ANNUAL REPORT 2024/25

softlogic
BEST IN THE BUSINESS

Softlogic Holdings PLC

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Scan the QR Code with your smart device to view this report online.

Our Vision

To be the most preferred and
ubiquitous product and service provider.

Our Credo

To make responsible investment decisions
and retain the best talent and become
the most admired corporate entity.

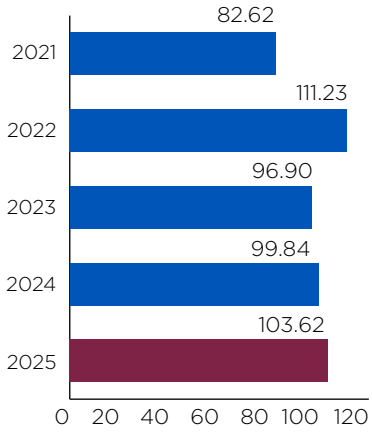
FINANCIAL HIGHLIGHTS

For the year ended 31 March		2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Earnings Highlights											
Group Revenue	Rs. Mn	**103,622**	99,839	96,899	111,229	82,621	76,722	75,143	66,019	58,882	54,600
Gross Profit	Rs. Mn	**37,692**	33,050	34,096	37,370	25,408	27,044	27,636	23,673	19,579	18,559
Earnings Before Interest, Tax, Depreciation & Amortisation of Intangibles		**12,468**	9,959	7,763	13,995	8,196	9,807	11,721	11,695	8,451	7,897
Group Earnings/ (Loss) Before Interest & Taxation		**6,351**	3,527	1,851	10,167	4,539	6,462	8,859	9,052	6,391	6,082
Group Earnings/ (Loss) Before Taxation		**(7,487)**	(12,626)	(20,908)	(3,561)	(3,811)	(2,899)	1,743	3,092	1,581	2,836
Group Earnings/ (Loss) After Taxation	Rs. Mn	**(11,085)**	(15,200)	(23,657)	(5,278)	(4,008)	(3,181)	2,990	2,278	920	1,870
Total Comprehensive Income/ (Loss) Net of Taxation	Rs. Mn	**(8,710)**	(11,868)	(22,706)	(3,090)	(2,739)	(2,272)	3,127	2,827	1,793	2,859
Group Earnings/ (Loss) Attributable to Equity Holders	Rs. Mn	**(15,052)**	(18,601)	(24,077)	(8,171)	(5,227)	(4,724)	105	204	120	565
Group Comprehensive Income/ (Loss) Attributable to Equity Holders	Rs. Mn	**(13,696)**	(16,239)	(23,624)	(7,142)	(4,307)	(4,096)	353	450	783	1,829
Gross Profit Margin	%	**36**	33	35	34	31	35	37	36	33	34
Net Profit/ (Loss) Margin	%	**(10.7)**	(15.2)	(24.4)	(4.7)	(4.9)	(4.2)	4.0	3.5	1.6	3.4
Earnings/ (Loss) Per Share	Rs.	**(11.2)**	(15.6)	(20.2)	(6.9)	(4.4)	(4.0)	0.1	0.3	0.2	0.7
Dividends	Rs. Mn		-	-	-	-	596	596	503	387	194
Balance Sheet Highlights											
Total Assets	Rs. Mn	**178,938**	179,198	184,237	188,705	161,834	149,551	130,670	118,823	100,915	93,152
Current Ratio	No. of times	**0.40**	0.36	0.40	0.57	0.71	0.74	0.83	0.93	0.94	0.84
Asset Turnover	No. of times	**0.58**	0.55	0.52	0.59	0.51	0.51	0.58	0.56	0.61	0.61
Total Interest Bearing Borrowings	Rs. Mn	**113,369**	124,085	123,742	98,946	82,585	79,669	65,788	61,227	52,255	46,480
Shareholders' Funds	Rs. Mn	**(59,520)**	(48,274)	(32,078)	(8,434)	(415)	3,911	14,343	11,591	8,547	8,159
Net Asset/ (Liability) Value Per Share	Rs.	**(42.66)**	(40.46)	(26.90)	(7.07)	(0.35)	3.28	12.23	14.05	11.04	10.54
Total Equity	Rs. Mn	**(40,707)**	(30,200)	(17,872)	5,597	12,006	16,129	24,839	20,917	15,623	15,531
Debt : Equity *	No. of times	**-**	-	-	17.7	6.9	4.9	2.7	2.9	3.3	3.0
Debt : Total Assets	No. of times	**0.6**	0.7	0.7	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Operating Cash Flow	Rs. Mn	**8,800**	6,500	(7,058)	9,146	17,126	9,009	1,556	(106)	2,331	3,432
Capital Expenditure	Rs. Mn	**2,455**	2,167	3,987	3,534	3,153	7,637	5,743	4,524	6,311	5,252
Cash Earnings/ (Loss) Per Share	Rs.	**6.3**	5.4	(5.9)	7.7	14.4	7.6	1.3	(0.1)	3.0	4.4
Investor Information											
Market Price as at 31 March	Rs.	**7.10**	9.00	15.90	37.60	11.80	12.30	16.00	24.60	11.90	13.30
Shares in Issue	Mn	**1,395**	1,193	1,193	1,193	1,193	1,193	1,193	962	779	779
Market Capitalisation as at 31 March	Rs. Mn	**9,906**	10,737	18,969	44,857	14,072	14,668	19,081	23,659	9,270	10,205
52-Week Market Share Price High	Rs.	**12.50**	12.00	39.80	90.00	15.30	17.00	25.80	26.20	15.50	18.00
52-Week Market Share Price Low	Rs.	**6.70**	8.00	14.50	10.40	9.80	11.00	15.90	11.70	11.70	12.30
Price to Book Value	No. of times	**-**	-	-	-	-	3.7	1.3	1.7	1.01	1.1
Enterprise Value : EBITDA	No. of times	**9.47**	11.29	9.62	10.87	9.24	6.97	6.73	7.19	6.60	
Dividend Per Share	Rs.	**-**	-	-	-	-	0.50	0.50	0.65	0.50	0.25

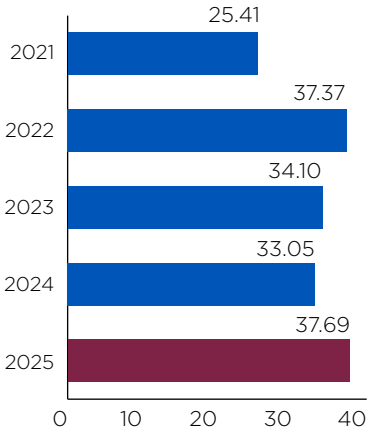
** Debt to Equity calculated based on Total Equity Capital*

