Company may obtain bank guarantees for the term of the lease. Although the Group and the Company are exposed to changes in the residual value at the end of the current leases, the Group and the Company typically enter into new operating leases and therefore will not immediately realise any reduction in residual value at the end of these leases. Expectations about future residual values are reflected in the fair value of the properties.

Minimum lease payments receivable on leases of investment properties are as follows:

	Group		Company	
	2025	2024	2025	2024
Within 1 year	99,430,176	104,224,516	99,430,176	104,224,516
Between 1 and 2 years	72,538,939	99,045,171	72,538,939	99,045,171
Between 2 and 3 years	75,888,342	72,538,941	75,888,342	72,538,941
Between 3 and 4 years	72,864,402	75,888,352	72,864,402	75,888,352
Between 4 and 5 years	54,472,743	72,864,407	54,472,743	72,864,407
Later than 5 years	290,276,636	351,524,887	290,276,636	351,524,887
	665,471,238	776,086,274	665,471,238	776,086,274

7.1 Capital work - in - progress

	Group		Company	
	2025	2024	2025	2024
At 1 April	13,087,187	-	13,087,187	-
Additions	903,400	13,087,187	903,400	13,087,187
Transferred to investment property (note 7)	(12,665,519)	-	(12,665,519)	-
Reversals	(1,325,068)	-	(1,325,068)	-
At 31 March	-	13,087,187	-	13,087,187

8. Intangible assets

Group	Goodwill	Software	Total
Year ended 31 March 2024			
Opening net book amount	4,870,824	-	4,870,824
Amortisation charge	-	-	-
Closing net book amount	4,870,824	-	4,870,824
At 31 March 2024			
Cost	4,870,824	-	4,870,824
Accumulated amortisation	-	-	-
Net book amount	4,870,824	-	4,870,824
Year ended 31 March 2025			
Opening net book amount	4,870,824	-	4,870,824
Amortisation charge	-	-	-
Closing net book amount	4,870,824	-	4,870,824
At 31 March 2025			
Cost	4,870,824	-	4,870,824
Accumulated amortisation	-	-	-
Net book amount	4,870,824	-	4,870,824

Goodwill represents the excess of the cost of acquisition of the net assets of Guardian Asset Management Limited.

9. Right of use assets and Leases

Right of Use Asset

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability (present value of future lease payments discounted using the Group's incremental borrowing rate) adjusted for any lease payments made at or before the commencement date, plus any initial direct cost incurred. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the early of the end of the useful life of the right-of-use asset or the end of the lease term. The movement of Right of Use lease asset of the Group is as follows,

Year ended 31 March 2024

	Balance as at 1 April 2023	Additions	Adjustment on termination	Balance as at 31 March 2024
At Gross Value				
Property at Peliyagoda (Plan no: 2921)	34,024,141	-	-	34,024,141
Property at Peliyagoda (Plan no: 3179)	18,205,006	-	-	18,205,006
Property at Peliyagoda (Plan no: 2006/299)	63,330,927	-	-	63,330,927
	115,560,074	-	-	115,560,074
Accumulation Depreciation				
Property at Peliyagoda (Plan no: 2921)	18,558,622	4,639,656	-	23,198,278
Property at Peliyagoda (Plan no: 3179)	9,930,004	2,482,502	-	12,412,506
Property at Peliyagoda (Plan no: 2006/299)	34,544,140	8,636,036	-	43,180,176
	63,032,766	15,758,194	-	78,790,960

Notes to the Financial Statements

(all amounts in Sri Lanka Rupees unless otherwise stated)

9. Right of use assets and Leases contd.

Year ended 31 March 2025

	Balance as at 1 April 2024	Additions	Adjustment on termination	Balance as at 31 March 2025
At Gross Value				
Property at Peliyagoda (Plan no: 2921)	34,024,141	-	-	34,024,141
Property at Peliyagoda (Plan no: 3179)	18,205,006	-	-	18,205,006
Property at Peliyagoda (Plan no: 2006/299)	63,330,927	-	-	63,330,927
	115,560,074	-	-	115,560,074
Accumulation Depreciation				
Property at Peliyagoda (Plan no: 2921)	23,198,278	4,639,656	-	27,837,934
Property at Peliyagoda (Plan no: 3179)	12,412,506	2,482,502	-	14,895,008
Property at Peliyagoda (Plan no: 2006/299)	43,180,176	8,636,036	-	51,816,212
	78,790,960	15,758,194	-	94,549,154
Net Book Values				
				Balance as at
				31 March 2025 31 March 2024
Property at Peliyagoda (Plan no: 2921)				6,186,207 10,825,863
Property at Peliyagoda (Plan no: 3179)				3,309,998 5,792,500
Property at Peliyagoda (Plan no: 2006/299)				11,514,715 20,150,751
				21,010,920 36,769,114

Lease Liabilities/Lease Creditors

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 can not be readily determined, the Group's incremental borrowing rate. The movement of Lease creditor for the period is as follows,

	Balance as at 1 April 2023	Interest expense recognized in profit or loss	Repayment of liability	Adjustment on termination	Balance as at 31 March 2024
Property at Peliyagoda (Plan no: 2921)	28,467,036	2,218,642	(3,080,000)	-	27,605,678
Property at Peliyagoda (Plan no: 3179)	22,120,197	1,188,559	-	-	23,308,756
Property at Peliyagoda (Plan no: 2006/299)	10,503,303	1,390,806	-	-	11,894,109
	61,090,536	4,798,007	(3,080,000)	-	62,808,543
			Amount repayable within 1 year	Amount repayable after 1 year	Total
Property at Peliyagoda (Plan no: 2921)			17,749,678	9,856,000	27,605,678
Property at Peliyagoda (Plan no: 3179)			18,028,756	5,280,000	23,308,756
Property at Peliyagoda (Plan no: 2006/299)			2,934,109	8,960,000	11,894,109
			38,712,543	24,096,000	62,808,543

	Balance as at 1 April 2024	Interest expense recognized in profit or loss	Repayment of liability	Adjustment on termination	Balance as at 31 March 2025
Property at Peliyagoda (Plan no: 2921)	27,605,678	1,533,607	(6,120,000)	-	23,019,285
Property at Peliyagoda (Plan no: 3179)	23,308,756	821,575	-	-	24,130,331
Property at Peliyagoda (Plan no: 2006/299)	11,894,109	1,359,786	-	-	13,253,895
	62,808,543	3,714,968	(6,120,000)	-	60,403,511

	Amount repayable within 1 year	Amount repayable after 1 year	Total
Property at Peliyagoda (Plan no: 2921)	20,618,139	2,401,146	23,019,285
Property at Peliyagoda (Plan no: 3179)	22,844,003	1,286,328	24,130,331
Property at Peliyagoda (Plan no: 2006/299)	10,375,216	2,878,679	13,253,895
	53,837,358	6,566,153	60,403,511

Lease Liabilities	As at 31 March 2025	31 March 2024
Less than 3 months	30,000,000	25,158,543
Between 3 months and 1 year	23,837,358	13,554,000
Between year 1 and year 2	6,566,153	24,096,000
	60,403,511	62,808,543

The total cash outflow for leases in 2024/2025 is LKR 6,120,000 (2023/2024- LKR 3,080,000).

Notes to the Financial Statements

(all amounts in Sri Lanka Rupees unless otherwise stated)

10. Investments in subsidiaries

The Group has the following principal subsidiary undertakings as at 31 March 2025

Name	Proportion of ordinary shares		
	directly held by parent	held by group	held by non - controlling interests
Union Investments (Private) Limited	99.99%	99.99%	-
Guardian Asset Management Limited	75.00%	93.75%	6.25%
Colonial Motors (Ceylon) Limited	99.99%	99.99%	-

Investments at cost	31 March	
	2025	2024
Union Investments (Private) Limited	2,000,000	2,000,000
Guardian Asset Management Limited	12,000,000	12,000,000
Colonial Motors (Ceylon) Limited	216,999,980	216,999,980
	230,999,980	230,999,980
Impairment of investments		
Colonial Motors (Ceylon) Limited	(216,999,980)	(216,999,980)
Net investments	14,000,000	14,000,000
	2025	2024
At the end of the year	14,000,000	14,000,000

The Investment in Colonial Motors (Ceylon) Limited was fully impaired as at 31 March 2020 due to continuous losses made by the entity led by adverse economic conditions in the motor vehicle industry. The investment was impaired based on the negative net asset value position as at 2019/2020 since the industry has seen no improvement and unpredictability of future cashflows under the prevailing economic conditions.

(a) Details of the principal activities of each subsidiaries, are set out below.

Name of the subsidiary	Principal activities
» Union Investments (Private) Limited	» Carrying on the business of an investment company
» Guardian Asset Management Limited	» Asset management funds, portfolio management and the management of all types of trust.
» Colonial Motors (Ceylon) Limited	» Import and sale of motor vehicles, and spare parts and providing vehicle maintenance services.

(b) No provision for impairment of long term investments carried at cost was required, other than the amounts mentioned under note 10 - impairment of investments.

(c) All subsidiary undertakings are included in the consolidation. The proportion of the voting rights in the subsidiary undertakings held directly by the parent company do not differ from the proportion of the ordinary shares held.

11. Financial Instruments

(a) Financial instruments by category

Group

31 March 2025

Assets as per statement of financial position	Fair value through profit or loss	Fair value through OCI	Amortized Cost	Total
Investments in unit trust	13,379,802	-	-	13,379,802
Equity investment	1,630,593,237	2,827,713,019	-	4,458,306,256
Trade and other receivables (excluding pre-payments)	-	-	49,654,576	49,654,576
Cash and cash equivalents	-	-	133,373,267	133,373,267
Total	1,643,973,039	2,827,713,019	183,027,843	4,654,713,901

Liabilities as per statement of financial position	Amortized Cost	Total
Borrowings	834,583,342	834,583,342
Trade and other payables	243,349,285	243,349,285
Lease liabilities	60,403,511	60,403,511
Total	1,138,336,138	1,138,336,138

31 March 2024

Assets as per statement of financial position	Fair value through profit or loss	Fair value through OCI	Amortized Cost	Total
Investments in unit trust	12,521,260	-	-	12,521,260
Equity investment	1,093,747,151	1,783,987,974	-	2,877,735,125
Trade and other receivables(excluding pre-payments)	-	-	173,458,309	173,458,309
Cash and cash equivalents	-	-	19,453,879	19,453,879
Total	1,106,268,411	1,783,987,974	192,912,188	3,083,168,573

Liabilities as per statement of financial position	Amortized Cost	Total
Borrowings	775,257,782	775,257,782
Trade and other payables	258,507,072	258,507,072
Lease liabilities	62,808,543	62,808,543
Total	1,096,573,397	1,096,573,397

Notes to the Financial Statements

(all amounts in Sri Lanka Rupees unless otherwise stated)

11. Financial Instruments (contd.)

Company

31 March 2025

Assets as per statement of financial position	Fair value through profit or loss	Fair value through OCI	Amortized Cost	Total
Investments in unit trust	11,509,241	-	-	11,509,241
Equity investment	116,490,561	1,617,445,581	-	1,733,936,142
Trade and other receivables (excluding pre-payments)	-	-	36,379,462	36,379,462
Cash and cash equivalents	-	-	81,870,736	81,870,736
Total	127,999,802	1,617,445,581	118,250,198	1,863,695,581

Liabilities as per statement of financial position	Amortized Cost	Total
Borrowings	-	-
Trade and other payables	51,373,801	51,373,801
Total	51,373,801	51,373,801

31 March 2024

Assets as per statement of financial position	Fair value through profit or loss	Fair value through OCI	Amortized Cost	Total
Investments in unit trust	11,044,028	-	-	11,044,028
Equity investment	77,496,116	986,510,881	-	1,064,006,997
Trade and other receivables (excluding pre-payments)	-	-	192,174,832	192,174,832
Cash and cash equivalents	-	-	7,581,548	7,581,548
Total	88,540,144	986,510,881	199,756,380	1,274,807,405

Liabilities as per statement of financial position	Amortized Cost	Total
Borrowings	-	-
Trade and other payables	34,209,382	34,209,382
Total	34,209,382	34,209,382

(b) Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates:

Group	2025	2024
Trade receivables		
<i>Counterparties without external credit rating</i>		
Group 1	13,701,138	16,133,035
Group 2	3,233,969	5,018,937
Group 3	-	-
Total	16,935,107	21,151,972

Cash at bank and short-term bank deposits (Fitch ratings)		
A+Ika to A-Ika	131,139,753	18,965,189
Below A	-	-
Counterparties without external credit rating, and cash in hand	2,233,514	488,690
Total	133,373,267	19,453,879

Company	2025	2024
Trade receivables		
<i>Counterparties without external credit rating</i>		
Group 1	37,081	-
Group 2	-	-
Group 3	-	-
Total	37,081	-

Cash at bank and short-term bank deposits (Fitch ratings)		
A+Ika to A-Ika	81,870,736	7,581,548
Below A	-	-
Counterparties without external credit rating, and cash in hand	-	-
Total	81,870,736	7,581,548

Group 1 - new customers and existing customers (less than 6 months).

Group 2 - existing customers (more than 6 months) with no defaults in the past.