OPERATIONAL HIGHLIGHTS

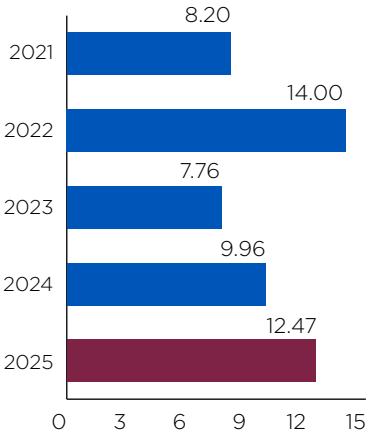
Group Revenue
Rs. Bn



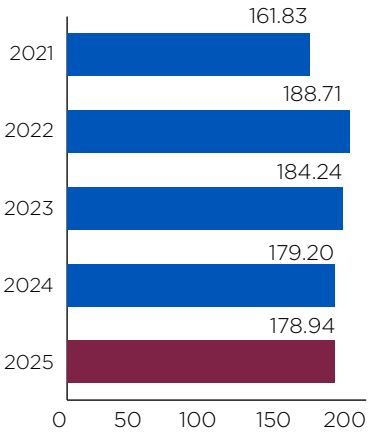
Group Gross Profit
Rs. Bn



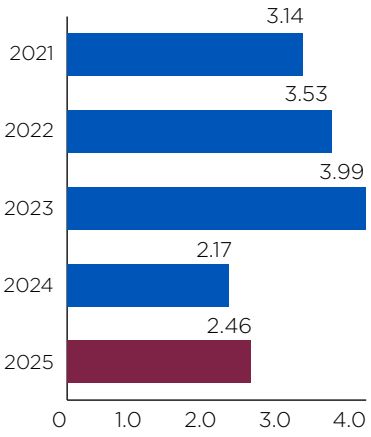
Group EBITDA
Rs. Bn



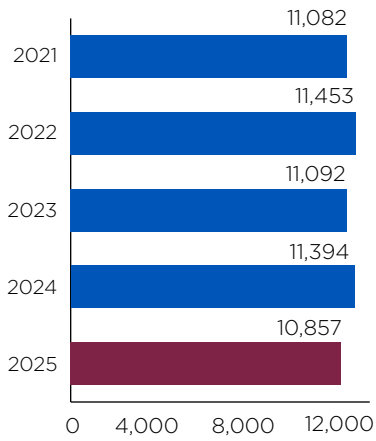
Total Assets
Rs. Bn



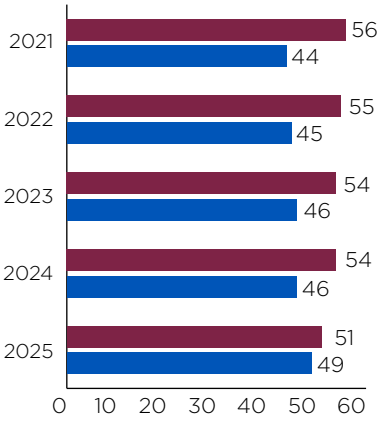
Capital Expenditure
Rs. Bn



Group Headcount
No. of Employees



Gender Mix
%



ABOUT THE GROUP

Softlogic Holdings PLC is one of Sri Lanka's leading diversified conglomerates, with a strong presence across Retail & Telecommunications, Healthcare Services, Financial Services, IT, Automotive, and Leisure & Property. The Group's portfolio of globally renowned brands, coupled with its expanding range of proprietary offerings, underscores its position as a trusted partner in delivering quality, innovation, and customer value across multiple sectors.

A key enabler of the Group's strategy is its extensive customer base, one of the largest in Sri Lanka, consolidated under the 'Softlogic One' loyalty programme. This platform provides deep insights into consumer behaviour, enabling data-driven decision-making, enhanced customer engagement, and the development of value-accretive solutions tailored to evolving market needs.

Anchored in a forward-looking strategy, operational discipline, and an unwavering focus on resilience, Softlogic continues to strengthen its market leadership while building the foundations for sustainable growth.



Retail & Telecommunications

The Retail & Telecommunications cluster brings together the Group's consumer-facing businesses across fashion and lifestyle, consumer electronics, mobile communications, supermarkets, restaurants, and footwear. The cluster is overseen by Softlogic Retail Holdings (Pvt) Ltd. ODEL PLC is the listed company in this sector.

- **Consumer Electronics:** Among Sri Lanka's largest multi-brand retailers of consumer electronics and durable goods, operating 88 stores spanning over 243,000 sq. ft. of retail space nationwide, supported by strong after-sales services.
- **Telecommunication:** A leading distributor in the mobile phone market, with the largest distribution network in the country, offering global brands such as Samsung and Nokia.
- **Fashion & Lifestyle:** ODEL and Cotton Collection anchor a curated portfolio of over 45 international fashion brands alongside exclusive private labels, offering a premium shopping experience.
- **Footwear Retailing:** Exclusive franchise holder for the globally recognised Bata brand, with 72 stores island-wide, a trusted household name for decades.
- **Restaurants:** A growing presence in quick-service dining with 41 outlets across Burger King, Popeyes, Baskin Robbins, Delifrance, Crystal Jade, and Subway, catering to diverse consumer segments.
- **Supermarkets:** Glomark advances a modern-trade proposition with strong fresh categories and an expanding private-label range, operating 14 supermarkets island-wide.

The sector leverages the Group's data and loyalty ecosystem to deepen customer engagement, enhance cross-format reach, and support disciplined growth across formats.

Healthcare Services

Asiri Health is Sri Lanka's foremost private healthcare network, with a presence across Colombo and key regional hubs. The cluster combines multi-specialty tertiary hospitals, centres of excellence in cardiac, oncology, neurology, and transplantation, a nationwide diagnostics platform, and a growing focus on healthcare education.

Asiri Hospital Holdings PLC and Asiri Surgical Hospital PLC are the listed entities in this sector.

- **Asiri Central Hospital:** A 248-bed tertiary hospital, renowned for its Centres of Excellence in cardiology, neurology, oncology, organ transplants, and interventional radiology, with advanced surgical and critical care support.
- **Asiri Surgical Hospital PLC:** A 155-bed specialised surgical hospital, leading in minimally invasive procedures, equipped with an AI-integrated cath lab, organ transplant services, and advanced neuro care.
- **Asiri Medical Hospital:** A 115-bed multi-specialty hospital serving both adults and children, emphasizing mother and baby care and offering clinics in neurology, memory, geriatrics, women's health, and lifestyle medicine.
- **Asiri Hospital Kandy:** A regional tertiary care centre with 190 beds, showing strong growth in outpatient volumes, surgical activity, and imaging diagnostics, expanding access to advanced care in the Central Province.
- **Asiri Hospital Matara:** A 60-bed facility with core strengths in GI, mother & baby, and women's health clinics, while also expanding into specialised services such as ophthalmology and mental health through dedicated consultants.
- **Asiri Hospital Galle:** A 32-bed regional hospital providing comprehensive tertiary care to the Southern Province, with expanded emergency and trauma services, enhanced dental and maxillofacial care, and a growing focus on renal and critical care. It also supports foreign patients with an international coordination team.
- **Asiri AOI Cancer Centre:** Sri Lanka's most advanced private oncology facility, offering PET-CT and precision radiotherapy across its linear accelerator suite, complemented by access-focused ESG initiatives.
- **Asiri Laboratories:** The country's largest private diagnostics network, comprising 93 collection centres, advanced molecular and imaging test platforms, serving over 3.3Mn patients annually.
- **Asiri Academy of Health Sciences:** A new institute with international affiliations, training the next generation of healthcare professionals across nursing, laboratory sciences, counselling, and health management disciplines.

By combining clinical breadth, technological investment, regional accessibility, and a growing education arm, Asiri Health continues to set the benchmark for integrated, high-quality private healthcare in Sri Lanka.

ABOUT THE GROUP



Financial Services

The Financial Services cluster encompasses life insurance, finance, asset management, and stockbroking, serving a broad spectrum of retail and corporate clients.

Softlogic Capital PLC, Softlogic Life Insurance PLC and Softlogic Finance PLC are the listed entities in this sector.

- **Softlogic Capital:** The sector holding company that provides strategic direction and capital management oversight across the financial services sector.
- **Softlogic Life Insurance:** Sri Lanka's second-largest life insurer with over 1.3Mn clients. The company offers a broad suite of life and health insurance solutions through both digital and traditional channels, maintaining a market share of 17.2%. The recent acquisition of Allianz Life further strengthens its market position and expands product depth and distribution reach.
- **Softlogic Finance:** A licensed finance company offering leasing, loans, deposits, and other financial solutions across a broad customer base. With a renewed focus on quality lending and risk management, the company plays a key role in supporting access to credit.
- **Softlogic Stockbrokers:** A licensed stockbroking firm providing a comprehensive suite of equity trading and research services. The company is known for market insights, client-focused advisory, and a growing digital trading platform.
- **Softlogic Asset Management:** Licensed by the Securities and Exchange Commission of Sri Lanka, it delivers professional fund management across unit trusts and tailored investment products, supporting both institutional and retail investors.

Together, these businesses underpin the Group's position in Sri Lanka's financial services landscape, balancing growth with resilience while expanding access to insurance, credit, investment, and advisory solutions.



Information Technology

The IT sector underpins the Group's commitment to digital transformation by delivering enterprise solutions, infrastructure management, and technology services to both corporate and government clients.

- **Softlogic Information Technologies:** One of Sri Lanka's leading IT solutions providers, serving enterprises, banking & financial services, education, government, and SMEs. It offers end-to-end technology services including data center modernisation, hybrid cloud, cybersecurity, AI-driven digital workspaces, IoT, and business process automation. The company's strength is reinforced by partnerships with global leaders such as Dell, EMC, Lenovo, HP, Nutanix, BMC, Checkpoint, Palo Alto, Austria Cards, Matica, and HID, enabling organisations to embrace digital transformation with cutting-edge solutions and nationwide support.
- **Softlogic Computers:** A leading provider of ICT and banking technology solutions in Sri Lanka, offering point-of-sale systems, banking equipment, and ICT infrastructure services. The company represents globally recognised brands including Epson, Honeywell, Zebra, Riello, and Partnertech, supported by a nationwide dealer network of around 70 partners and strong after-sales service.
- **Softlogic BPO Services:** Provides IT infrastructure management, helpdesk services, and other business process solutions to Group companies while selectively serving external clients.