Group 3 - existing customers (more than 6 months) with some defaults in the past. All defaults were fully recovered

Notes to the Financial Statements

(all amounts in Sri Lanka Rupees unless otherwise stated)

11. Financial Instruments (contd.)

(c) Financial assets / liabilities at fair value through profit or loss

(i) Net financial assets and liabilities at fair value through profit or loss are as follows;

	Group		Company	
	2025	2024	2025	2024
Investment in unit trust	13,379,802	12,521,260	11,509,241	11,044,028
Equity investment	1,630,593,237	1,093,747,151	116,490,561	77,496,116
	1,643,973,039	1,106,268,411	127,999,802	88,540,144

(ii) The movement of the financial assets at fair value through profit or loss is as follows

	Group		Company	
	2025	2024	2025	2024
Investment in unit trusts	12,521,260	11,814,742	11,044,028	10,696,711
Equity investment	1,093,747,151	942,334,080	77,496,116	64,386,892
	1,106,268,411	954,148,822	88,540,144	75,083,603
Additions				
Investment in unit trusts	-	-	-	-
Equity investment	33,263,978	15,379,217	1,310,804	553,727
	33,263,978	15,379,217	1,310,804	553,727
Disposals				
Equity investment	(9,609,139)	(28,336,972)	-	(12,830)
	(9,609,139)	(28,336,972)	-	(12,830)
Market fair value changes				
- to statement of profit or loss				
Investment in unit trusts (Note 23)	858,542	706,518	465,213	347,317
Equity investment (Note 23)	513,191,247	164,370,826	37,683,641	12,568,327
	514,049,789	165,077,344	38,148,854	12,915,644
At the end of the year				
Investment in unit trusts	13,379,802	12,521,260	11,509,241	11,044,028
Equity investment	1,630,593,237	1,093,747,151	116,490,561	77,496,116
	1,643,973,039	1,106,268,411	127,999,802	88,540,144

(d) Fair value through other comprehensive income

	Group		Company	
	2025	2024	2025	2024
Opening balance	1,783,987,974	1,163,446,347	986,510,881	470,019,139
Investment made during the year	129,308,111	525,036,710	128,861,551	492,603,802
Disposals made during the year	(1,641,481)	(94,472)	-	-
Change in fair value	916,058,415	95,599,389	502,073,149	23,887,940
As at 31 March	2,827,713,019	1,783,987,974	1,617,445,581	986,510,881

(e) Financial assets at fair value through profit or loss

Listed shares

	Group					
	31 March 2025			31 March 2024		
	Number of shares	Market value	Cost	Number of shares	Market value	Cost
Automobiles & Components						
Kelani Tyres PLC	160	12,944	934	160	11,200	934
	160	12,944	934	160	11,200	934
Banks						
Commercial Bank of Ceylon PLC	1,544,688	227,841,480	74,056,341	1,261,310	123,229,987	49,836,509
Commercial Bank of Ceylon PLC (Non Voting)	177,243	22,243,997	8,272,273	144,641	12,323,413	5,988,124
Development Finance Corporation of Ceylon PLC	128,032	13,571,392	8,302,320	126,355	9,602,980	8,087,517
Hatton National Bank PLC	371,633	113,348,065	21,833,613	364,041	65,527,380	20,595,874
Hatton National Bank PLC (Non-voting)	66,781	17,045,850	3,137,384	65,188	9,794,497	2,915,744
National Development Bank PLC	40,123	4,293,161	2,236,673	37,722	2,565,096	2,040,428
Nations Trust Bank PLC	134,556	25,565,640	3,742,187	132,656	14,260,520	3,375,385
Pan Asia Bank PLC	109,000	3,869,500	1,101,176	109,000	2,321,700	1,101,176
Sampath Bank PLC	419,389	51,375,153	14,496,768	419,389	33,551,120	14,496,768
Seylan Bank PLC (Non Voting)	490,792	26,061,055	10,372,703	473,448	17,991,024	9,769,056
Union Bank of Colombo PLC	55,000	566,500	2,500	55,000	517,000	2,500
	3,537,237	505,781,792	147,553,939	3,188,750	291,684,717	118,209,082
Capital Goods						
ACL Cables PLC	144,000	17,568,000	1,485,020	144,000	12,110,400	1,485,020
Colombo Dockyard PLC	14,880	1,178,496	841,962	14,880	723,168	841,962
Hayleys PLC	1,000,160	137,021,920	2,372,698	1,000,160	82,113,136	2,372,698
Hemas Holdings PLC	21,653	2,598,360	431,821	21,653	1,740,901	431,821
John Keells Holdings PLC	760,500	15,362,100	6,791,766	69,137	13,412,578	5,685,686
Kelani Cables PLC	400	207,800	6,557	400	112,000	6,557
Lanka Tiles PLC	125,000	6,337,500	629,625	125,000	6,462,500	629,625
Lanka Walltiles PLC	500,000	25,250,000	3,946,907	500,000	25,450,000	3,946,907
Richard Peiris & Company PLC	4,740	119,922	11,121	4,740	97,170	11,121
Sierra Cables PLC	824,000	12,936,800	1,515,337	824,000	9,805,600	1,515,337
Brown & Company PLC	28,900	4,573,425	2,744,783	28,900	3,179,000	2,744,783
Lankem Ceylon PLC	222,800	19,361,320	7,506,060	222,800	15,150,400	7,506,060
Vallibel One PLC	109,012	6,420,807	2,600,000	109,012	5,505,106	2,600,000
	3,756,045	248,936,450	30,883,657	3,064,682	175,861,959	29,777,577
Balance carried forward	7,293,442	754,731,186	178,438,530	6,253,592	467,557,876	147,987,593

Notes to the Financial Statements

(all amounts in Sri Lanka Rupees unless otherwise stated)

11. Financial Instruments (contd.)

(e) Financial assets at fair value through profit or loss (contd.)

	Group					
	31 March 2025			31 March 2024		
	Number of shares	Market value	Cost	Number of shares	Market value	Cost
Balance brought forward	7,293,442	754,731,186	178,438,530	6,253,592	467,557,876	147,987,593
Consumer Durables & Apparel						
Dankotuwa Porcelain PLC	42,500	981,750	348,589	42,500	1,045,500	348,589
Hayleys Fabric PLC	17,180	773,100	194,121	17,180	706,098	194,121
Hayleys Fibre PLC	1,467	67,629	21,022	1,467	76,431	21,022
Teejay Lanka PLC	10,000	510,000	150,000	10,000	376,000	150,000
Hela Apperal PLC	6,000	22,200	90,000	6,000	36,600	90,000
	77,147	2,354,679	803,732	77,147	2,240,629	803,732
Consumer Services						
Aitken Spence Hotel Holdings PLC	100,625	8,060,063	1,855,824	100,625	6,661,375	1,855,824
Amaya Leisure PLC	134,886	3,803,785	2,335,378	134,886	2,697,720	2,335,378
Asian Hotels Properties PLC	72,000	3,816,000	988,895	72,000	4,392,000	988,895
Dolphin Hotels PLC	20,000	914,000	275,131	20,000	702,000	275,131
Renuka City Hotels PLC	12,740	6,057,870	896,879	12,740	4,586,400	896,879
Tangerine Beach Hotels PLC	11,400	798,000	348,343	11,400	671,460	348,343
Ceylon Hotel Corporation PLC	10,478	235,755	253,714	10,478	199,082	253,714
Eden Hotel PLC	350,000	4,725,000	7,005,939	350,000	4,515,000	7,005,939
Galadari Hotels PLC	7,000	118,300	60,075	7,000	117,600	60,075
Citrus Hikkaduwa PLC	64,270	212,091	781,688	33,742	158,587	674,840
John Keells Hotels PLC	530,416	10,714,403	8,907,235	530,416	9,865,738	8,907,235
Marawila Resorts PLC	10,000,000	68,000,000	17,994,264	10,000,000	34,000,000	17,994,264
Pegasus Hotels of Ceylon PLC	22,666	781,977	499,202	22,666	547,718	499,202
Royal Palms Beach PLC	15,700	518,100	628,738	15,700	471,000	628,738
Serendib Hotels PLC (Non - voting)	125,000	1,462,500	671,268	125,000	1,225,000	671,268
Taj Lanka Hotels PLC	19,500	407,550	182,097	19,500	351,000	182,097
The Light House Hotel PLC	114,800	6,669,880	1,947,676	114,800	4,093,000	1,947,676
The Fortress Resorts PLC	50	1,225	866	50	1,150	866
Palm Garden Hotels	15,164	962,914	710,548	15,164	623,240	710,548
	11,626,695	118,259,413	46,343,760	11,596,167	75,879,070	46,236,912
Balance carried forward	18,997,284	875,345,278	225,586,022	17,926,906	545,677,575	195,028,237

	Group					
	31 March 2025			31 March 2024		
	Number of shares	Market value	Cost	Number of shares	Market value	Cost
Balance brought forward	18,997,284	875,345,278	225,586,022	17,926,906	545,677,575	195,028,237
Diversified Financials						
Alliance Finance Company PLC	80,000	14,440,000	352,690	80,000	7,232,000	352,690
Central Finance PLC	40,318	7,831,772	821,367	40,318	4,303,947	821,367
Ceylon Guardian Investments Trust PLC	151,416	23,204,502	1,567,074	151,416	13,491,166	1,567,074
Ceylon Investments PLC	595,725	42,653,910	2,798,977	601,208	28,437,138	2,823,808
Lanka Orix Leasing Company Holdings PLC	355,734	211,572,797	2,917,235	355,734	141,404,265	2,917,234
Lanka Ventures PLC	396,316	15,495,955	12,893,584	339,700	9,069,990	11,404,583
Lanka Orix Finance PLC	99,250	585,575	619,623	99,250	545,875	619,623
People's Merchant Bank PLC	1,500	10,800	27,005	1,500	7,050	27,005
Merchant Bank of Sri Lanka PLC	124,879	724,298	8,170,229	124,879	636,883	8,170,229
LOLC General Insurance	2,300	17,480	18,170	2,300	14,030	18,170
Guardian Capital Partners PLC	126,387	5,826,441	8,600,766	117,879	3,359,552	8,380,050
	1,973,825	322,363,530	38,786,719	1,914,184	208,501,895	37,101,833
Energy						
Lanka IOC PLC	174,600	22,174,200	5,417,806	174,600	20,384,550	5,417,806
	174,600	22,174,200	5,417,806	174,600	20,384,550	5,417,806
Food & Staples Retailing						
Cargills (Ceylon) PLC	146,057	63,680,852	4,386,183	146,057	52,580,520	4,386,183
	146,057	63,680,852	4,386,183	146,057	52,580,520	4,386,183
Food Beverage & Tobacco						
Bukit Darah PLC	896	614,880	250,317	896	364,896	250,317
Carson Cumberbatch PLC	664	302,120	80,980	664	171,976	80,980
Ceylon Cold Stores PLC	93,200	7,642,400	177,516	93,200	5,023,480	177,516
Ceylon Grain Elevators PLC	30,000	5,640,000	301,978	30,000	5,115,000	301,978
Ceylon Tobacco Company PLC	3,500	4,725,875	140,004	3,500	4,298,875	140,004
Lanka Milk Foods PLC	1,330	57,721	3,830	1,330	36,176	3,830
Melstacorp PLC	10,000	1,270,000	652,469	10,000	880,000	652,469
	139,590	20,252,996	1,607,094	139,590	15,890,403	1,607,094
Balance carried forward	21,431,356	1,303,816,856	275,783,824	20,301,337	843,034,943	243,541,153

Notes to the Financial Statements

(all amounts in Sri Lanka Rupees unless otherwise stated)

11. Financial Instruments (contd.)

(e) Financial assets at fair value through profit or loss (contd.)

	Group					
	31 March 2025			31 March 2024		
	Number of shares	Market value	Cost	Number of shares	Market value	Cost
Balance brought forward	21,431,356	1,303,816,856	275,783,824	20,301,337	843,034,943	243,541,153
Food Beverage & Tobacco						
Renuka Agrifoods PLC	44,878	152,585	140,379	32,056	118,607	108,324
Renuka Foods PLC (voting)	25,433	279,763	326,264	25,433	356,062	326,264
Sunshine Holdings PLC	8,544	183,696	23,736	2,136	127,092	23,736
Three Acre Farms PLC	25,000	7,493,750	215,528	25,000	6,887,500	215,528
Watawala Plantations PLC	1,821,005	50,988,140	494,532	364,201	32,304,629	494,532
Hatton Plantations PLC	432,000	11,966,400	-	432,000	11,102,400	-
Keells Food Products PLC	3,570	603,330	174,451	3,570	524,790	174,451
Ceylon Tea Services PLC	1,428	1,556,520	86,333	1,428	1,421,217	86,333
Lankem Development PLC	2,400,000	42,480,000	6,137,104	2,400,000	40,560,000	6,137,104
	4,761,858	115,704,184	7,598,327	3,285,824	93,402,297	7,566,272
Health Care Equipment & Services						
Asiri Hospitals PLC	353,000	9,107,400	894,671	353,000	8,825,000	894,671
Asiri Surgical PLC	112,500	1,293,750	277,419	112,500	1,305,000	277,419
Ceylon Hospitals PLC	15,234	1,614,804	495,062	13,330	1,356,327	300,144
The Lanka Hospital Corporation PLC	33,000	2,478,300	488,930	33,000	3,828,000	488,930
	513,734	14,494,254	2,156,082	511,830	15,314,327	1,961,164
Insurance						
HNB Assurance PLC	300,000	23,310,000	1,307,990	300,000	17,820,000	1,307,990
Softlogic Life Insurance PLC	84,375	6,108,750	240,001	100,000	6,610,000	284,446
	384,375	29,418,750	1,547,991	400,000	24,430,000	1,592,436
Materials						
Chemanex PLC	17,700	2,725,800	1,557,813	17,700	1,274,400	1,557,813
Chevron Lubricants PLC	47,460	6,525,750	3,481,563	47,460	5,113,815	3,481,563
Dipped Products PLC	350,240	19,263,200	1,561,838	350,240	10,647,296	1,561,838
Tokyo Cement Company (Lanka) PLC	119,150	9,412,850	545,391	119,150	6,136,225	545,391
Tokyo Cement Company (Lanka) PLC (Non Voting)	501,050	32,417,935	3,379,162	501,050	21,996,095	3,379,162
Union Chemicals Lanka PLC	100	77,625	1,000	100	59,525	1,000
Haycarb PLC	3,450	283,245	10,090	3,450	263,925	10,090
Bogala Graphite Lanka PLC	11,200	609,280	37,270	11,200	577,920	37,270
Rich Pieris Exports PLC	39,600	14,850,000	692,400	39,600	17,344,800	692,400
Lanka Cement PLC	5,000	-	39,153	5,000	-	39,153
Pelwatte Sugar Industries PLC	5,000	-	95,792	5,000	-	95,792
	1,099,950	86,165,685	11,401,472	1,099,950	63,414,001	11,401,472
Balance carried forward	28,191,273	1,549,599,729	298,487,696	25,598,941	1,039,595,568	266,062,497