The IT sector continues to strengthen the Group's digital backbone, enabling operational efficiency, enhancing customer engagement, and supporting the adoption of innovative technologies across industries.



Automobile

The Automobile sector is positioned for renewed growth as market activity resumes, supported by strong global partnerships, multi-brand representation, and a continued focus on after-sales excellence. The Group's presence spans passenger vehicles, two-wheelers, buses, and three-wheelers, offering a comprehensive mobility portfolio.

- **Future Automobiles:** Authorised dealer for Ford vehicles in Sri Lanka, managing sales, servicing, and repairs, with renewed momentum as supply channels normalise.
- **Softlogic Automobiles:** Authorised dealer for King Long buses in Sri Lanka, and operator of a state-of-the-art multi-brand collision repair centre serving vehicles across categories. During the year, Softlogic Automobiles further expanded its portfolio through a strategic partnership with ATUL Auto, a global leader in three-wheelers, introducing durable, fuel-efficient passenger and cargo models supported by technical expertise and spare parts infrastructure.
- **Suzuki Motors Lanka:** Exclusive agent for Suzuki Motor Corporation of Japan, distributing Suzuki motorcycles in Sri Lanka. With imports resuming, Suzuki motorcycles have reinforced the Group's position in the two-wheeler segment, complemented by comprehensive repair and maintenance services.

The sector is well-positioned to leverage pent-up demand across personal mobility and commercial transportation, backed by a diversified portfolio and trusted global partnerships.



Leisure & Property

The Leisure & Property cluster represents the Group's strategic footprint in hospitality, travel, and real estate development, serving both international and domestic markets.

- **NH Collection Colombo:** A 219-room, five-star city hotel located in Colombo 03, operated by Minor Hotels Group. Positioned as a premium urban destination, it offers contemporary accommodations, curated dining, and state-of-the-art leisure and business facilities. Its expansive meeting and event spaces cater to the MICE segment, reinforcing its role in Colombo's business tourism landscape.
- **NH Bentota Ceysands Resort:** A 165-room beachfront resort uniquely nestled between the Bentota River and the Indian Ocean. Managed by Minor Hotels Group, it is designed for leisure travelers, destination weddings, and corporate retreats. Its location and amenities make it a standout in Sri Lanka's southern coastal belt.
- **Softlogic Destination Management:** A dedicated travel division providing outbound and inbound travel solutions, delivering seamless, high-quality experiences for corporate and leisure travelers.
- **Sabre Travel Network Lanka:** An associate with Sabre Asia Pacific (Pte) Ltd, offering advanced online ticketing and airline reservation systems for travel professionals and consumers, enabling efficient travel planning and management.
- **Property Development:** The Group's real estate arm completed the Everest Apartment project in Colombo 5 and continues development of the ODEL Mall project. These initiatives expand the Group's footprint in high-value urban property development.

This cluster integrates hospitality, travel solutions, and property development, positioning Softlogic as a trusted lifestyle partner for discerning international and domestic clientele.

OUR BUSINESSES

softlogic
BEST IN THE BUSINESS

Retail



100%

Softlogic Retail Holdings (Pvt) Ltd

- Softlogic Retail (Pvt) Ltd
  - Suzuki Motors Lanka Ltd
  - SML Holdings (Pvt) Ltd
  - Dai-Nishi Securities (Pvt) Ltd
- ODEL PLC
  - Softlogic Brands (Pvt) Ltd
  - ODEL Lanka (Pvt) Ltd
  - ODEL Apparels (Pvt) Ltd
  - ODEL Properties (Pvt) Ltd
  - ODEL Information Technology Services (Pvt) Ltd
  - ODEL Properties One (Pvt) Ltd
  - ODEL Restaurants (Pvt) Ltd
  - Cotton Collection (Pvt) Ltd
  - ODEL Apparel Holdings (Pvt) Ltd
  - ODEL Apparel Lanka (Pvt) Ltd
- Softlogic Mobile Distribution (Pvt) Ltd
  - Softlogic Communications (Pvt) Ltd
- Softlogic Communication Services (Pvt) Ltd
- Softlogic International (Pvt) Ltd
- Softlogic Restaurants (Pvt) Ltd
  - Softlogic JSM Entertainment (Pvt) Ltd
  - Silk Route Foods (Pvt) Ltd
  - Softlogic Healthy Concepts (Pvt) Ltd
- Softlogic Retail One (Pvt) Ltd
- Softlogic Supermarkets (Pvt) Ltd
- Softlogic Rewards (Pvt) Ltd
- Softlogic Pharmaceuticals (Pvt) Ltd
- Softlogic Manufacturing (Pvt) Ltd
- Footwear Retailer Ltd

Healthcare Services



55%

Core Verticals

Asiri Hospital Holdings PLC

- Asiri Surgical Hospital PLC
  - Asiri AOI Cancer Centre (Pvt) Ltd
- Central Hospital Ltd
- Asiri Central Hospitals Ltd
- Asiri Diagnostics Services (Pvt) Ltd
- Asiri Hospital Matara (Pvt) Ltd
- Digital Health (Pvt) Ltd
- Asiri Laboratories (Pvt) Ltd
- Asiri Hospital Galle (Pvt) Ltd
- Asiri Diagnostic Services (Asia) Pte Ltd
- Asiri Port City Hospital (Pvt) Ltd
- Asiri Academy of Health Sciences (Pvt) Ltd
- Fab Asiri (Pvt) Ltd

Financial Services



69%

Softlogic Capital PLC

- Softlogic Life Insurance PLC
  - Softlogic Life Insurance Lanka Ltd
- Softlogic Finance PLC
- SCAP One (Pvt) Ltd
  - Softlogic Stockbrokers (Pvt) Ltd
  - Softlogic Asset Management (Pvt) Ltd
- S R One (Pvt) Ltd

Leisure & Property



100%

Softlogic Properties (Pvt) Ltd

- Softlogic City Hotels (Pvt) Ltd
- Ceysand Resorts Ltd
- Softlogic Destination Management (Pvt) Ltd
- Sabre Travel Network Lanka (Pvt) Ltd

Automobiles



100%

- Future Automobiles (Pvt) Ltd
- Softlogic Automobiles (Pvt) Ltd

Information Technology & Others



100%

- Softlogic IT Holdings (Pvt) Ltd
  - Softlogic Information Technologies (Pvt) Ltd
  - Softlogic Computers (Pvt) Ltd
- Softlogic Australia (Pty) Ltd
- Softlogic BPO Services (Pvt) Ltd
- Nextage (Pvt) Ltd (Associate Company)
- Softlogic Corporate Services (Pvt) Ltd
- Jendo Innovations (Pvt) Ltd (Associate Company)
- Softlogic Healthcare Holdings Ltd
- Softlogic Solar (Pvt) Ltd
- Softlogic Energy Solutions (Pvt) Ltd

Non-Core Verticals

MESSAGE FROM THE CHAIRMAN



"This has been a year characterised by deliberate choices, defined priorities and a firm commitment to strengthening the fundamentals of our Group, as we work through a demanding landscape and set the stage for steadier, more tangible progress going forward."

A. K. Pathirage
Chairman/ Managing Director

Dear Stakeholders,

It is with a sense of responsibility and strategic resolve that I present the Annual Report of Softlogic Holdings PLC for the financial year ended 31st March 2025. This year was a defining one for the Group, as we responded decisively to a challenging operating environment through a clear and focused revival agenda. Driven by urgency and a renewed sense of direction, we embarked on a broad transformation effort aimed at strengthening the Group's financial position, restoring operational momentum, and realigning priorities toward long-term sustainability. Amid persistent macroeconomic pressures, we made tangible progress across several fronts, including operational restructuring, capital enhancement, debt optimisation, and renewed focus on core verticals. To reinforce execution and performance delivery, we made key leadership appointments across the Group, bringing in professionals with deep operational expertise and sector experience.

During the year, the Group recorded a consolidated revenue of Rs. 103.6 Bn, with EBITDA improving to Rs. 12.5 Bn, and total assets standing at Rs. 178.9 Bn. Performance across several segments showed notable improvement during the year, contributing to a meaningful reduction in operating pressure and signaling early signs of recovery. These topline results reflect the resilience of our businesses and the initial traction of our revival strategy.

ECONOMIC OVERVIEW

Sri Lanka's macroeconomic recovery strengthened during the year, underpinned by reform progress under the International Monetary Fund (IMF) programme, improved fiscal management, and greater policy and political stability. Real GDP expanded by approximately 5% in CY2024, the highest since 2017, supported by a strong rebound in tourism, improved industrial output, and gradually recovering consumer demand.

A key milestone during the year was the upgrade in the country's sovereign credit rating in December 2024, marking Sri Lanka's formal exit from default status. This followed the successful restructuring of external debt and boosted investor sentiment across domestic and international markets. The release of the fourth tranche under the IMF's Extended Fund Facility, amounting to USD334 Mn, further reinforced the country's external position and policy credibility.

Monetary conditions continued to ease in support of growth. The Weekly Average Weighted Prime Lending Rate (AWPLR) declined steadily from 10.69% in April 2024 to 8.43% by March 2025, significantly reducing borrowing costs across the economy. Reinforcing this trend, the Central Bank of Sri Lanka (CBSL) further reduced its policy rate to 7.75% in May 2025, extending its accommodative stance into the new financial year. This trend substantially lowered financing costs and facilitated a gradual recovery in private sector credit. Headline inflation remained muted throughout the year, although recent tax changes, including adjustments to VAT and direct taxes, moderated discretionary consumption.

Foreign exchange market stability improved notably. The Sri Lankan Rupee appreciated from a monthly

Rs. 178.9 Bn
Total Assets

Rs. 103.6 Bn
Total Revenue

10,857
Total Employees

MESSAGE FROM THE CHAIRMAN

average of Rs. 299.42/USD in April 2024 to Rs. 295.91/USD in March 2025, supported by robust tourism receipts, worker remittances, and official inflows. Gross official reserves rose to USD6.517 Bn by March 2025, equivalent to 4.1 months of imports, surpassing the previous peak recorded in October 2024. This reserve build-up was aided by a USD400Mn market purchase by the CBSL and the IMF disbursement, and enabled the phased easing of long-standing import restrictions and capital controls, particularly in consumer and discretionary goods, directly benefitting several of our core business segments.

The successful conclusion of Presidential, Parliamentary, and Local Government elections provided the Government with a renewed mandate to pursue structural reforms and private sector-led growth. This return to political stability, combined with supportive macro fundamentals, created a more enabling environment for corporate recovery and investment planning.

Building on the momentum, Sri Lanka recorded further progress under the IMF-supported reform programme, with the Fund signaling continued improvement in fiscal performance, reserve accumulation, and programme implementation. This momentum has reinforced macroeconomic visibility and is expected to unlock additional external financing upon Board approval, providing a supportive backdrop for domestic investment and market confidence.

In parallel, the Government's latest budget reaffirmed its commitment to fiscal discipline and structural reform, while introducing measures aimed at strengthening revenue mobilisation, promoting investment, and supporting economic activity. The combined effect of continued IMF programme progress and a reform-aligned national budget is expected to enhance policy predictability and sustain the stabilization trajectory.

> "Performance across key sectors reflected measured progress, with more stable demand conditions, improved operating controls and focused management interventions contributing to a steadier operating rhythm across the Group."

PERFORMANCE REVIEW

The financial year under review marked a gradual shift in operating momentum, supported by a stabilizing macroeconomic backdrop and early progress in the Group's realignment efforts. While overall performance remained tempered by structural constraints, key sectors recorded encouraging signs of recovery. The easing of interest rates, a more stable exchange rate, and the removal of longstanding import restrictions allowed the Group to strengthen inventory positions and respond more effectively to market demand, particularly in the Retail & Telecommunications sector.

The Group reported consolidated revenue of Rs. 103.6 Bn and EBITDA of Rs. 12.5 Bn. These topline results reflect both the underlying strength of our core businesses and the early traction of operational and strategic measures taken during the year. Across several verticals, performance showed sequential improvement, resulting in reduced pressure on operating margins.

The healthcare sector delivered a year of strong operational progress, with record patient volumes, new service lines, and continued investment in advanced clinical and diagnostic capabilities across the network. Asiri Medical Hospital broadened its portfolio with specialised clinics in neurology, memory care, geriatrics, diabetes wound management, and women's health, while reinforcing its leadership in mother and baby care. Asiri Hospital Kandy marked its sixth year with double-digit revenue growth, driven by record outpatient consultations, higher surgical volumes, and enhanced radiology, pharmacy, and wellness services. Asiri Matara prepared to introduce the district's first cardiac catheterization laboratory and CCU, while Galle advanced plans for a kidney transplant programme and strengthened emergency and foreign patient care. Asiri AOI Cancer Centre maintained its leadership in oncology with Sri Lanka's most advanced radiotherapy capabilities and exclusive PET-CT services, supported by targeted ESG-led access initiatives. Asiri Surgical Hospital led in minimally invasive cardiac procedures with the country's highest TAVI volumes, opened an AI-integrated Cath Lab, and expanded transplant, neuro, and rehabilitation services. Asiri Laboratories grew volumes by double digits, expanded its network to 93 collection centres, and introduced advanced diagnostic platforms. The newly established

Asiri Academy of Health Sciences, with international affiliations, has exhibited strong progress aimed to build future healthcare talent. Collectively, these initiatives strengthened Asiri Health's position as the country's most comprehensive and technologically advanced private healthcare provider.

The financial services sector recorded a robust performance, underpinned by disciplined portfolio management, improved recoveries, and targeted capital measures. A strong and experienced management team was appointed for the sector, reinforcing strategic leadership and driving operational resilience. Softlogic Life retained its prominence in life insurance with a 17.2% market share. Softlogic Life executed share buyback during the year, enhancing shareholder value and reflecting confidence in the company's long-term prospects. The recently concluded acquisition of Allianz Life is expected to expand distribution reach and enhance the product portfolio, supporting the long-term growth ambitions of Softlogic Life. Softlogic Finance returned to profitability during the year, with a Special Purpose Vehicle under CBSL guidance being established to take on distressed assets, thereby improving capital adequacy and setting the tone for a sustainable turnaround. Softlogic Capital completed the settlement of its final tranche of listed debentures during the year.

The retail segment recorded improved revenue performance, supported by currency and interest rate stability, improved inventory levels, and a gradual recovery in consumer demand. Fashion and lifestyle retail, led by ODEL, sustained performance despite margin pressures from grey market competition and higher indirect taxes, driven by a sharper focus on core brands, calibrated promotions, and the rollout of value-driven Brand Outlet stores in Kohuwala, One Galle Face, and Kandy. Flagship additions, including Sri Lanka's largest Levi's store and the debut of Arrow menswear, further reinforced brand leadership. The consumer electronics segment streamlined its operations, exiting underperforming outlets and consolidating the network to improve efficiency, while benefiting from normalised inventory flow after the easing of import restrictions and recording a volume pickup late in the year. The restaurant business also advanced, delivering sustained growth in outlet sales and benefiting from robust demand through online ordering and delivery channels. Strategic openings in Jaffna, including Popeyes, Burger King and Baskin Robbins, expanded the Group's presence in the Northern market, while Delifrance at the Departures Terminal at the Bandaranaike International Airport captured rising tourist footfall and delivered healthy returns. Together, these initiatives enhanced brand visibility, deepened market penetration and strengthened the foundation for scalable multi-brand growth. The supermarket business, Glomark, maintained its strategic focus on operational stability and expansion, with preparatory work underway for new outlets in high-growth suburban markets such as Buthgamuwa, Kirula Road, Rajagiriya and Kadawatha. The second Glomark Essential outlet was recently opened at Horton Place, introducing a compact, convenience-focused format designed for high-density urban catchments. Building on the strong early response, Glomark will continue to scale this express model across select suburban and city-centre locations. Glomark will also broaden its private-label portfolio with a greater focus on organic, clean-label and health-oriented products, reinforcing its value-driven modern-trade positioning. In line with this direction, the brand initiated a comprehensive rebranding exercise to further embed the themes of wellness and better living across its identity and customer proposition. This development reflects the brand's ongoing evolution toward a more health-conscious, lifestyle-aligned retail experience and will strengthen future strategic initiatives in assortment curation, customer engagement and store experience design. The ODEL Mall development, which was strategically paused amidst macroeconomic headwinds, has been rescheduled to resume construction in the upcoming periods. The project remains integral to our long-term retail vision, and its progression will be revisited as macroeconomic conditions and funding capacity continue to improve.

The automobile sector entered a new phase of opportunity following the removal of import restrictions, with early signs of renewed consumer interest and market activity. Ford sales gained momentum in the latter part of the year as supply channels reopened, while Suzuki motorcycles re-entered the market, strengthening the Group's position in the two-wheeler segment. The state-of-the-art 3-S facility, serving multiple vehicle brands, reinforced our commitment to after-sales care and customer experience. The sector also achieved a strategic milestone with the partnership between Softlogic and ATUL Auto, one of the global leaders in three-wheelers, to introduce a range of durable,

MESSAGE FROM THE CHAIRMAN

> "With reinforced leadership and a more integrated operating model, we are sharpening execution discipline, activating cross-business synergies and strengthening delivery across our core verticals, as the Group moves into a more decisive phase of alignment and forward momentum."

fuel-efficient, and versatile models tailored to Sri Lanka's passenger and cargo transport needs. With technical expertise and spare parts infrastructure already in place, the sector is well positioned to capture pent-up demand and expand its role in both personal mobility and commercial transportation as the market normalizes.