	Group					
	31 March 2025			31 March 2024		
	Number of shares	Market value	Cost	Number of shares	Market value	Cost
Balance brought forward	28,191,273	1,549,599,729	298,487,696	25,598,941	1,039,595,568	266,062,497
Real Estate						
Colombo Land & Development PLC	522,460	11,703,104	4,782,685	522,460	9,247,542	4,782,685
East West Properties PLC	48,000	628,800	338,143	48,000	398,400	338,143
York Arcade Holdings PLC	35	5,889	38	35	4,585	38
Equity Two PLC	25,200	1,005,480	217,016	25,200	1,035,720	217,016
C T Land Development PLC	3,333	84,325	13,740	3,333	76,659	13,740
Touchwood Investments PLC	600,000	-	10,602,116	600,000	-	10,602,116
	1,199,028	13,427,598	15,953,738	1,199,028	10,762,906	15,953,738
Retailing						
United Motors Lanka PLC	34,881	2,971,861	334,361	34,881	2,023,097	334,361
ODEL PLC	1,500	16,050	22,500	1,500	19,500	22,500
Singer Sri Lanka PLC	1,455,664	48,328,045	3,311,744	1,455,664	23,436,190	3,311,744
John Keells PLC	20,000	1,480,000	382,531	20,000	1,296,000	382,531
	1,512,045	52,795,956	4,051,136	1,512,045	26,774,787	4,051,136
Transportation						
Expolanka PLC	-	-	-	55,000	8,277,500	13,309,566
	-	-	-	55,000	8,277,500	13,309,566
Telecommunication Services						
Dialog Axiata PLC	15,000	214,500	224,453	15,000	175,500	224,453
	15,000	214,500	224,453	15,000	175,500	224,453
Utilities						
Panasian Power PLC	29,200	201,480	87,600	29,200	119,720	87,600
Resus Energy PLC	162,367	4,302,726	3,177,976	162,367	2,857,659	3,177,976
Vallibel Power Erathna PLC	39,017	503,319	85,634	39,017	288,726	85,634
Vidullanka PLC	707,254	9,547,929	1,799,338	652,053	4,694,783	1,029,836
	937,838	14,555,454	5,150,548	882,637	7,960,888	4,381,046
Total listed shares	31,855,184	1,630,593,237	323,867,571	29,262,651	1,093,547,151	303,982,436
Unlisted shares						
Bartleet Transcapital (Private) Limited	10,000	-	200,000	10,000	200,000	200,000
	10,000	-	200,000	10,000	200,000	200,000
Total Unlisted Shares	10,000	-	200,000	10,000	200,000	200,000
Unit trust						
NDB Wealth Growth & Income Fund	15,826	1,240,921	290,768	15,826	943,233	290,768
National Equity Fund	12,000	629,640	120,000	12,000	534,000	120,000
Ceybank Unit Trust	318,639	11,509,241	5,037,138	318,639	11,044,028	5,037,138
	346,465	13,379,802	5,447,906	346,465	12,521,260	5,447,906
Financial assets at fair value through profit or loss	32,211,649	1,643,973,039	329,515,477	29,619,116	1,106,268,411	309,630,342

Notes to the Financial Statements

(all amounts in Sri Lanka Rupees unless otherwise stated)

11. Financial Instruments (contd.)

(e) Financial assets at fair value through profit or loss (contd.)

Listed shares

	Company					
	31 March 2025			31 March 2024		
	Number of shares	Market value	Cost	Number of shares	Market value	Cost
Automobiles & Components						
Kelani Tyres PLC	160	12,944	934	160	11,200	934
	160	12,944	934	160	11,200	934
Banks						
Commercial Bank of Ceylon PLC	22,980	3,389,550	1,238,689	16,574	1,619,280	692,353
Development Finance Corporation of Ceylon PLC	6,992	741,152	358,932	6,901	524,476	347,200
Hatton National Bank PLC	63,618	19,403,490	3,731,028	62,319	11,217,420	3,519,144
Hatton National Bank PLC (Non-voting)	28,418	7,253,695	1,510,628	27,740	4,167,935	1,416,312
National Development Bank PLC	8,349	893,343	452,046	7,850	533,800	411,208
Pan Asia Bank PLC	9,000	319,500	95,298	9,000	191,700	95,298
Sampath Bank PLC	20,176	2,471,560	398,810	20,176	1,614,080	398,810
Seylan Bank PLC (Non Voting)	50,133	2,662,062	804,632	48,362	1,837,756	742,970
	209,666	37,134,352	8,590,063	198,922	21,706,447	7,623,295
Capital Goods						
ACL Cables PLC	40,000	4,880,000	419,041	40,000	3,364,000	419,041
Hayleys PLC	160	21,920	1,446	160	13,136	1,446
Hemas Holding PLC	777	93,240	16,311	777	62,471	16,311
Richard Peiris & Company PLC	195	4,934	486	195	3,997	486
Sierra Cables PLC	2,500	39,250	6,177	2,500	29,750	6,177
	43,632	5,039,344	443,461	43,632	3,473,354	443,461
Consumer Durables & Apparel						
Dankotuwa Porcelain PLC	22,500	519,750	216,647	22,500	553,500	216,647
Hela Apperal PLC	3,000	11,100	45,000	3,000	18,300	45,000
	25,500	530,850	261,647	25,500	571,800	261,647
Consumer Services						
Asian Hotels Properties PLC	20,000	1,060,000	277,228	20,000	1,220,000	277,228
Ceylon Hotel Corporation PLC	10,478	235,755	253,714	10,478	199,082	253,714
Eden Hotel PLC	100,000	1,350,000	1,960,345	100,000	1,290,000	1,960,345
John Keells Hotels PLC	76,030	1,535,806	456,180	76,030	1,414,158	456,180
Palm Garden Hotels PLC	15,164	962,913	710,548	15,164	623,240	710,548
Pegasus Hotels of Ceylon PLC	2,400	82,800	49,144	2,400	81,600	49,144
Light House Hotel PLC	24,800	1,440,880	259,528	24,800	682,000	259,528
	248,872	6,668,154	3,966,687	248,872	5,510,080	3,966,687
Balance carried forward	527,830	49,385,644	13,262,792	517,086	31,272,881	12,296,024

	Company					
	31 March 2025			31 March 2024		
	Number of shares	Market value	Cost	Number of shares	Market value	Cost
Balance brought forward	527,830	49,385,644	13,262,792	517,086	31,272,881	12,296,024
Diversified Financials						
Ceylon Guardian Investments PLC	12,887	1,974,933	368,776	12,887	1,148,232	368,776
Ceylon Investments PLC	38,784	2,776,934	276,759	38,784	1,834,483	276,759
Lanka Orix Leasing Company Holdings PLC	27,000	16,058,250	138,639	27,000	10,732,500	138,639
Lanka Ventures PLC	70,000	2,737,000	3,040,356	60,000	1,602,000	2,777,356
Merchant Bank of Sri Lanka PLC	124,879	724,298	8,170,229	124,879	636,883	8,170,229
Galle Face Capital Partners PLC	2,236	103,080	452,149	2,086	59,451	448,244
	275,786	24,374,495	12,446,908	265,636	16,013,549	12,180,003
Energy						
Lanka IOC PLC	15,800	2,006,600	665,931	15,800	1,844,650	665,931
	15,800	2,006,600	665,931	15,800	1,844,650	665,931
Food Beverage & Tobacco						
Ceylon Cold Stores PLC	36,000	2,952,000	52,293	36,000	1,940,400	52,293
Ceylon Tobacco Company PLC	2,000	2,700,500	80,028	2,000	2,456,500	80,028
Watawala Plantations PLC	716,600	20,064,800	174,201	143,320	12,712,484	174,201
Ceylon Tea Services PLC	1,428	1,556,520	86,333	1,428	1,421,217	86,333
Hatton Plantations PLC	170,000	4,709,000	-	170,000	4,369,000	-
	926,028	31,982,820	392,855	352,748	22,899,601	392,855
Health Care Equipment & Services						
Ceylon Hospital PLC (Durdans)	6,857	726,842	216,640	6,000	610,500	139,509
The Lanka Hospital Corporation PLC	3,000	225,300	46,505	3,000	348,000	46,505
	9,857	952,142	263,145	9,000	958,500	186,014
Materials						
Dipped Products PLC	50,000	2,750,000	405,750	50,000	1,520,000	405,750
Haycarb PLC	3,450	283,245	10,090	3,450	263,925	10,090
Tokyo Cement Company (Lanka) PLC	1,730	136,670	4,450	1,730	89,095	4,450
	55,180	3,169,915	420,290	55,180	1,873,020	420,290
Real Estate						
East West Properties PLC	24,000	314,400	117,778	24,000	199,200	117,778
C T Land Development PLC	3,333	84,325	13,740	3,333	76,659	13,740
	27,333	398,725	131,518	27,333	275,859	131,518
Retailing						
Singer Sri Lanka PLC	99,866	3,315,551	223,317	99,866	1,607,843	223,317
John Keells PLC	8,000	592,000	192,783	8,000	518,400	192,783
	107,866	3,907,551	416,100	107,866	2,126,243	416,100
Balance carried forward	1,945,680	116,177,892	27,999,539	1,350,649	77,264,303	26,688,735

Notes to the Financial Statements

(all amounts in Sri Lanka Rupees unless otherwise stated)

11. Financial Instruments (contd.)

(e) Financial assets at fair value through profit or loss (contd.)

	Company					
	31 March 2025			31 March 2024		
	Number of shares	Market value	Cost	Number of shares	Market value	Cost
Balance brought forward	1,945,680	116,177,892	27,999,539	1,350,649	77,264,303	26,688,735
Telecommunication Services						
Dialog Axiata PLC	15,000	214,500	224,453	15,000	175,500	224,453
	15,000	214,500	224,453	15,000	175,500	224,453
Utilities						
Vallibel Power Erathna PLC	7,610	98,169	17,150	7,610	56,313	17,150
	7,610	98,169	17,150	7,610	56,313	17,150
Total Listed Shares	1,968,290	116,490,561	28,241,142	1,373,259	77,496,116	26,930,338
Unit trust						
Ceybank Unit Trust	318,639	11,509,241	5,037,138	318,639	11,044,028	5,037,138
	318,639	11,509,241	5,037,138	318,639	11,044,028	5,037,138
Financial assets at fair value through profit or loss	2,286,929	127,999,802	33,278,280	1,691,898	88,540,144	31,967,476

(f) Financial asset at fair Value through Other Comprehensive Income

Listed shares

	Group					
	31 March 2025			31 March 2024		
	Number of shares	Market value	Cost	Number of shares	Market value	Cost
Automobiles & Components						
Kelani Tyres PLC	360	29,124	1,594	360	25,200	1,594
	360	29,124	1,594	360	25,200	1,594
Banks						
Commercial Bank of Ceylon PLC-Voting	27,936	4,120,560	2,356,368	22,852	2,232,640	1,921,759
DFCC Bank PLC	18	1,908	596	18	1,368	596
Hatton National Bank PLC-Voting	10	3,050	225	10	1,800	225
The Housing Development Finance Corporation Bank of Sri Lanka	100	4,440	3,650	100	3,200	3,650
National Development Bank PLC	147	15,729	8,997	139	9,452	8,275
Nation Trust Bank PLC_Voting	3,115	591,850	75,022	3,071	330,133	66,530
Pan Asia Banking Corporation PLC	3,000	106,500	23,638	3,000	63,900	23,638
Sampath Bank PLC	937	114,783	25,648	937	74,960	25,648
Seylan Bank PLC-Non-Voting	259	13,752	6,912	250	9,500	6,593
Seylan Bank PLC-Voting	8	580	361	8	376	361
Union Bank of Colombo PLC	100	1,030	2,500	100	940	2,500
	35,630	4,974,182	2,503,916	30,485	2,728,269	2,059,775
Capital Goods						
ACL Cables PLC	1,152	140,544	1,916	1,152	96,883	1,916
Aitken Spence PLC	555	70,901	9,852	555	72,289	9,852
Colombo Dockyard PLC	15	1,188	413	15	729	413
E B Creasy & Company PLC	26,777,200	886,325,320	20,122,028	26,777,200	615,875,600	20,122,028
Hayleys PLC	8,590	1,176,830	735,263	8,590	705,239	735,263
Hemas Holdings PLC	719	86,280	9,968	719	57,808	9,968
John Keells Holdings PLC_JKH	1,920	38,784	10,898	192	37,248	10,898
Lanka Ashok Leyland PLC	90	85,500	827	90	62,123	827
Lanka Tiles PLC (Prev.Lanka Floortiles PLC)	10,760	545,532	468,444	10,760	556,292	468,444
Lanka Walltiles PLC	10,665	538,583	478,882	10,665	542,849	478,882
Laxapana Battaries	600	18,240	6,742	600	9,600	6,742
Renuka Holdings PLC-Voting	1,252	22,536	18,217	1,252	16,401	18,217
Renuka Holdings PLC- Non Voting	-	-	-	175	1,960	1,604
Richard Peiris & Company PLC	3,705	93,737	2,032	3,705	75,953	2,032
Royal Ceramics Lanka PLC	10,560	390,720	302,162	10,560	328,416	302,162
Sierra Cables PLC	1,200	18,840	3,600	1,200	14,280	3,600
The Colombo Fort Land & Building PLC	5,800,333	336,999,347	14,173,660	5,800,333	174,009,990	14,173,660
Unisyst_Alufab PLC	180	-	2,551	180	1,044	2,551
Brown & Company PLC	-	-	-	100	11,000	2,945
Lanka Ceramic PLC	-	-	-	7	694	528
Lankem Ceylon PLC	3,117,067	270,873,122	229,779,882	3,117,067	211,960,554	229,779,882
	35,746,563	1,497,426,004	266,127,337	35,745,117	1,004,436,952	266,132,414
Balance carried forward	35,782,553	1,502,429,310	268,632,847	35,775,962	1,007,190,421	268,193,783

Notes to the Financial Statements

(all amounts in Sri Lanka Rupees unless otherwise stated)

11. Financial Instruments (contd.)

(f) Financial asset at fair Value through Other Comprehensive Income (contd.)