The tourism sector operated in a normalised travel environment, with NH Collection Colombo and NH Bentota Ceysands Resort under the management of the Minor Group. This change in management is expected to drive improvements in performance through enhanced marketing reach, service standards, and brand positioning.

STRATEGIC FOCUS AND ORGANISATIONAL RESET

As part of the Group's broader transformation agenda, a multi-pronged strategy was advanced during the year to enhance financial flexibility, unlock value, and reposition the portfolio for long-term sustainability. These efforts focused on capital optimisation, operational realignment, and sharper focus on core verticals.

As part of the Group's broader transformation efforts, a series of deliberate and focused initiatives were rolled out during the year to enhance financial flexibility, streamline operations, and sharpen strategic focus. These measures are central to rebuilding resilience and positioning the Group for long-term sustainability.

A key priority was the restructuring of borrowings, with an emphasis on converting short-term debt into longer-tenure facilities to ease liquidity pressure and align repayment obligations with projected cash flows. In tandem, capital enhancement efforts progressed with the successful completion of a Rs.2 Bn rights issue in September 2024. A second phase of capital raising, via a warrants issue scheduled for September 2026, is expected to generate a further Rs.1.28 Bn to support balance sheet optimization.

To unlock capital and reduce leverage, the Group advanced its asset monetization strategy, identifying and divesting several idle properties. A significant transaction included the sale of a 265-perch land in Koswatte-Thalangama, owned by Odel Lanka, for Rs.1.25 Bn in July 2025.

Operationally, a series of restructuring actions were implemented across the Group to improve efficiency, reduce overheads, and strengthen internal cash generation. These included tighter controls, leaner organisational structures, and enhanced accountability frameworks to support more agile decision-making.

Reinforcing these measures, several key leadership appointments were made at the Group, Retail, and Leisure sectors. These changes were aimed at revitalizing underperforming sectors, accelerating execution, and embedding stronger governance and performance discipline across the Group.

In parallel, the Group will intensify efforts to capitalise on synergies across its portfolio by leveraging the inherent advantages of operating a fully consumer-driven business ecosystem. With shared customer touchpoints, complementary business models and an integrated operating footprint, the Group is well positioned to drive greater efficiency, amplify cross-selling opportunities and enhance enterprise-wide value creation. A sharper focus will also be placed on accelerating the omni-channel strategy by strengthening online platforms, digital engagement and social media-led marketing to deliver a seamless and connected customer experience. These initiatives will be supported by the Group's extensive digital infrastructure and its ownership of one of the largest consumer bases in the country through the Softlogic One Group loyalty platform, a unified Group-wide asset that provides a strong foundation for deeper customer insights, targeted engagement and scalable growth.

OUTLOOK

The financial year concluded with early signs of operational traction across several key businesses, reflecting the impact of structural actions taken throughout the year. These improvements have laid a more stable foundation for the period ahead.

Looking forward, we remain cautiously optimistic as we navigate a more stable macro economic environment. The Group's strategic focus will remain anchored in its core verticals, Healthcare Services, Insurance, Retail & Telecommunications, and Automobiles, where we possess established strengths, scale, and consumer trust.

To further strengthen the balance sheet and improve operating leverage, initiatives around asset monetization, capital infusion, and debt rationalisation will continue into the new financial year. These measures are central to enhancing financial flexibility and reinforcing shareholder confidence.

While challenges remain, we are moving forward with sharper focus, greater discipline, and a clear execution agenda.

ACKNOWLEDGEMENTS

I wish to extend my sincere appreciation to the Board of Directors, the senior leadership team, and all our employees for their unwavering commitment and resilience throughout this period of transformation. I am also deeply grateful to our shareholders, bankers, lenders, suppliers, and franchisors for their steadfast support and trust in the Group's direction. Their continued partnership has been vital to our ability to execute priorities and sustain momentum.

This is a time for action, not assurances. We know the road ahead, and we are moving forward with clarity, control, and an unrelenting focus on what matters!

(Sgd.)
A. K. Pathirage
Chairman/ Managing Director

08 December 2025

BOARD OF DIRECTORS



ASHOK PATHIRAGE
Chairman / Managing Director



HARESH KAIMAL
Executive Director



HEMANTHA GUNAWARDENA
Executive Director



RANJAN PERERA
Executive Director



NIHAL KEKULAWALA
Senior Independent Non-Executive Director



PROF. AJANTHA DHARMASIRI
Independent Non-Executive Director



THIRUKUMAR NADARASA
Independent Non-Executive Director



IMRAN FURKAN
Independent Non-Executive Director



SHIRISH SARAF
Non-Independent
Non-Executive Director



CHETAN GUPTA
Alternate Director to Mr. Shirish Saraf

BOARD OF DIRECTORS

MR. ASHOK PATHIRAGE

Chairman/Managing Director

Mr. Ashok Pathirage, recognised as a visionary leader of Sri Lanka's corporate world, is the founding member and Chairman/Managing Director of Softlogic Group, one of Sri Lanka's leading conglomerates. He manages over 50 companies with a pragmatic vision providing employment to more than 11,000 employees.
Mr. Pathirage manages and gives strategic direction to the Group which has a leading market presence in three core verticals, namely Retail, Healthcare Services and Financial Services and in three non-core verticals namely, IT, Leisure & Automobiles.

Asiri Hospital chain is the country's leading private healthcare provider which has achieved technological milestones in medical innovation and reliability in Sri Lanka's private healthcare services.

He is the Chairman/Managing Director of Softlogic Holdings PLC, Asiri Hospital Holdings PLC, Asiri Surgical Hospital PLC and ODEL PLC. He also serves as the Chairman of Softlogic Capital PLC and Softlogic Life Insurance PLC in addition to other companies of the Softlogic Group.

MR. HARESH KAIMAL

Executive Director

Mr. Haresh Kumar Kaimal is a co-founder of Softlogic Group and has served on the Board of Directors since the company's origin in 1991. He Leads the group-wide IT division, overseeing IT initiatives, infrastructure and digital transformation across its diverse businesses. Under his guidance, Softlogic has implemented major systems such as Oracle E-Business Suite and Oracle Retail applications, along with industry-specific front-end tools.

In addition to the Group wide responsibilities he is an Executive Director of Softlogic BPO (Pvt) Ltd, Managing Director of Softlogic Supermarkets (Pvt) Ltd, represents the Board of Directors of Softlogic Life Insurance PLC, Softlogic Capital PLC, Softlogic Finance PLC, ODEL PLC, Asiri Hospitals Group and many other Group companies.

MR. HEMANTHA GUNAWARDENA

Executive Director

Mr. Hemantha Gunawardena is a Co-Founder of the Softlogic Group and has served on the Board since its inception. With over 30 years of experience in the information technology and business sectors, he brings deep expertise and strategic insight to the Group's operations. Prior to co-founding Softlogic, he led the software development division at a prominent Sri Lankan blue-chip company.

Mr. Gunawardena currently oversees the software operations of Softlogic Australia (Pvt) Ltd and serves as the Managing Director of Softlogic Automobile Sector, Chief Executive Officer of Softlogic Services, and is also actively overseeing the operations of the Softlogic Furniture sector. Additionally, he serves as an Executive Director of Softlogic BPO Services (Pvt) Ltd, continuing to play a vital role in the Group's diversified portfolio.

MR. RANJAN PERERA

Executive Director

Mr. Ranjan Perera is a co-founder and shareholder of Softlogic Group of Companies. Executive Director since inception and also holds many Board Directorships in subsidiaries of the Softlogic Group. He is the CEO of the Group's Mobile Phone Operations, CEO of Softlogic Retail Sector, Managing Director of Softlogic Pharmaceuticals (Pvt) Ltd, Managing Director – FMCG Channel and Heading the Higher Purchase Division of the Retail Sector.

He is also heading the Service Centre Operations, Supply Chain Management & Logistics and the Bata Operations (Footwear Retailer Pvt Ltd), Director of Softlogic Stockbrokers (Pvt) Ltd and Softlogic Manufacturing (Pvt) Ltd, and Non-Executive Director of Softlogic Capital PLC and Softlogic Finance PLC. He is currently a member of the Board of Study, Sri Lanka Foundation.