	Group					
	31 March 2025			31 March 2024		
	Number of shares	Market value	Cost	Number of shares	Market value	Cost
Balance brought forward	35,782,553	1,502,429,310	268,632,847	35,775,962	1,007,190,421	268,193,783
Commercial & Professional Services						
Gestetner of Ceylon PLC	-	-	-	229	26,850	8,264
Paragon Ceylon PLC	-	-	-	100	6,300	1,017
	-	-	-	329	33,150	9,281
Consumer Durables & Apparel						
Abans Electrical PLC	240	92,820	10,341	240	38,280	10,341
Dankotuwa Porcelain PLC	-	-	-	166	4,084	2,534
Hayleys Fabric PLC	818	36,810	7,302	818	33,620	7,302
Hayleys Fibre PLC (Prev.Hayleys Exports PLC)	315	14,522	1,830	315	16,412	1,830
	1,373	144,152	19,473	1,539	92,395	22,007
Consumer Durables & Apparel						
Ambeon holdings PLC	1,002	81,863	1,791	1,002	37,475	1,791
Kelsey Developments PLC	337	7,246	4,156	337	7,246	4,156
Blue Diamond Jewellery Worldwide PLC	-	-	-	22	9	76
	1,339	89,109	5,947	1,361	44,729	6,023
Balance carried forward	35,785,265	1,502,662,571	268,658,267	35,779,191	1,007,360,695	268,231,093

	Group					
	31 March 2025			31 March 2024		
	Number of shares	Market value	Cost	Number of shares	Market value	Cost
Balance brought forward	35,785,265	1,502,662,571	268,658,267	35,779,191	1,007,360,695	268,231,093
Consumer Services						
Aitken Spence Hotel Holdings PLC	140	11,214	1,616	140	9,268	1,616
Amaya Leisure PLC	554	15,623	2,209	554	11,080	2,209
Asian Hotels Properties PLC	200	10,600	616	200	12,200	616
Ceylon Hotels Corporation PLC	534	12,015	2,120	534	10,146	2,120
Citrus Leisure PLC	-	-	-	53	265	605
Dolphin Hotels PLC (Prev.Stafford Hotels PLC)	125	5,713	717	125	4,388	717
The Kingsbury PLC	1,374	16,351	3,142	1,374	14,839	3,142
Sigiriya Village Hotels PLC	1,194,518	105,117,584	38,652,691	1,194,518	54,231,117	38,652,691
Browns Beach Hotels PLC	-	-	-	150	1,950	341
Hunas Falls Hotels PLC	7,500	179,250	303	7,500	201,750	303
Eden Hotel Lanka PLC	-	-	-	200	2,580	1,616
Galadari Hotel (Lanka) PLC	-	-	-	100	1,680	241
John Keells Hotels PLC	1,506	30,421	5,481	1,506	28,012	5,481
Mahaweli Reach Hotels PLC	-	-	-	100	1,300	867
Beruwala Resort PLC	45,000	166,500	81,000	45,000	63,000	81,000
Marawila Resort PLC	1,667,732	11,340,578	9,018,580	1,667,732	5,670,289	9,018,580
Palm Garden Hotels PLC	-	-	-	56	2,458	2,826
Pegasus Hotels of Ceylon PLC	-	-	-	133	3,059	1,443
Royal Palms Beach Hotels PLC	-	-	-	100	3,000	892
Taj Lanka Hotels PLC	-	-	-	100	1,800	316
The Lighthouse Hotel PLC	-	-	-	100	3,790	742
The Fortress Resort PLC	-	-	-	500	11,500	4,884
The Nuwara Eliya Hotels Company PLC	12	26,229	3,553	12	20,709	3,553
Hotel Developers (Lanka) PLC	4	-	296	4	-	296
	2,919,199	116,932,077	47,772,324	2,920,791	60,310,180	47,787,097
Real Estate						
York Arcade Holdings PLC	28	4,710	578	28	3,668	578
	28	4,710	578	28	3,668	578
Balance carried forward	38,704,492	1,619,599,358	316,431,168	38,700,010	1,067,674,543	316,018,768

Notes to the Financial Statements

(all amounts in Sri Lanka Rupees unless otherwise stated)

11. Financial Instruments (contd.)

(f) Financial asset at fair Value through Other Comprehensive Income (contd.)

	Group					
	31 March 2025			31 March 2024		
	Number of shares	Market value	Cost	Number of shares	Market value	Cost
Balance brought forward	38,704,492	1,619,599,358	316,431,168	38,700,010	1,067,674,543	316,018,768
Diversified Financials						
Central Finance Company PLC	10	1,943	206	10	1,068	206
Ceylon Guardian Investments Trust PLC	-	-	-	174	15,503	1,670
Ceylon Investment PLC	4	286	189	467	22,089	2,409
Lanka Orix Leasing Company Holding PLC	-	-	-	800	318,000	917
Lanka Ventures PLC	100	3,910	767	100	2,670	767
LB Finance PLC	4,624	396,739	3,196	4,624	289,925	3,196
Merchant Bank of Sri Lanka PLC	67	389	643	67	342	643
SMB Leasing PLC (Prev. Seylan Merchant Bank PLC)_Voting	-	-	-	3,610	2,527	2,731
Associated Motor Finance Company PLC	-	-	-	3,036	75,293	61,704
Asia Capital PLC	-	-	-	100	320	466
First Capital Holdings PLC (Prev. V Capital)	14,400	502,560	10,707	14,400	495,360	10,707
The Indo Malay PLC	5	-	892	5	-	892
People's Merchant Finance PLC	-	-	-	270	1,269	3,517
Selinsing PLC	36	-	9,111	36	-	9,111
Colombo Fort Investments PLC	106	11,554	3,145	106	6,890	3,146
Colombo Investments Trust PLC	149	17,806	2,884	149	14,751	2,884
Nation Lanka Finance PLC	-	-	-	625	250	4,641
The Finance Company PLC	20	-	336	20	-	336
Vanik Incorporation PLC-Voting	-	-	165	-	-	165
Vanik Incorporation PLC-Non-Voting	-	-	25	-	-	25
	19,521	935,187	32,266	28,599	1,246,256	110,133
Energy						
Lanka IOC PLC	800	101,600	21,600	800	93,400	21,600
	800	101,600	21,600	800	93,400	21,600
Food & Staples Retailing						
CT Holdings PLC (Prev.Ceylon Theaters PLC)	223	87,360	6,921	223	58,370	6,921
Cargills (Ceylon) PLC	343	149,548	8,522	343	123,480	8,522
Ceylon & Foreign Trades PLC_CFT	10,000	-	4,559	10,000	-	4,559
Tess Agro PLC_voting	-	-	-	2,053	2,053	1,517
	10,566	236,908	20,002	12,619	183,903	21,519
Balance carried forward	38,735,379	1,620,873,053	316,505,037	38,742,028	1,069,198,102	316,172,020

	Group					
	31 March 2025			31 March 2024		
	Number of shares	Market value	Cost	Number of shares	Market value	Cost
Balance brought forward	38,735,379	1,620,873,053	316,505,037	38,742,028	1,069,198,102	316,172,020
Food Beverage & Tobacco						
Agalawatte Plantations PLC	-	-	-	100	3,410	717
Agarapathana Plantations PLC	9,772,288	128,016,973	78,423,483	9,772,288	72,314,931	78,423,483
Bairaha Farms PLC	-	-	-	110	19,030	717
Balangoda Plantations PLC	-	-	-	110	5,511	2,225
The Bukit Darah PLC	-	-	-	10	4,073	3,041
Carson Cumberbatch PLC	-	-	-	191	49,469	10,125
Ceylon Cold Stores PLC	-	-	-	640	34,496	1,097
Ceylon Grain Elevators PLC	-	-	-	10	1,705	158
Ceylon Tobacco Company PLC	-	-	-	7	8,598	239
Convenience Foods (Lanka) PLC (Prev. Soy Foods PLC)	-	-	-	90	82,800	646
Horana Plantations PLC	-	-	-	20	790	155
Kegalle Plantations PLC	-	-	-	100	12,050	817
Kelani Valley Plantations PLC	-	-	-	200	14,800	993
Kotagala Plantation	1,252	11,268	3,862	1,252	7,762	3,862
Lanka Milk Foods (CWE) PLC	1,330	57,522	3,052	1,330	36,176	3,052
Malwatte Valley Plantations PLC_voting	-	-	-	1,000	65,500	1,221
Melstacorp PLC	-	-	-	400	35,200	892
Namunukula Plantations PLC	-	-	-	100	35,450	717
Renuka Foods PLC Voting	-	-	-	20	280	165
Talawakelle Tea Estates PLC	-	-	-	1,200	136,500	12,000
Tea Smallholder Factories PLC	-	-	-	142	5,893	3,023
Three Acre Farms PLC	-	-	-	19	5,235	301
Watawala Plantations PLC	21,075	590,100	16,075	4,215	373,871	16,075
	9,795,945	128,675,863	78,446,472	9,783,554	73,253,529	78,485,721
Food Beverage & Tobacco						
Distilleries Company of Sri Lanka PLC	118	4,295	878	118	3,174	878
Madulsima Plantations PLC	-	-	-	100	990	2,500
Bogawantalawa Tea Estate PLC	-	-	-	46	1,702	331
Browns Investments PLC	-	-	-	6,000	32,400	18,750
Ceylon Beverage Holdings PLC (Prev. Ceylon Brewery PLC)	-	-	-	50	76,638	5,217
Dilmah Ceylon Tea Company PLC	-	-	-	80	79,620	3,249
Hapugastenna Plantations PLC	-	-	-	200	6,580	2,892
Hatton Plantations PLC	-	-	-	5,000	128,500	-
Kahawatte Plantations PLC	-	-	-	266	4,389	3,631
Keells Food Products PLC	-	-	-	219	32,193	10,808
Maskeliya Plantations PLC	-	-	-	1,400	44,800	29,400
Udapussellawa Plantations PLC	-	-	-	100	7,320	892
Lankem Development PLC	296	5,239	1,995	296	5,002	1,995
	414	9,534	2,873	13,875	423,308	80,543
Balance carried forward	48,531,738	1,749,558,450	394,954,382	48,539,457	1,142,874,939	394,738,284

Notes to the Financial Statements

(all amounts in Sri Lanka Rupees unless otherwise stated)

11. Financial Instruments (contd.)

(f) Financial asset at fair Value through Other Comprehensive Income (contd.)

	Group					
	31 March 2025			31 March 2024		
	Number of shares	Market value	Cost	Number of shares	Market value	Cost
Balance brought forward	48,531,738	1,749,558,450	394,954,382	48,539,457	1,142,874,939	394,738,284
Health Care Equipment & Services						
Asiri Hospital Holdings PLC	2,660	68,628	6,099	2,660	66,500	6,099
Asiri Surgical Hospital PLC	1,499	17,239	3,646	1,499	17,388	3,646
Ceylon Hospitals PLC-Non-Voting	130	13,780	2,270	130	13,228	2,270
Muller & Phipps (Ceylon) PLC	-	-	-	500	550	515
Nawaloka Hospitals PLC	26,666	141,330	20,000	26,666	103,997	20,000
The Lanka Hospital Corporation PLC	100	7,510	1,500	100	11,600	1,500
E-Channelling PLC	-	-	-	1,162	16,965	2,186
Singhe Hospital PLC	-	-	-	1,000	2,300	2,500
PC House PLC	-	-	11,000	-	-	11,000
	31,055	248,487	44,515	33,717	232,529	49,716
Insurance						
Ceylinco Insurance PLC_Voting	22	66,842	451	22	49,990	451
HNB Assurance PLC	600	46,620	2,655	600	35,640	2,655
Janashakthi Insurance Company PLC	1,800	132,480	56,247	1,800	78,840	56,247
Amana Takaful PLC	402	5,226	8,775	402	4,623	8,775
Softlogic Life Insurance PLC	844	61,106	945	1,000	66,100	1,120
	3,668	312,273	69,073	3,824	235,193	69,248
Materials						
ACL Plastics PLC	100	61,575	3,174	100	39,275	3,174
CIC Holdings PLC - Voting	108	12,663	366	108	7,614	366
Chemandex PLC	177	27,258	2,143	177	12,744	2,143
Chevron Lanka Lubrications PLC	400	55,000	8,395	400	43,100	8,395
Dipped Products PLC	860	47,300	1,518	860	26,144	1,518
Haycarb PLC	8,770	720,017	558,657	8,770	670,905	558,657
Industrial Asphalts (Ceylon) PLC	45,000	18,000	907	45,000	13,500	907
Lanka Aluminium Industries PLC	-	-	-	50	1,175	118
Piramal Glass Ceylon PLC (Prev.Ceylon Glass CO. PLC)	3,428	117,580	5,552	3,428	101,126	5,552
Samson International PLC	-	-	-	50	7,375	562
Swisstek (Ceylon) PLC (Prev. Parquet Ceylon PLC)	-	-	-	500	9,550	366
Tokyo Cement Company (Lanka) PLC-Voting	161	12,719	455	161	8,292	455
Bogala Graphite Lanka PLC	-	-	-	200	10,320	867
Richard Peiris Export PLC	92	34,500	2,542	92	40,295	2,542
Lanka Cement PLC	100	-	241	100	-	241
J.L. Morison Sons & Jones Ceylon PLC-Non-Voting	-	-	17,406	-	-	17,406
J.L. Morison Sons & Jones Ceylon PLC-Voting	-	-	4,060	-	-	4,060
	59,196	1,106,612	605,416	59,996	991,415	607,329
Balance carried forward	48,625,657	1,751,225,822	395,673,386	48,636,994	1,144,334,076	395,464,577

	Group					
	31 March 2025			31 March 2024		
	Number of shares	Market value	Cost	Number of shares	Market value	Cost
Balance brought forward	48,625,657	1,751,225,822	395,673,386	48,636,994	1,144,334,076	395,464,577
Real Estate						
Colombo Land & Development Company PLC	1,400	31,360	2,259	1,400	24,780	2,259
East West Properties PLC	-	-	-	1,200	9,960	5,920
Overseas Reality (Ceylon) PLC	-	-	-	300	5,100	2,156
Serendib Land PLC	-	-	-	33	42,900	7,467
C.T. Land Development PLC	167	4,225	767	167	3,841	767
Equity Two PLC	-	-	-	100	4,110	717
On'ally Holding PLC	-	-	-	155	3,875	241
Standard Capital PLC	-	-	-	400	14,800	16,791
	1,567	35,585	3,026	3,755	109,366	36,318
Retailing						
C M Holdings PLC	185	30,525	5,020	185	14,874	5,020
Diesel & Motors Engineering PLC	-	-	-	6	3,080	195
Hunters & Company PLC	-	-	-	24	14,160	755
The Autodrome PLC	100	11,000	2,337	100	9,020	2,337
Singer Sri Lanka PLC	675	22,410	1,458	675	10,868	1,457
Odel PLC	-	-	-	100	1,300	1,500
C W Mackie PLC	1,010,100	109,848,375	54,220,642	1,010,100	95,959,500	54,220,642
John Keells PLC	336	24,864	1,751	336	21,773	1,751
Sathosa Motors PLC	66	28,875	2,142	66	13,200	2,142
	1,011,462	109,966,049	54,233,350	1,011,592	96,047,774	54,235,799
Telecommunication Services						
Dialog Axiata PLC	100	1,430	2,337	100	1,170	2,337
Sri Lanka Telecom PLC	200	12,060	3,377	200	18,000	3,377
	300	13,490	5,714	300	19,170	5,714
Utilities						
Panasian Power PLC	1,000	6,900	3,000	1,000	4,100	3,000
Resus Energy PLC (Prev.Hemas Power PLC)	-	-	-	1,475	25,960	24,189
Vallibel Power Erathna PLC	3,000	38,700	8,000	3,000	22,200	8,000
Vidullanka PLC	2,215	29,903	4,747	2,042	14,702	2,335
	6,215	75,503	15,747	7,517	66,962	37,524
Total listed shares	49,645,201	1,861,316,449	449,931,223	49,660,158	1,240,577,348	449,779,932

Notes to the Financial Statements

(all amounts in Sri Lanka Rupees unless otherwise stated)

11. Financial Instruments (contd.)

(f) Financial asset at fair Value through Other Comprehensive Income (contd.)

	Group					
	31 March 2025			31 March 2024		
	Number of shares	Market value	Cost	Number of shares	Market value	Cost
Unlisted shares						
Metropolitan Resource Holdings PLC	22	618	1,243	22	618	1,243
Agarapathana Plantation Limited	-	-	-	-	-	-
Colombo Fort Hotels Limited	25,018,939	382,534,401	481,801,855	25,018,939	273,410,008	481,801,855
Consolidated Tea Plantation Limited	6,416,061	583,861,551	398,861,551	5,000,000	270,000,000	270,000,000
	31,435,022	966,396,570	880,664,649	30,018,961	543,410,626	751,803,098
Financial assets at fair value through other comprehensive income	81,080,223	2,827,713,019	1,330,595,872	79,679,119	1,783,987,974	1,201,583,030

Listed shares

	Company					
	31 March 2025			31 March 2024		
	Number of shares	Market value	Cost	Number of shares	Market value	Cost
Capital Goods						
Lankem Ceylon PLC	2,716,767	236,087,052	210,721,257	2,716,767	184,740,156	210,721,257
	2,716,767	236,087,052	210,721,257	2,716,767	184,740,156	210,721,257
Consumer Services						
Beruwala Resort PLC	45,000	166,500	81,000	45,000	63,000	81,000
Marawila Resort PLC	1,666,666	11,333,329	9,014,332	1,666,666	5,666,665	9,014,332
	1,711,666	11,499,829	9,095,332	1,711,666	5,729,665	9,095,332
Real Estate						
York Arcade Holdings PLC	28	4,711	578	28	3,668	578
	28	4,711	578	28	3,668	578
Capital Goods						
E B Creasy & Company PLC	10,000,000	331,000,000	19,194,750	10,000,000	230,000,000	19,194,750
The Colombo Fort Land & Building PLC	1,500,000	87,150,000	6,898,740	1,500,000	45,000,000	6,898,740
	11,500,000	418,150,000	26,093,490	11,500,000	275,000,000	26,093,490
Food Beverage Tobacco						
Agarapathana Plantation PLC	5,886,888	77,118,233	49,950,794	5,886,888	43,562,971	49,950,794
	5,886,888	77,118,233	49,950,794	5,886,888	43,562,971	49,950,794
Total listed shares	21,815,349	742,859,825	295,861,451	21,815,349	509,036,460	295,861,451
Unlisted shares						
Colombo Fort Hotels Limited	19,014,348	290,724,205	425,358,700	19,014,348	207,474,421	425,358,700
Consolidated Tea Plantation Limited	6,416,061	583,861,551	398,861,551	5,000,000	270,000,000	270,000,000
	25,430,409	874,585,756	824,220,251	24,014,348	477,474,421	695,358,700
Financial assets at fair value through other comprehensive income	47,245,758	1,617,445,581	1,120,081,702	45,829,697	986,510,881	991,220,151

12. Deferred income tax (liabilities) / assets

(a) Deferred income tax assets

	Group		Company	
	2025	2024	2025	2024
At beginning of the year	-	-	-	-
Income statement release / (charge)	-	-	-	-
Charge recognized in other comprehensive income	-	-	-	-
At end of the year	-	-	-	-

According to the Group/Company policy, deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which they can be used.

(b) Deferred income tax liabilities

	Group		Company	
	2025	2024	2025	2024
At beginning of the year	9,969,187	11,259,660	9,969,187	11,259,660
Income statement charge / (release)	(746,376)	(1,290,473)	(746,376)	(1,290,473)
Other Comprehensive income	74,017,194	-	63,407,082	-
At end of the year	83,240,005	9,969,187	72,629,893	9,969,187
Net deferred tax liability	(83,240,005)	(9,969,187)	(72,629,893)	(9,969,187)

(c) Deferred Tax Composition

Group	Net deferred tax assets		Net deferred tax liabilities	
	2025	2024	2025	2024
Composition of deferred tax assets				
Defined benefit obligations	3,329,780	2,805,765	-	-
Unclaimed right of use asset rental	6,303,276	11,030,733	-	-
Tax losses carried forward	95,386,796	76,606,520	-	-
Total deferred tax assets before offsetting	105,019,852	90,443,018		
Offsetting deferred tax liability on:				
Property, plant & equipment	(21,475,800)	(20,128,479)	(9,222,811)	(9,969,187)
Lease liability	(18,121,054)	(18,842,563)	-	-
Revaluation surplus	(65,422,998)	(51,471,976)	-	-
Gain on unquoted investments at FVOCI	-	-	(74,017,194)	-
Total Deferred tax liabilities before offsetting	(105,019,852)	(90,443,018)	(83,240,005)	(9,969,187)
Deferred tax assets/(liabilities) after offsetting	-	-	(83,240,005)	(9,969,187)

Company	Net deferred tax assets		Net deferred tax liabilities	
	2025	2024	2025	2024
Composition of deferred tax				
Property, plant & equipment	-	-	(9,222,811)	(9,969,187)
Gain on unquoted investments at FVOCI	-	-	(63,407,082)	-
Deferred tax assets/(liabilities)	-	-	(72,629,893)	(9,969,187)

Notes to the Financial Statements

(all amounts in Sri Lanka Rupees unless otherwise stated)

12. Deferred income tax (liabilities) / assets contd.

Deferred income tax assets and liabilities of the Group are offset when there is a legally enforceable right to set off current income tax determined after appropriate offsetting, are shown in the statement of financial position.

The Colonial Motors Ceylon Limited has not recognized deferred tax assets amounting to Rs. 36,850,861/=, arising from carried forward tax losses as at 31 March 2025, due to the company being unable to assess with reasonable certainty that taxable profit would be available to recover the asset in the foreseeable future

13. Inventories

The amounts attributable to the different categories are as follows:

	Group		Company	
	2025	2024	2025	2024
Spares and consumables	132,853,928	139,332,593	-	-
Repair job-in-progress	104,748	2,091,814	-	-
Goods-in-transit	5,373,482	7,160,812	-	-
	138,332,158	148,585,219	-	-

14. Trade and other receivables

	Group		Company	
	2025	2024	2025	2024
Trade receivables	33,066,862	34,410,625	37,081	-
Provision for impairment of debtors	(16,131,755)	(13,258,653)	-	-
Trade receivables - net	16,935,107	21,151,972	37,081	-
Amounts due from related parties (note 32 (b))	23,456,437	147,916,587	33,890,004	191,073,358
Prepayments	3,550,367	3,628,955	1,859,845	1,831,855
Other receivables	9,263,032	4,389,750	2,452,377	1,101,474
	53,204,943	177,087,264	38,239,307	194,006,687

(i) Classification as trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and are therefore all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components, when they are recognised at fair value. The group holds the trade receivables with the objective of collecting the contractual cash flow and therefore measures them subsequently at amortised cost using the effective interest method.

(ii) Fair values of trade receivables

Due to the short-term nature of the current receivables, their carrying amount is considered to be the same as their fair value.

(iii) Impairment and risk exposure

Information about the impairment of trade receivable and the group's exposure to credit risk can be found in note 3.4.

15. Cash and cash equivalents

Cash and cash equivalents wholly consist of cash held in local banks and cash in hand.

	Group		Company	
	2025	2024	2025	2024
Cash in hand	2,233,514	488,690	-	-
Cash at bank	100,267,549	18,965,189	50,998,532	7,581,548
Fixed deposits	30,872,204	-	30,872,204	-
	133,373,267	19,453,879	81,870,736	7,581,548

Fixed deposits have a maturity period of less than 3 months.

For the purposes of the cash flow statement, the year-end cash and cash equivalents comprise the following:

	Group		Company	
	2025	2024	2025	2024
Cash and bank balances	133,373,267	19,453,879	81,870,736	7,581,548
Bank overdraft (note 19)	(68,373,705)	(116,186,286)	-	-
	64,999,562	(96,732,407)	81,870,736	7,581,548

16. Stated capital

	Number of shares	Stated capital
At 31 March 2025 / 2024	15,200,000	288,386,885

The authorised number of shares in the Company is 15,200,000. They entitle the holder to participate in dividends and to share in the proceeds of winding up the Company in proportion to the number of and amounts paid on the shares held.

17. Retained earnings

(a) Revaluation reserve

	Group		Company	
	2025	2024	2025	2024
At beginning of the year	171,573,253	171,573,253	-	-
Revaluation surplus for the year	46,503,407	-	-	-
At end of the year	218,076,660	171,573,253	-	-

(b) Fair value reserve

	Group		Company	
	2025	2024	2025	2024
At beginning of the year	765,293,840	669,644,090	180,985,961	157,098,021
Change in fair value of financial assets at FVOCI net of tax	841,351,227	95,689,762	438,666,067	23,887,940
Transfer to retained earnings	(1,264,038)	(40,012)	-	-
At end of the year	1,605,381,029	765,293,840	619,652,028	180,985,961

Notes to the Financial Statements

(all amounts in Sri Lanka Rupees unless otherwise stated)

17. Retained earnings contd.

(c) Retained earnings

	Group		Company	
	2025	2024	2025	2024
At beginning of the year	2,365,783,331	2,230,919,825	1,823,308,379	1,718,677,254
Profit for the year	591,512,027	208,052,490	107,091,713	177,173,481
Remeasurement of post employment benefits	9,012	(686,640)	-	-
Dividend to equity holders	-	(76,000,000)	-	(76,000,000)
Reclassification of gain on disposal of equity instruments at fair value through other comprehensive income	1,348,307	40,012	-	-
Reversal of unclaimed dividends	-	3,457,644	-	3,457,644
At end of the year	2,958,652,677	2,365,783,331	1,930,400,092	1,823,308,379

(d) Other reserve

	Group		Company	
	2025	2024	2025	2024
Revaluation reserve (note 17 (a))	218,076,660	171,573,253	-	-
Fair value reserve (note 17 (b))	1,605,381,029	765,293,840	619,652,028	180,985,961
At end of the year	1,823,457,689	936,867,093	619,652,028	180,985,961

(i) Nature and purpose of other reserves

Revaluation surplus - property, plant and equipment

The property, plant and equipment revaluation surplus is used to record increments and decrements on the revaluation of non-current assets. In the event of a sale of an asset, any balance in the reserve in relation to the asset is transferred to retained earnings, see accounting policy note 2.14 for details.

Financial assets at FVOCI

The Group/ Company has elected to recognise changes in the fair value of certain investments in equity securities in OCI, as explained in note 11(d). These changes are accumulated within the FVOCI reserve within equity. The Group/ Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

18. Trade and other payables

	Group		Company	
	2025	2024	2025	2024
Trade payables	14,261,776	11,489,077	-	-
Amounts due to related parties (note 32(b))	5,846,589	5,689,582	-	-
Other payables	54,877,041	35,782,393	51,373,801	34,209,382
Contract liabilities	10,838,811	7,727,288	-	-
Accrued expenses and provisions	157,525,068	197,818,732	-	-
	243,349,285	258,507,072	51,373,801	34,209,382
Less: Non-current portion	(11,590,223)	(2,220,850)	(11,590,223)	(2,220,850)
Current Portion	231,759,062	256,286,222	39,783,578	31,988,532

Trade and other payables consist of advances received from customers amounting to Rs. 17,569,581(2024 - Rs. 6,463,788) for the Group and Company.