MR. NIHAL KEKULAWALA

Senior Independent Non-Executive Director

Mr. Nihal Kekulawala counts over thirty years in the banking profession and was appointed as a Director in January 2019. He has held senior positions at Hatton National Bank PLC and played a strategic role in the diversification of HNB from Commercial Banking to Investment Banking, venture capital, stock brokering and life/general insurance.
Mr. Kekulawala served as the lead consultant and was responsible for setting up a Commercial Banking Operation in the Solomon Islands. He functioned as the inaugural CEO of the bank. He presently serves on the Board of several public companies. Mr. Kekulawala is a Fellow Member of the Institute of Chartered Accountants England and Wales, and Sri Lanka, Fellow Member of the Chartered Institute of Bankers, England and has an MBA from the University of Manchester.

PROF. AJANTHA DHARMASIRI

Independent Non-Executive Director

Prof. Ajantha Dharmasiri was appointed to the Board in 2016 as a Non-Executive Independent Director. He has a rare combination of being a Chartered Manager, Chartered HR Professional and a Chartered Electrical Engineer. He is acclaimed as a conference speaker, corporate trainer, strategy consultant, author and an academic. He is the first home-grown Senior Professor in Management of the Postgraduate Institute of Management (PIM), University of Sri Jayewardenepura, Sri Lanka and was a Director/Chairman of the Board of Management of it. He became the first Sri Lankan to lead both the Chartered Management Institute (CMI) – Sri Lanka Chapter and Chartered Institute of Personnel Management (CIPM). He is an Adjunct Professor at Price College of Business, University of Oklahoma.

He was the editor of the pioneering Sri Lankan Journal of Management (SLJM). Being a Commonwealth AMDISA Doctoral Fellow, Fulbright Postdoctoral Fellow, and a Commonwealth Postdoctoral Fellow, he is also an independent director of several boards. Prof. Dharmasiri likes to identify himself as one who transitioned from being an "Engineer of Electrical" to an "Engineer of Hearts and Minds".

BOARD OF DIRECTORS

MR. THIRUKUMAR NADARASA

Independent Non-Executive Director

Thirukumar Nadarasa is a seasoned senior executive with over 33 years of CXX level operational and management experience working in a number of telecom operations in South East Asia, Middle East and Africa. He first joined Singapore Telecom (Singtel) in 1990 and was with them for 4 years including secondment to Thai operations. In 1994, he joined Hutchison Telecom International in Hong Kong, part of the Hutchison Whampoa conglomerate. He has been posted in various Asian countries including India, Indonesia, Myanmar, Thailand, Vietnam and Sri Lanka. In 2009, Mr. Nadarasa joined Bintel in Bahrain as the Group COO overviewing mobile operations in four West African countries. In 2012, Mr. Nadarasa rejoined Hutchison as CEO of Hutch Sri Lanka and successfully managed the complex merger with Etisalat Lanka. Mr. Nadarasa retired from the Hutchison Group in September 2023.

Mr. Nadarasa holds a Bachelor of Science Honours degree in Electronic and Electrical Engineering from Loughborough University of Technology, UK. He also has a Master of Science degree in Telecom Technology from Aston University, UK. He has then obtained a Master of Science in Management Science from Imperial College, University of London, UK.

Mr. Nadarasa is an Associate Member of the Institution of Electrical Engineers UK.

MR. IMRAN FURKAN

Independent Non-Executive Director

Mr. Imran Furkan advises Boards and CEOs on Strategy, Market Expansion as well as Geo Political, Economic, Climate and Technology Risk Management. Currently serving as CEO of Tresync, Australia. Mr. Furkan is passionate about one thing - fostering collaboration. This is evidenced by his achievements in Senior management and Board Directorship roles in industries such as Finance, Health, Food, Retail, Regulatory and Industry Bodies, IT/GBS, Education, Commodities, Media, and Professional Services in the Asia-Pacific region. He is Senior Independent Director of Asiri Health PLC and Asiri Surgical Hospital PLC, an Independent Non-Executive Director of ODEL PLC, Maharaja Foods PLC, as well as Softlogic Holdings PLC and Board of Management member of the Lakshman Kadirgamar Institute and an Executive Committee member of The Interfaith Network (IFN), City of Greater Dandenong, Australia. He was an Independent Non-Executive Director of Trade Finance and Investments PLC in Sri Lanka. He also served as the CEO of SLASSCOM and the Sri Lanka Press Institute. Mr. Furkan has also served on the Director Training Committee and Media and Public Relations Committees of the Sri Lanka Institute of Directors.

Mr. Furkan is a Fellow of CPA Australia, CIMA UK, has an MBA from Australia, and a BA (Hons) Sustainable Performance Management from the UK.

MR. SHIRISH SARAF

Non-Executive Non-Independent Director

Mr. Shirish Saraf joined the Board of Softlogic in April 2018 as the nominee Director of Samena Ceylon Holdings Ltd. Mr. Saraf has more than 28 years of private equity experience and is the Founder and Vice Chairman of Samena Capital. He is recognised as one of Asia's 25 most influential people in Private Equity (Asian Investor magazine) and is currently the Investment Manager and Head of the Investment Committee of the Samena Special Situations Funds.

Mr. Saraf has held numerous directorships and leadership positions across Samena's portfolio companies including Dynamatic Technologies, Tejas Networks and RAK Ceramics PJSC, among others. He has previously held board directorships including Aramex Holdings, Commercial Bank of Oman SAOG, EFG, Hermes, and Amwal Capital. Mr. Saraf was educated at Charterhouse (England) and the London School of Economics.

MR. CHETAN GUPTA

Alternate Director to Mr. Shirish Saraf

Mr. Chetan Gupta is the Senior Executive Officer of Samena Capital Investments Ltd Dubai. Mr. Gupta is a member of the Board of Directors of Samena Capital and of multiple portfolio companies including U-Gro Capital Ltd (India), Imperial Hotels (Pvt) Ltd (India) and RAK Logistics (Singapore). He is also a member of the Investment Committee for the Fund. Mr. Gupta has over 20 years of professional investment experience and is a qualified Chartered Financial Analyst (AIMR), Chartered Alternative Investment Analyst and holds a Masters in Management (Finance) from the University of Mumbai.

CORPORATE GOVERNANCE

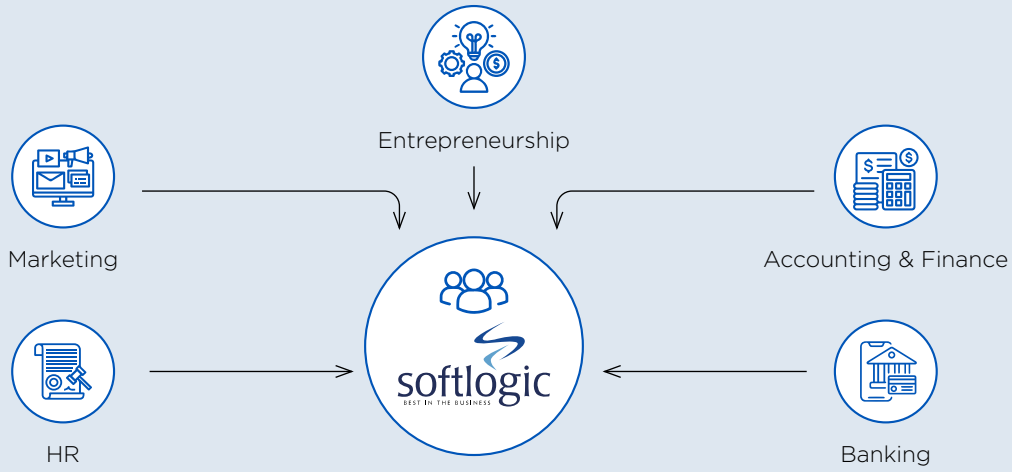
> "As a respected conglomerate, we are committed to create an entity that is insightful, impactful and accountable for success and efficiency to generate a significant amount of growth and performance."

The fundamental relationship between the Board, Management, Shareholders and other Stakeholders are established by our governance structure. Corporate Governance (CG) is a framework of rules and practices by which an organisation is directed, controlled and managed. The CG framework provides an overview of the Corporate Governance structures, principles, policies and practices of the Board of Directors of Softlogic Holdings PLC (SHL). At Softlogic, the approach to CG is guided by ethical culture, stewardship, accountability, independence, continuous improvement, oversight of strategy and risk. The fundamental relationship between the Board, Management, Shareholders and other Stakeholders are established by our governance structure, through which the ethical values and corporate objectives are set and plans for achieving those objectives and monitoring performances are determined. To serve the interests of shareholders and other stakeholders, the Company's Corporate Governance system is subject to ongoing review, assessment and improvement. The Board of Directors proactively adopts good governance policies and practices designed to align the interests of the Board and Management with those of shareholders and other stakeholders and to promote the highest standards of ethical behaviour and risk management at every level of the organisation.