(i) Fair values of trade payables

Due to the short-term nature of the current payables, their carrying amount is considered to be the same as their fair value.

19. Borrowings

	Group		Company	
	2025	2024	2025	2024
Current				
Bank overdrafts (note 15)	68,373,705	116,186,286	-	-
Bank borrowings	744,269,248	622,476,983	-	-
	812,642,953	738,663,269	-	-
Non-current				
Bank borrowings	21,940,389	36,594,513	-	-
	21,940,389	36,594,513	-	-
Total borrowings	834,583,342	775,257,782	-	-

The carrying amounts of the Group's and Company's borrowings is denominated in Sri Lanka Rupees.

Details of assets pledged as securities by each subsidiary are as follows:

Colonial Motors (Ceylon) Limited

Institution and Facility	Principal Amount	Amount Outstanding	Interest Rate	Security Offered
Commercial Bank of Ceylon PLC				
Short Term Loan	103,000,000	65,403,601	AWPLR + 3% p.a	(i)
Long Term Loan				
- Diribala - 1903944	20,000,000	3,050,856	15% p.a	
- Diribala - 1851271	26,000,000	-	15% p.a	
- EIB - 1859449	65,000,000	19,270,000	15% p.a	
Hatton National Bank PLC				
Short Term Loan	204,262,440	321,048,909	AWPLR + 1.25% p.a	Demand Promissory Note for Rs.245 Mn
Long Term Loan	-	-	-	
Sampath Bank PLC				
Short Term Loan	300,000,000	-	-	-
Long Term Loan	133,000,000	110,076,271	AWPLR + 1% p.a	
National Development Bank PLC				
Short Term Loan	10,000,000	1,950,000	15% p.a	Primary Mortgage over stocks and book debts
Term Loan 01	146,875,000	133,375,000	12% p.a	
Term Loan 02	85,125,000	82,125,000	9% p.a	-
Term Loan 03	29,910,000	29,910,000	9% p.a	-
		766,209,637		

(i) Facilities obtained by Commercial Bank of Ceylon PLC for Short Term Loans and Long Term Loans are securitised against the following;

Floating Primary Mortgage Bond No.3639 - No.41/35,Nagahamulla Road,Thalangama South and more fully depicted as Lot A in plan No.1706A dated 30.09.2004 drawn by Mr. M A H Bandara (L/S) in extent of 133.0 Perches owned by M/s.Colonial Motors (Ceylon) Limited.

Notes to the Financial Statements

(all amounts in Sri Lanka Rupees unless otherwise stated)

19. Borrowings contd.

Floating Primary Mortgage Bond No.CTY/VM/14/05 dated 25/02/2015 for Rs.66.0 Mn. obtained over the Stocks of "Mazda" brand Vehicles and spare parts (Mazda/Tata/Land Rover) and/or other movable assets.

Floating Secondary Mortgage Bond No.CTY/15/04 dated 20.08.2015 for LKR.20.0 Mn over stocks obtained.

The maturity analysis based on the remaining period at the statement of financial position date to the contractual maturity date is given below

Group	As at	
	31 March 2025	31 March 2024
Less than 3 months	68,373,705	116,186,286
Between 3 months and 1 year	744,269,248	622,476,983
Between year 1 and year 2	21,940,389	36,594,513
	834,583,342	775,257,782

There are no borrowings in the Company as of 31 March 2025 and 2024

20. Defined benefit obligations

The amount recognised in the balance sheet has been valued according to the following methods:

	Group		Company	
	2025	2024	2025	2024
Present value of the unfunded obligations	11,099,269	9,352,549	-	-
Liability in the statement of financial position date	11,099,269	9,352,549	-	-
Balance sheet obligations for:				
Defined benefits (gratuity)	11,099,269	9,352,549	-	-
Income statement charge / (release)				
Defined benefits (gratuity)	2,450,582	2,164,071	-	-
Remeasurements for:				
Defined benefits (gratuity)	(9,012)	686,640	-	-

The income statement charge included within operating profit includes current service cost and interest expense.

The defined benefit plan of each subsidiary of the Group is unfunded, where each subsidiary meets the benefit payment obligation as it falls due. Accordingly, the liability in the Statement of Financial Position represents the present value of unfunded obligations.

Amounts recognised in the Statement of Financial Position are as follows:

	Group		Company	
	2025	2024	2025	2024
At beginning of the year	9,352,549	7,963,588	-	-
Interest expense	1,019,428	1,035,266	-	-
Current service cost	1,431,154	1,128,805	-	-
Benefits paid	(694,850)	(1,461,750)	-	-
Actuarial (gains) / losses	(9,012)	686,640	-	-
At end of the year	11,099,269	9,352,549	-	-

Amounts recognised in the profit or loss are as follows:

	Group		Company	
	2025	2024	2025	2024
Interest expense	1,019,428	1,035,266	-	-
Current service cost	1,431,154	1,128,805	-	-
	2,450,582	2,164,071	-	-
Remeasurements	(9,012)	686,640	-	-
	(9,012)	686,640	-	-

Defined benefit obligation of Colonial Motors (Ceylon) Limited is determined through an actuarial valuation carried out internally for the year ended 31 March 2025.

The below sensitivity analysis is based on a change in an assumption while holding all other constant although in practice it is unlikely to occur and changes in assumptions could be correlated. The same method has been applied when calculating the defined benefit obligation to significant actuarial assumptions. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

The Principal Assumptions used are as follows:

	Staff Turnover rate	Salary Escalation rate for future years	Discount rate
31 March 2025	12%	8%	11%
31 March 2024	26%	8%	13%

A quantitative sensitivity analysis for significant assumptions as at 31 March is shown below

Impact on Present Value of Defined Benefit Obligation	Salary Escalation Rate		Discount Rate		Staff Turnover Rate	
	1% Increase	1% Decrease	1% Increase	1% Decrease	1% Increase	1% Decrease
31 March 2025	394,921	(375,719)	(362,937)	387,924	(113,590)	105,874
31 March 2024	301,883	(292,226)	(277,081)	290,931	158,803	(195,670)

Notes to the Financial Statements

(all amounts in Sri Lanka Rupees unless otherwise stated)

20. Defined benefit obligations contd.

Maturity profile of the defined benefit obligation is as follows:

	Group	
	2025	2024
Less than 1 year	5,027,586	-
Between 1-2 years	1,225,241	5,991,340
Between 2-5 years	141,517	1,446,323
Over 5 years	5,058,403	7,198,408
	11,452,747	14,636,071

Risk exposure

Through its defined benefit pension plans, the group is exposed to a number of risks, the most significant of which are detailed below:

Changes in bond yields	A decrease in corporate bond yields will increase plan liabilities.
Inflation risks	Some of the group's pension obligations are linked to salary inflation, and higher inflation will lead to higher liabilities.
Life expectancy	The majority of the plans' obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plans' liabilities.

21. Revenue

Revenue of the Group consists of revenue earned from the sale of spare parts, repairing and servicing motor vehicles, sale of motor vehicles and income earned from renting out of property as follows:

	Group		Company	
	2025	2024	2025	2024
Rent income	104,644,517	82,996,899	104,644,517	82,996,899
Sale of spares and repair work	239,480,070	222,688,903	-	-
Sale of motor vehicles	7,381,261	-	-	-
	351,505,848	305,685,802	104,644,517	82,996,899

22. Other income

	Group		Company	
	2025	2024	2025	2024
Dividend income				
- Subsidiaries	-	-	-	50,000,000
- Financial assets at fair value through profit or loss	51,961,740	30,631,150	6,063,771	3,083,107
- Financial assets at FVOCI	60,468,563	82,728,969	22,529,200	41,757,993
Sundry Income	1,175,619	1,407,150	768,086	717,793
Profit on sale of property, plant and equipment	14,773,040	56,189	-	-
Profit on equity trading	2,794,825	7,866,819	-	67,074
	131,173,787	122,690,277	29,361,057	95,625,967

23. Other gains

	Group		Company	
	2025	2024	2025	2024
Net fair value gains on financial assets at fair value through profit or loss	514,049,789	165,077,344	38,148,854	12,915,644
Exchange gain / (losses) - net	-	922	-	-
	514,049,789	165,078,266	38,148,854	12,915,644

24. Expenses by nature

	Group		Company	
	2025	2024	2025	2024
Cost of purchases	117,591,806	98,749,794	-	-
Directors' emoluments (Note 32(c))	7,260,000	4,515,000	7,260,000	4,267,500
Auditor's remuneration	2,642,837	2,182,574	1,449,820	1,483,610
Fees for other professional services	12,265,267	10,862,573	11,144,679	9,906,910
Staff costs (Note 25)	63,857,692	64,354,237	-	-
Depreciation of				
- Property, plant, and equipment (note 6)	10,130,430	9,910,656	462,830	378,611
- Investment property (note 7)	7,018,825	6,660,167	7,018,825	6,660,167
- Right of use asset (note 9)	15,758,194	15,758,194	-	-
Repairs and maintenance expenditure				
- Investment property	5,918,941	4,704,979	5,918,941	4,704,979
- Property, plant, and equipment	11,904,307	13,488,856	-	-
Travelling and transportation expenses	3,295,094	2,565,070	95,441	58,352
Agency costs, commission and Incentives	20,000	46,000	-	-
Sales & promotional expenses	505,614	876,046	-	-
Utilities	7,307,139	7,116,627	1,208,692	1,229,809
Business running expenses	14,226,040	14,250,711	6,662,332	7,637,820
Non - refundable government taxes	3,692,297	4,536,491	2,234,232	2,234,232
Donations	-	4,000	-	-
Other expenses	8,400,507	8,489,478	3,157,150	2,040,580
Total costs of sales, distribution costs, and administrative expenses	291,794,990	269,071,453	46,612,942	40,602,570

25. Staff costs

	Group		Company	
	2025	2024	2025	2024
Wages, salaries, and related costs				
- to administrative expenses	53,584,014	54,432,744	-	-
Defined contribution plans	7,823,096	7,757,422	-	-
Defined benefit plans (note 20)	2,450,582	2,164,071	-	-
	63,857,692	64,354,237	-	-

Permanent Employees - 70
Total Employees - 70

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(all amounts in Sri Lanka Rupees unless otherwise stated)

26. Finance costs - net

	Group		Company	
	2025	2024	2025	2024
Interest income from loans to related parties	1,075,790	58,549,126	1,678,233	59,295,771
Other interest income	1,191,826	1,625,019	1,191,826	1,625,019
Finance income	2,267,616	60,174,145	2,870,059	60,920,790
Interest expenses on:				
- Bank Overdraft	(8,587,931)	(20,679,235)	-	-
- Other loans	(79,150,974)	(113,658,670)	-	-
- Finance leases	(3,714,968)	(4,798,007)	-	-
Finance costs	(91,453,873)	(139,135,912)	-	-
Finance (costs) / income - net	(89,186,257)	(78,961,767)	2,870,059	60,920,790

27. Income tax expense

	Group		Company	
	2025	2024	2025	2024
Current income tax	22,304,876	38,191,782	22,304,876	38,191,781
Deferred income tax charge	(746,376)	(1,290,473)	(746,376)	(1,290,473)
Under/ (Over) provision for tax in previous years	(238,667)	(2,218,059)	(238,668)	(2,218,059)
Total current tax	21,319,833	34,683,250	21,319,832	34,683,249

The tax on the profit before tax differs from the theoretical amount that would arise using the basic tax rate applicable to the Group and Company as follows:

	Group		Company	
	2025	2024	2025	2024
Profit before tax	612,875,075	243,000,933	128,411,545	211,856,730
Tax calculated at a tax rate of 30%	183,862,523	72,900,280	38,523,463	63,557,019
Tax impact of allowable items/income not subject to tax	(201,225,682)	(95,064,106)	(21,886,019)	(33,113,972)
Aggregate dis-allowable items	21,686,075	18,643,496	5,667,432	7,748,734
tax losses adjusted	17,981,960	41,712,112	-	-
Net adjustment of deferred tax	(746,376)	(1,290,473)	(746,376)	(1,290,473)
Under provision for tax in the previous year	(238,667)	(2,218,059)	(238,668)	(2,218,059)
	21,319,833	34,683,250	21,319,832	34,683,249

In accordance with the provisions of the Inland Revenue Act No.24 of 2017 and subsequent amendments there to the Company was liable to income tax at 30% and Dividend Income received after 01st January 2023, from a resident Company was subject to a final withholding payment of 15% which is considered as a final tax.

28. Earnings per share

	Group		Company	
	2025	2024	2025	2024
Profit attributable to owners of the parent	591,512,027	208,052,490	107,091,713	177,173,481
Weighted average number of ordinary shares in issue	15,200,000	15,200,000	15,200,000	15,200,000
Basic earnings per share	38.92	13.69	7.05	11.66

The diluted earnings per share is same as the basic earnings per share.

29. Dividends

No dividends were paid in 2024/2025 (2023/2024 - Rs. 76,000,000/-).

30. Cash generated from operations

Reconciliation of profit before tax to cash generated from operations.