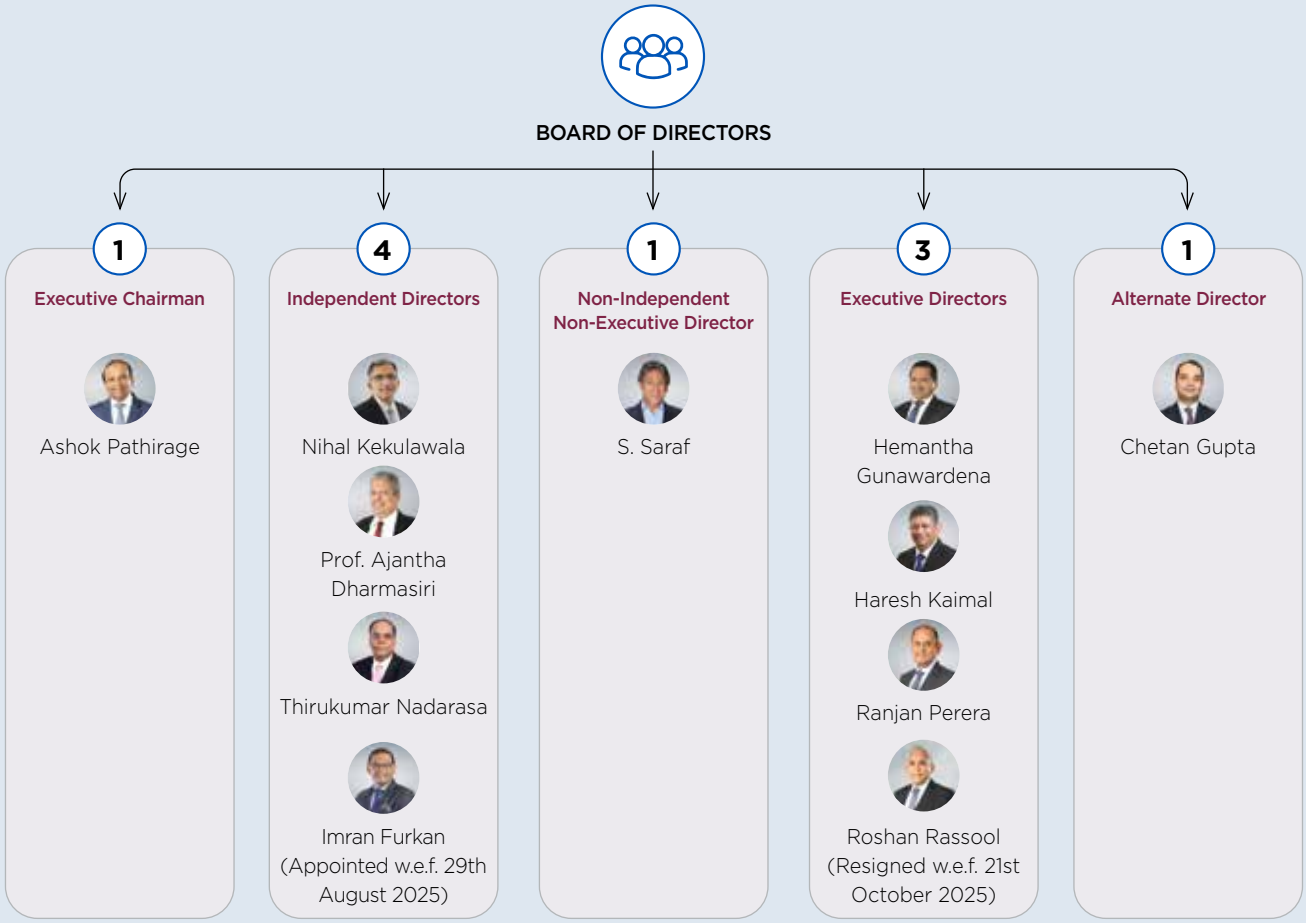
BOARD OF DIRECTORS

The Board of Directors are responsible for setting the strategic direction of the Group, safeguarding assets, managing risks and setting the tone at the top. They have set in place governance frameworks to facilitate achievement of strategic goals and compliance with regulatory frameworks while balancing stakeholder interests. Composition of the Board is set out graphically on the previous page while profiles of the Directors as at date are given on pages 18 and 21 Directors provide annual declarations of their independence in accordance with the stipulations of the Listing Rules of the CSE and the guidelines of the Code of Best Practice. Board balance is facilitated with four Non-Executive Directors as at 31st March 2025 and five Non-Executive Directors as at date represented Non-Executive Directors who are reputed leaders in their fields of expertise out of whom three are Independent as at 31st March 2025.

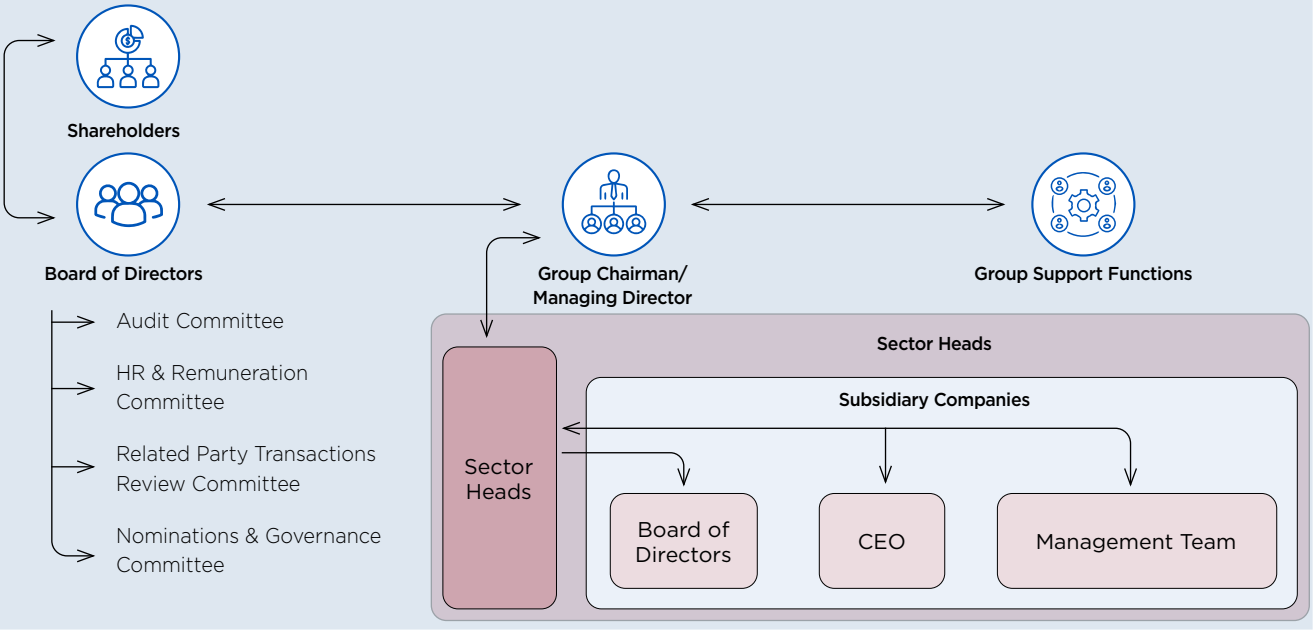
SKILLS OF THE BOARD



COMPOSITION OF THE BOARD



SOFTLOGIC HOLDINGS PLC



CORPORATE GOVERNANCE

GOVERNANCE FRAMEWORK

EXTERNAL

- Companies Act No. 07 of 2007
- Listing Rules of the Colombo Stock Exchange
- Code of Best Practice on Corporate Governance issued by the SEC and ICASL

INTERNAL

- Articles of Association
- Terms of References for Board Sub Committees
- Comprehensive framework of policies, systems and procedures

GOVERNANCE SYSTEMS

- Stakeholder engagement and management
- Strategic planning
- Risk management
- Regulatory compliance
- People management
- Internal controls
- Internal and external audit

COMMITTEES OF THE BOARD

The Board is supported by the following committees which facilitate effective discharge of its responsibilities. Minutes of the sub-committee meetings are circulated to the Board ensuring awareness of the activities of the sub-committees by all Board members.

GOVERNANCE OF THE BOARD SUB COMMITTEES

Sub-Committee	Composition	Mandate
Audit Committee	• Mr. J.D.N. Kekulawala (Senior Independent Non-Executive Director) - Chairman • Prof. A.S. Dharmasiri (Independent Non- Executive Director) • Mr. T. Nadarasa (Independent Non- Executive Director) • Mr. M.I. Furkan (Independent Non- Executive Director)	Responsible for ensuring the integrity of the Company's and Group's Financial Statements, appropriateness of accounting policies and effectiveness of internal control over financial reporting. **Frequency of Meetings:** Committee meets quarterly
HR & Remuneration Committee	• Prof. A.S. Dharmasiri (Independent Non- Executive Director) – Chairman • Mr. J.D.N. Kekulawala (Senior Independent Non-Executive Director) • Mr. T. Nadarasa (Independent Non- Executive Director)	Responsible for determining remuneration policy and the terms of engagement and remuneration of the Chairman, the Board of Directors and the Executive Committees. **Frequency of Meetings:** Committee meets annually.
Related Party Transactions Review Committee	• Mr. M.I. Furkan (Independent Non- Executive Director) – Chairman • Mr. H.K. Kaimal (Executive Director) • Mr. T. Nadarasa (Independent Non- Executive Director)	To assist the Board in reviewing all related party transactions carried out by the Company and its listed companies in the Group in terms of the CSE Listing Rule 9. **Frequency of Meetings:** Committee meets quarterly

Sub-Committee	Composition	Mandate
Nominations and Governance Committee (In terms of Rule 9.11 of CSE Listing Rules, the Nominations and Governance Committee was established w.e.f. 1st July 2024)	• Mr. T. Nadarasa (Independent Non-Executive Director) – Chairman • Mr. J.D.N. Kekulawala (Senior Independent Non-Executive Director) • Prof. A.S. Dharmasiri (Independent Non-Executive Director)	Responsible for the evaluation of the appointment of Directors to the Board of Directors and Board Committees of the Company.

MEETINGS

The Board meets on a frequent basis and dates for Board meetings are determined and communicated in advance at the beginning of the year with additional meetings being scheduled whenever deemed necessary. Meeting agenda and relevant papers are circulated to all Directors within 7 days prior to the meeting providing sufficient time for review facilitating the conduct of an effective meeting. Attendance at Board meetings and Sub Committee meetings during the year under review is given below;

Director	Board	Composition			
		Audit Committee	HR & Remuneration Committee	Related Party Transactions Review Committee	Nominations & Governance Committee
Mr. A.K. Pathirage	2/2				
Mr. H.K. Kaimal	2/2			3/3	
Mr. G.W.D.H.U. Gunawardena	2/2				
Mr. R.J. Perera	2/2				
Mr. M.P.R. Rassool (Resigned w.e.f. 21st October 2025)	2/2				
Mr. J.D.N. Kekulawala	2/2	12/12	1/1		1/1
Prof. A.S. Dharmasiri	2/2	10/12	1/1	3/3	1/1
Mr. T. Nadarasa (Appointed w.e.f. 1st May 2024)	2/2	10/12	1/1	3/3	1/1
Mr. S. Saraf (Alternate Director - Mr. C.K. Gupta)	2/2				
Mr. M.I. Furkan (Appointed w.e.f. 29th August 2025)	-	-	-	-	-

COMPANY SECRETARY

Messrs. Softlogic Corporate Services (Pvt) Ltd function as Company Secretaries to the Group. The Company Secretaries provide guidance to the Board as a whole and to individual Directors with regard to discharging of responsibilities.

The Company Secretaries facilitate and guide to ensure that the Board complies with the applicable rules, regulations and procedures and activities relating to the Board.

APPOINTMENT AND RE-ELECTION TO THE BOARD

- Directors are appointed by the Board in a structured and transparent manner.

- Appointments are made with due consideration given to the diversity of skills and experience within the Board.
- As per the Company's Articles of Association, three of the Directors shall retire from office at each Annual General Meeting and offer themselves for re-election.
- All Directors appointed during the year seek re-election at the subsequent AGM.
- The Managing Director is not subject to retirement by rotation.

The following Directors thus retire and offer themselves for re-election:

- Mr. R.J. Perera
- Prof. A.S. Dharmasiri
- Mr. S. Saraf

The following Director appointed during the year shall be eligible for re-election.

- Mr. M.I. Furkan

CHAIRMAN & MANAGING DIRECTOR

The roles of the Chairman and the Managing Director are combined in one person due to the diversity of the Group's business operations in line with a number of large diversified holding companies.

INVESTMENT APPRAISAL

The Group's diverse business portfolio is reviewed periodically to determine their appropriateness to the Group's long term business goals, risks and opportunities for growth. Consequently, investment and divestment decisions, acquisitions are key areas of focus for the Board with proposals reviewed for commercial viability, strategic alignment, operational, funding and risk implications. Systematic processes are in place to ensure the involvement of relevant persons when capital investment decisions are taken and numerous views are sought to ensure high quality decision making.

- Board Composition & Appointment
- Risk Management
- Funding Structure of Group
- Business Expansion
- Financial Reporting
- Performance Management

DIRECTORS' REMUNERATION

The Remuneration Committee makes recommendations to the Board on remuneration policy and remuneration of the Chairman and Managing Director, Executive Directors, Non-Executive Directors and Key Management Personnel in line with the business goals of the Company. Terms of Reference of this key sub-committee complies with the guidelines prescribed by the Code of Best Practice and other investor guidelines.

The Group's Remuneration policy is designed to attract and retain talent which comprises of fixed income and a variable income which is linked to their performance. Non-Executive Directors' remuneration comprises only a fixed fee and does not have any variable component. No Director is able to determine his/ her own remuneration as Directors' Remuneration is a matter reserved for the Board as a whole with due consideration given to the recommendations of the Remuneration Committee of the Board.

The Report of Board Remuneration Committee is on page 78 provides further information. The aggregate remuneration paid to the Directors is disclosed in the Notes to the financial statements on page 141 of this Report.

SHAREHOLDER RELATIONS

Shareholder relations are managed through a structured process with multiple platforms facilitating shareholder engagement and timely dissemination of information. The Annual General Meeting is the key platform for engagement and notice of the AGM and all relevant documents are circulated among shareholders at least 15 working days prior to the AGM. The Chairman/ Managing Director, Board of Directors and External Auditors attend the Annual General Meetings to respond to queries that may be raised by the shareholders. In addition to the AGM, shareholder engagement is also facilitated by the Group's investor relations department which maintains a continuous dialogue with shareholders through the dissemination of announcements on material developments and quarterly performance. They are also a point of clarification for shareholders.

ACCOUNTABILITY AND AUDIT

Board responsibilities include presenting a balanced assessment of the Group's financial performance, position and prospects on a quarterly and annual basis.

This Annual Report has been prepared in discharge of this responsibility and includes the following declarations/ further information required by regulatory requirements and voluntary codes:

- Audited financial statements – pages 92 to 237

- Statement of Directors' Responsibilities - page 82
- Annual Report of the Board of Directors on the Affairs of the Company - pages 70 to 73
- Management Discussion & Analysis - pages 38 to 69

The Audit Committee has oversight responsibility for monitoring and supervising financial processes to ensure integrity, accurate and timely financial reporting. It is also responsible for ensuring adequacy and effectiveness of the Internal Control and Risk Management processes and receives reports from Group Internal Audit and Group Risk Management in this regard. The Audit Committee comprises Non-Executive Directors all of whom are Independent for the financial year ended 31st March 2025.

Further, as at date the Audit Committee comprises 4 Non-Executive Directors, all of whom are Independent. The Chairman of the Audit Committee is a finance professional with extensive experience in the relevant areas whose profile is given on page 19 The Terms of Reference of the Audit Committee complies with the recommendations of the Code of Best Practice on Board Audit Committees issued by ICASL and guidelines stipulated by the SEC.

The Audit Committee is responsible for approving the terms of engagement of the external auditors including audit fees. The principal auditor has not provided any services which are stipulated as restricted by the SEC and the audit fees and non-audit fees paid by the Company to its auditors are separately disclosed on page ..... of the Notes to the financial statements.

The Board holds overall responsibility for determining the Group's risk appetite and implementing sound risk management and internal control systems to ensure that risk exposures are maintained within defined parameters. The Group's internal control systems are aimed at safeguarding shareholders investments and effectively managing risks that may impact the achievement of its strategic objectives.

A discussion on the Company's key risk exposures and mitigation mechanisms are given in the Risk Management Report on pages 35 to 37 of this Report. The Audit Committee annually reviews the effectiveness of the Group's risk and internal control systems.

A formalised whistle-