	Group		Company	
	2025	2024	2025	2024
Profit before tax	612,875,075	243,000,933	128,411,545	211,856,730
Depreciation of property, plant and equipment (note 6)	10,130,430	9,910,656	462,830	378,611
Depreciation of investment property (note 7)	7,018,825	6,660,167	7,018,825	6,660,167
Depreciation of right of use assets (note 9)	15,758,194	15,758,194	-	-
Dividend income (note 22)	(112,430,303)	(113,360,119)	(28,592,972)	(94,841,100)
Interest (income) / expense (note 26)	89,186,257	78,961,767	(2,870,059)	(60,920,790)
Profit on sale of investments (note 22)	(2,794,825)	(7,866,819)	-	(67,074)
Profit on sale of property, plant and equipment (note 22)	(14,773,040)	(56,189)	-	-
Net impairment losses on financial asstes (note 3.4)	2,873,102	2,420,192	-	-
Defined benefit obligations (note 20)	2,450,582	2,164,071	-	-
Changes in fair value of financial assets at FVPL (note 23)	(514,049,789)	(165,077,344)	(38,148,854)	(12,915,644)
Changes in working capital				
- trade and other receivables	111,489,560	353,420,664	157,445,612	402,693,160
- inventories	10,253,061	3,438,730	-	-
- trade and other payables	(15,157,786)	112,440,921	6,568,971	(5,307,527)
Cash generated from / (used in) operations	202,829,343	541,815,824	230,295,898	447,536,533

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(all amounts in Sri Lanka Rupees unless otherwise stated)

31. Net assets value per share

	Group		Company	
	2025	2024	2025	2024
Stated capital	288,386,885	288,386,885	288,386,885	288,386,885
Reserves	4,782,110,366	3,302,650,424	2,550,052,120	2,004,294,340
Net assets	5,070,497,251	3,591,037,309	2,838,439,005	2,292,681,225
Number of shares	15,200,000	15,200,000	15,200,000	15,200,000
Net assets per share	333.59	236.25	186.74	150.83

32. Related parties

The Group is controlled by The Colombo Fort Land & Building PLC which owns 63% of the Company's shares. The remaining 37% of shares are widely held. The Colombo Fort Land & Building PLC is also the ultimate parent of the Group.

(a) Common directorships

The Directors of the Company are also Directors of the following companies with which the Group and/ or Company had business transactions in the ordinary course of business:

	Mr SDR Arudragasam	Mr S Rajaratnam	Mr. Anushman Rajaratnam	Mr. R M M J Ratnayake	Mr. Amrit Rajaratnam (Appointed w.e.f 31.12.2024)	Mr. E D P Soosaipillai (Appointed w.e.f 10.02.2025)	Mr. A I Piyadigama (Appointed w.e.f 10.02.2025)	Dr. J M Swaminathan (Resigned w.e.f 31.12.2024)	Mr. A M de S Jayaratne (Resigned w.e.f 31.12.2024)
C M Holdings PLC	X	X	X	X	X	X	X	X	X
Union Investments (Private) Limited	X	X	X	X	-	-	-	X	X
Colonial Motors (Ceylon) Limited	X	X	X	X	-	-	-	X	X
The Colombo Fort Land & Building PLC	X	X	X	-	X	-	-	-	X
Lankem Ceylon PLC	X	-	X	-	-	-	-	-	-
Colombo Fort Group Services (Private) Limited	X	-	X	-	-	-	-	-	-
Colombo Fort Properties (Private) Limited	-	-	X	-	-	-	-	-	-
Agarapatana Plantations PLC	X	-	X	-	-	-	-	-	X
C W Mackie PLC	X	X	X	-	-	-	-	-	X
E B Creasy & Company PLC	X	X	-	-	-	-	-	-	X
Union Commodities (Private) Limited	X	-	X	-	X	-	-	-	X
Consolidated Tea Plantations Limited	X	-	X	-	-	-	-	-	X
Sun Agro Life Science Limited	X	-	X	-	-	-	-	-	-
Kotagala Plantations PLC	X	-	X	-	-	-	-	-	X
Laxapana PLC	X	X	-	-	-	-	-	-	-

- Mr. Sanjeev Rajaratnam resigned w.e.f 30.12.2024 from C.W. Mackie PLC.
- Mr. A.M. de S. Jayaratne resigned w.e.f 31.12.2024 from E. B. Creasy & Company PLC and Agarapatana Plantations PLC and resigned w.e.f 30.12.2024 from C.W. Mackie PLC.

(b) Year - end balances arising in the ordinary course of business

Amounts due from related parties		Group		Company	
		2025	2024	2025	2024
The Colombo Fort Land & Building PLC	Parent	8,471,498	7,961,913	8,471,498	7,961,913
Union Investments (Private) Limited	Subsidiary	-	-	10,000,000	40,000,000
Union Commodities (Private) Limited	Sub - CFLB	3,444,366	128,934,269	-	128,861,587
Colonial Motors (Ceylon) Limited	Subsidiary	-	-	7,256,773	6,654,330
Agarapatana Plantations Limited	Sub - CFLB	565,997	2,046,285	-	-
E B Creasy & Company PLC	Sub - CFLB	44,939	140,683	-	-
Kotagala Plantations PLC	Sub - CFLB	636,848	692,870	-	-
C W Mackie PLC	Sub - CFLB	71,887	256,845	-	-
Sun Agro Life Science Limited	Sub - CFLB	261,658	-	-	-
Lankem Ceylon PLC	Sub - CFLB	9,959,244	7,883,722	8,161,733	7,595,528
		23,456,437	147,916,587	33,890,004	191,073,358

Amounts due from related parties includes receivables from:

The Colombo Fort Land & Building PLC due to C M Holdings PLC amounting to Rs. 4,500,000/- on which interest is charged at AWPLR+2% per annum.

Lankem Ceylon PLC due to C M Holdings PLC amounting Rs. 5,000,000/- on which interest is charged at AWPLR+2% per annum.

Colonial Motors (Ceylon) Limited due to C M Holdings PLC amounting Rs. 5,320,000/- on which interest is charged at AWPLR+2% per annum.

Amounts due to related parties		Group		Company	
		2025	2024	2025	2024
Colombo Fort Group Services (Private) Limited	Affiliate - CFLB	5,846,589	5,689,582	-	-
		5,846,589	5,689,582	-	-

Transactions with related parties are carried out in the ordinary course of business on an arm's length basis. Related party balances at the year end are unsecured and repayable on demand.

Service income charged from the related parties are on par with market rates that are charged to external customers for similar services.

(c) Key management compensation

Key management includes the Board of Directors (executive and non - executive) of the Company. The compensation paid or payable to key management for employee service is shown below:

	Group		Company	
	2025	2024	2025	2024
Salaries and short term employee benefits	7,260,000	4,515,000	7,260,000	4,267,500
The post-employment benefits	-	-	-	-
	7,260,000	4,515,000	7,260,000	4,267,500

Notes to the Financial Statements

(all amounts in Sri Lanka Rupees unless otherwise stated)

32. Related parties contd.

(d) The details of transactions carried out by the Group with related parties are as stated below

Group	Relationship	Repair services supplied / (received)		Dividends (paid) / received		Rent (paid) / received		Fees (paid) / received		Interest (paid) / received		Loans received / (given)		(Investment in) / transfer of shares	
		2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Lankem Ceylon PLC	Sub - CFLB	24,247,204	21,833,541	-	-	-	-	-	-	566,205	922,414	-	-	-	(204,541,360)
The Colombo Fort Land & Building PLC	Parent	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Colombo Fort Hotels Limited	Sub - CFLB	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Agarapattana Plantations Limited	Sub - CFLB	7,227,983	8,464,151	12,498,541	-	-	-	-	-	509,585	13,015,885	-	(52,500,000)	-	(42,922,962)
C W Mackie PLC	Sub - CFLB	734,544	1,012,095	7,139,104	10,303,020	-	-	-	-	-	-	-	-	-	-
Sun Agro Life Science Limited	Sub - CFLB	261,657	-	-	-	-	-	-	-	-	-	-	-	-	-
Beruwala Resorts PLC	Sub - CFLB	-	-	-	-	-	-	-	-	-	-	-	-	-	(18,000)
E B Creasy & Company PLC	Sub - CFLB	1,419,191	1,100,716	40,165,800	39,687,600	-	-	-	-	-	-	-	-	-	-
Kolagala Plantations PLC	Sub - CFLB	13,184,726	4,511,341	-	-	-	-	-	-	-	-	-	-	-	-
Colombo Fort Group Services (Pvt) Limited	Affiliate - CFLB	-	-	-	-	-	-	(249,169)	(903,216)	-	-	-	-	-	-
Marawila Resorts PLC	Sub - CFLB	-	-	-	-	-	-	-	-	-	-	-	-	-	(7,972,110)
Colombo Fort Properties (Pvt) Limited	Sub - CFLB	-	-	-	-	-	-	(4,500,000)	(3,450,000)	-	-	-	-	-	-
Union Commodities (Private) Limited	Sub - CFLB	4,925,855	117,618	-	-	-	-	-	-	-	44,610,826	-	(10,000,000)	-	-
Laxapana PLC	Sub - CFLB	-	-	900	900	-	-	-	-	-	-	-	-	-	-
Consolidated Tea Plantations Limited	Sub - CFLB	-	-	-	-	-	-	-	-	-	-	-	-	(128,861,551)	(270,000,000)
		52,001,160	37,039,462	59,804,345	33,968,642	-	-	(4,749,169)	(4,353,216)	1,075,790	58,549,126	-	(62,500,000)	(128,861,551)	(525,454,432)

(d) The details of transactions carried out by the Company with related parties are as stated below

Company	Relationship	Repair services supplied / (received)		Dividends (paid) / received		Rent (paid) / received		Fees (paid) / received		Interest (paid) / received		Loans received / (given)		Investment in / (transfer of) shares	
		2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Guardian Asset Management Limited	Subsidiary	-	-	-	(925)	-	-	-	-	-	-	-	-	-	-
Beruwala Resorts PLC	Sub - CFLB	-	-	-	-	-	-	-	-	-	-	-	-	-	(18,000)
Lankem Ceylon PLC	Sub - CFLB	-	-	-	24,725,258	-	-	-	-	566,205	922,414	-	-	-	(204,541,360)
The Colombo Fort Land & Building PLC	Parent	-	-	-	(47,874,250)	-	-	-	-	509,585	13,015,886	-	(52,500,000)	-	-
E B Creasy & Company PLC	Sub - CFLB	-	-	15,000,000	14,521,800	-	-	-	-	-	-	-	-	-	-
Marawila Resorts PLC	Sub - CFLB	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,333,333)
Union Investments(Pvt) Limited	Subsidiary	-	-	-	50,000,000	-	-	-	-	-	-	-	-	-	-
Colombo Fort Group Services (Pvt) Limited	Affiliate - CFLB	-	-	-	-	-	(91,801)	(81,400)	-	-	-	-	-	-	-
Colombo Fort Properties (Pvt) Limited	Sub - CFLB	-	-	-	-	-	(4,500,000)	(3,450,000)	-	-	-	-	-	-	-
Union Commodities (Pvt) Limited	Sub - CFLB	-	-	-	-	-	-	-	-	-	44,610,826	-	(10,000,000)	-	-
Colonial Motors Ceylon Ltd	Subsidiary	-	-	-	-	-	-	-	-	602,443	746,645	-	(1,420,000)	(24,000,000)	-
Agarapatana Plantations Limited	Sub - CFLB	-	-	7,529,200	-	-	-	-	-	-	-	-	-	(14,950,794)	-
Consolidated Tea Plantations Limited	Sub - CFLB	-	-	-	-	-	-	-	-	-	-	-	-	(128,861,551)	(270,000,000)
		-	-	22,529,200	41,371,883	-	-	(4,591,801)	(3,531,400)	1,678,233	59,295,771	-	(63,920,000)	(152,861,551)	(490,843,487)

(e) Non-Recurrent Related Party Transaction

There were no Non-Recurrent related party transactions that exceeded the respective thresholds mentioned in the Rule 9.14.7 of the Listing Rules of the Colombo Stock Exchange for the financial year 2024/2025

Notes to the Financial Statements

(all amounts in Sri Lanka Rupees unless otherwise stated)

33. Events after the reporting period

No circumstances have arisen since the balance sheet date which would require adjustments to, or disclosure in, the financial statements.

34. Contingencies

Contingent liabilities

There were no contingent liabilities as at the end of the reporting period

35. Commitments

(a) Financial commitments

There were no material financial commitments outstanding as at the end of the reporting period

(b) Capital commitments

There were no material capital commitments outstanding as at the end of the reporting period

Share Information

Distribution of Shareholders

Shareholdings	31st March 2025			31st March 2024		
	No of Shareholders	Total Share Holding	Holding %	No of Shareholders	Total Share Holding	Holding %
1 1,000	690	119,590	0.79	749	138,563	0.91
1,001 10,000	183	666,527	4.39	199	694,488	4.57
10,001 100,000	80	2,313,591	15.22	77	2,349,959	15.46
100,001 1000,000	12	2,450,442	16.12	11	2,367,140	15.57
Over 1,000,000	1	9,649,850	63.49	1	9,649,850	63.49
	966	15,200,000	100.00	1,037	15,200,000	100.00

Categories of Shareholders

	31st March 2025			31st March 2024		
	No.of Shareholders	Total Shareholdings	%	No.of Shareholders	Total Shareholdings	%
Individuals	870	2,633,610	17.33	938	2,758,830	18.15
Institutions	96	12,566,390	82.67	99	12,441,170	81.85
	966	15,200,000	100.00	1037	15,200,000	100.00

Public Holding

The percentage of the Issued Share Capital held by the public as at 31st March 2025 was 28.90% (31.03.2024 - 28.89%)

The applicable option under Colombo Stock Exchange Rule 7.13.1 (i) (b) on Minimum Public Holding is Option 5 and the Float adjusted Market Capitalisation as at 31st March 2025 was Rs.724,812,000/- (31.03.2024 - Rs.353,058,912/-)

Public Shareholders

The number of public shareholders as at 31st March 2025 was 953. (31.03.2024 - 1021)

Market Prices of the year

	2025	2024
Highest	188.00	95.00
Lowest	79.20	60.00
Market Value as at the year end	165.00	80.40

Share Information

20 Major Shareholders as at 31-03-2025

Position	Name of Shareholders	31.03.2025		31.03.2024	
		No of Ord. Vot. Shares	Percentage	No of Ord. Vot. Shares	Percentage
1	The Colombo Fort Land and Building PLC	9,649,850	63.49%	9,649,850	63.49%
2	Sri Lanka Insurance Corporation LTD-Life Fund	392,076	2.58%	392,076	2.58%
3	Mrs Agnes.E De Vos (DECD)	374,978	2.47%	374,978	2.47%
4	Pan Asia Banking Corporation PLC/Lankem Ceylon PLC	331,547	2.18%	331,547	2.18%
5	Colombo Investment Trust PLC	330,976	2.18%	330,976	2.18%
6	People's Leasing & Finance PLC/ Mr. H.M. Abdulhussein	183,481	1.21%	183,481	1.21%
7	Trust Holdings & Investments (Private) Limited	132,142	0.87%	132,142	0.87%
8	Colombo Fort Investments PLC	131,458	0.86%	131,458	0.86%
9	Miss Rukaiya Husseinally Abdulhussein	119,951	0.79%	119,951	0.79%
10	Mr. Yusuf Husseinally Abdulhussein	119,902	0.79%	119,902	0.79%
11	Glenford Investments (Private) Limited	117,014	0.77%	117,014	0.77%
12	Commercial Bank of Ceylon PLC/N.H. Dawoodbhoy and Company (Private) Limited	113,000	0.74%	81,500	0.54%
13	People's Leasing & Finance PLC/ Dr.H.S.D.soyasa & Mrs.G.soyasa	103,917	0.68%	133,615	0.88%
14	E.B. Creasy Ceylon (Private) Limited	95,640	0.63%	95,640	0.63%
15	Dr. Sena Yaddehige	90,000	0.59%	90,000	0.59%
16	Mr. Jawaharlal Vijaya Srikumaradas Corea	88,328	0.58%	88,328	0.58%
17	Mr. Sidath Vivendra Kodikara	82,934	0.55%	82,934	0.55%
18	Mr. Weerahennedige Sohan Raminal Fernando	75,565	0.50%	75,565	0.50%
19	York Arcade Holdings PLC	71,707	0.47%	71,707	0.47%
20	Corporate Holdings (Private) Limited A/C No.01	63,508	0.42%	63,508	0.42%
		12,667,974	83.34%	12,666,172	83.33%

Five Year Summary-Group

	2024/2025	2023/2024	2022/2023	2021/2022	2020/2021
Assets Employed					
Property , plant and equipment	426,268,041	386,690,284	395,435,000	403,440,854	346,819,829
Capital work in progress	-	13,087,187	-	-	-
Investment property	1,057,267,405	1,051,275,711	1,057,935,878	1,061,377,259	1,067,880,344
Intangible assets	4,870,824	4,870,824	4,870,824	4,870,824	4,870,824
Right of use assets	21,010,920	36,769,114	52,527,308	68,285,498	84,043,688
Financial assets at FVOCI	2,827,713,019	1,783,987,974	1,163,446,347	943,561,135	1,219,401,983
Deferred income tax assets	-	-	-	-	17,392,690
Current assets	1,969,994,348	1,452,505,714	1,734,114,397	1,755,241,454	1,628,880,479
Liabilities net of debt	(338,310,340)	(297,402,002)	(200,621,614)	(163,095,388)	(201,974,877)
	5,968,814,217	4,431,784,806	4,207,708,140	4,073,681,636	4,167,314,960
Capital Employed					
Stated capital	288,386,885	288,386,885	288,386,885	288,386,885	288,386,885
Reserves	4,782,110,366	3,302,650,424	3,072,137,168	2,908,873,267	3,122,979,355
	5,070,497,251	3,591,037,309	3,360,524,053	3,197,260,152	3,411,366,240
Non controlling interest	3,330,113	2,681,173	2,546,365	1,296,447	1,253,435
Total equity	5,073,827,364	3,593,718,482	3,363,070,418	3,198,556,599	3,412,619,675
Total debt	894,986,853	838,066,324	844,637,722	875,125,037	754,695,285
	5,968,814,217	4,431,784,806	4,207,708,140	4,073,681,636	4,167,314,960
Operating Results					
Revenue	351,505,848	305,685,802	276,430,164	305,664,737	356,484,427
EBIT	702,061,332	321,962,700	94,135,675	179,279,660	416,415,203
Finance expenses - net	(89,186,257)	(78,961,767)	13,613,403	(70,259,390)	(16,989,758)
Profit before tax	612,875,075	243,000,933	107,749,078	109,020,270	399,425,445
Tax (expense)/ release	(21,319,833)	(34,683,250)	(58,001,398)	(28,814,401)	(30,629,707)
Profit after tax	591,555,242	208,317,683	49,747,680	80,205,869	368,795,738
Cash Flow					
Net cash generated from/ (used) in operating activities	83,973,416	357,741,056	(95,605,411)	(72,721,246)	92,995,651
Net cash generated from/ (used) in investing activities	(23,259,591)	(344,820,340)	134,981,805	75,239,712	15,371,548
Net cash generated from/ (used) in financing activities	101,018,144	(50,660,898)	(70,816,240)	33,114,644	(124,772,611)
Increase/ (Decrease) in cash and cash equivalents	161,731,969	(37,740,182)	(31,439,846)	35,633,110	(16,405,412)
Key Indicators					
Basic earnings per share (Rs)	38.92	13.69	3.27	5.28	24.26
Dividend per share (Rs)	-	5.00	5.00	5.00	5.00
Net asset per share	333.59	236.25	221.09	210.35	224
Debt - Equity ratio	0.18	0.23	0.25	0.27	0.22
Current ratio (times covered)	1.79	1.38	1.83	2.06	2.29
Dividend payout ratio	-	37%	153%	95%	21%

Notice of Meeting

C M HOLDINGS PLC (Company No. PQ 169)

Notice is hereby given that the 113th Annual General Meeting of C M Holdings PLC will be held on Monday, 30th June 2025 at 10.00 a.m. and conducted as a Virtual Meeting from 8-5/2, Leyden Bastian Road, York Arcade Building, Colombo 1, for the following purposes:

1. To receive and consider the Annual Report of the Board of Directors and Statement of Accounts for the year ended 31st March, 2025 with the Report of the Auditors thereon.
2. To re-elect as a Director, Mr. R.M.M.J. Ratnayake who retires in accordance with Articles 88 and 89 of the Articles of Association.
3. To re-elect as a Director, Mr. Amrit Rajaratnam who was appointed during the year and retires in accordance with Article 95 of the Articles of Association.
4. To re-elect as a Director, Mr. E.D.P. Soosaipillai who was appointed during the year and retires in accordance with Article 95 of the Articles of Association.
5. To re-elect as a Director, Mr. A.I. Piyadigama who was appointed during the year and retires in accordance with Article 95 of the Articles of Association.
6. To reappoint Mr. S.D.R. Arudpragasam who is over seventy years of age as a Director. Special Notice has been received from a shareholder of the intention to pass a Resolution which is set out below in relation to his reappointment (see Note No 5).
7. To authorize the Directors to determine contributions to charities.
8. To reappoint as Auditors, Messrs. Deloitte Partners (formerly PricewaterhouseCoopers) and to authorize the Directors to determine their remuneration.
9. Special Business :
To consider and if thought fit to pass the following Special Resolution to amend the Articles of Association of the Company in relation to the minimum number of Independent Directors in compliance with the Listing Rules of the Colombo Stock Exchange:

Special Resolution

Resolved -

"That the existing Article 76 be renumbered as 76(1) and the following new Article numbered 76(2) be included immediately following the renumbered Article 76(1):

76(2). Notwithstanding anything to the contrary, so long as the shares of the Company are listed on the Colombo Stock Exchange, the Company shall in compliance with the Listing Rules of such Exchange ensure that, of the total number of Directors on the Board of Directors of the Company at any given time one third or two (whichever is greater) shall be Independent Directors in accordance with and subject to the criteria therefor in the Listing Rules of the Colombo Stock Exchange.

Any change occurring to this ratio shall be rectified within ninety (90) days from the date of change.

For the purpose of this Article, the term 'Independent Director' shall be as defined and set out in the Listing Rules of the Colombo Stock Exchange above referred to."

By Order of the Board,
Corporate Managers & Secretaries (Private) Limited
Secretaries

Colombo
02nd June 2025

C M HOLDINGS PLC
(Company No. PQ 169)

Notes:

1. A member of the Company who is entitled to attend and vote at this meeting may appoint a proxy to attend and vote instead of him or her. A proxy need not be a member of the Company.
2. A Form of Proxy is enclosed in this Report. The instrument appointing a proxy must reach the Registered Office of the Company's Secretaries, Corporate Managers & Secretaries (Private) Limited, No. 8-5/2, Leyden Bastian Road, York Arcade Building, Colombo 01, not less than forty-eight (48) hours before the time fixed for the holding of the meeting.
3. Members are encouraged to vote by Proxy through the appointment of a member of the Board of Directors to represent them and vote on their behalf. Members are advised to complete the Form of Proxy and their voting preferences on the specified resolutions to be taken up at the meeting and submit the same to the Company in accordance with the instructions given on the reverse of the Form of Proxy.
4. Please refer the "Circular to Shareholders" dated 02nd June 2025 for further instructions relating to the Annual General Meeting and for joining the Meeting virtually.
5. Special Notice has been received by the Company from a shareholder giving notice of the intention to move the following Resolution as an Ordinary Resolution at the Annual General Meeting:

Resolved -

"That Mr. S.D.R. Arudpragasam who is seventy three years of age be and is hereby reappointed a Director of the Company and it is further specially declared that the age limit of seventy years referred to in Section 210 of the Companies Act No. 7 of 2007 shall not apply to the said Director, Mr. S.D.R. Arudpragasam."

Notes

Notes

Form of Proxy

C M HOLDINGS PLC
(Company No. PQ 169)

I/We the undersigned of being a member/member of C M Holdings PLC, do hereby appoint of or failing him

- | | |
|---|---------------------------|
| 1. Sri Dhaman Rajendram Arudpragasam | of Colombo or failing him |
| 2. Anushman Rajaratnam | of Colombo or failing him |
| 3. Sanjeev Rajaratnam | of Colombo or failing him |
| 4. Ratnayake Mudiyansele Mohan Joseph Ratnayake | of Colombo or failing him |
| 5. Amrit Rajaratnam | of Colombo or failing him |
| 6. Eugen Duliksha Pratharp Soosaipillai | of Colombo or failing him |
| 7. Asoka Indrasiri Piyadigama | of Colombo |

as my/our proxy to represent me/us, to speak and to vote on my/our behalf at the Annual General Meeting of the Company to be held on 30th June 2025, at 10.00 a.m. and at any adjournment thereof and at every poll which may be taken in consequence thereof.

	For	Against
1. To receive and consider the Annual Report of the Board of Directors and the Statement of Accounts for the year ended 31st March, 2025 with the Report of the Auditors thereon.		
2. To re-elect Mr. R.M.M.J. Ratnayake as a Director.		
3. To re-elect Mr. Amrit Rajaratnam as a Director.		
4. To re-elect Mr. E.D.P. Soosaipillai as a Director.		
5. To re-elect Mr. A.I. Piyadigama as a Director.		
6. To reappoint Mr. S.D.R. Arudpragasam as a Director.		
7. To authorize Directors to determine contributions to Charities.		
8. To reappoint as Auditors Messrs. Deloitte Partners and authorize the Directors to determine their remuneration.		
9. Special Business- To amend the Articles of Association as set out in the Notice convening the Meeting.		

As witness my/our hand(s) this day of 2025.

.....
Signature of Shareholder

Note:
A proxy need not be a member of the Company. If no words are deleted or there is in the view of the proxy doubt (by reason of the manner in which the instructions contained in the Form of Proxy have been completed) as to the way in which the proxy should vote, the proxy may vote as he/she thinks fit.

Instructions as to completion are noted on the reverse hereof.

Instructions as to Completion

1. Perfect the Form of Proxy, after filling in legibly your full name, address and by signing in the space provided and filling in the date of signature.
2. In the case of corporate members the Form of Proxy must be under the Common Seal of the Company or under the hand of an Authorized Officer or Attorney.
3. Where the Form of Proxy is signed under a Power of Attorney (POA) which has not been registered with the Company, the original POA together with a photocopy of the same, or a copy certified by a Notary Public must be lodged with the Company's Secretaries, Corporate Managers & Secretaries (Private) Limited along with the Form of Proxy.
4. The completed Form of Proxy should be deposited at the Registered Office of the Company's Secretaries, Corporate Managers & Secretaries (Private) Limited, 8-5/2, Leyden Bastian Road, York Arcade Building, Colombo 1, not less than 48 hours before the time appointed for the meeting.

Corporate Information

Board of Directors

Chairman

S. D. R. Arudpragasam FCMA (UK)

Directors

S. Rajaratnam B.Sc., CA

Anushman Rajaratnam B.Sc. (Hons.), CPA, MBA

R. M. M. J. Ratnayake CMA, CGMA, MBA

Amrit Rajaratnam LLB (Notts.), Barrister-at-Law (Appointed w.e.f 31.12.2024)

E. D. P. Soosaipillai FCA (Sri Lanka), FCMA (Sri Lanka) (Appointed w.e.f 10.02.2025)

A. I. Piyadigama FCA (Sri Lanka), CPA (Aus) (Appointed w.e.f. 10.02.2025)

Chief Executive Officer

Mr. Arosh Azariah FCCA (UK), ACMA (UK), MBA

Secretaries

Corporate Managers & Secretaries (Private) Limited

8-5/2, Leyden Bastian Road,

York Arcade Building,

Colombo 01.

Registered Office

297, Union Place, Colombo 02.

Legal Form

Public Quoted Company with Limited Liability

Domiciled in Sri Lanka

Date Of Incorporation

09 July 1909

Company Number

PQ 169

Stock Exchange Listing

The Ordinary Shares of the Company are Listed with the Colombo Stock Exchange of Sri Lanka.

Bankers

People's Bank

Hatton National Bank PLC

Commercial Bank of Ceylon PLC

Lawyers

Messrs. Julius & Creasy

Auditors

Messrs. Deloitte Partners (formerly PricewaterhouseCoopers)

Concept & Designed by:



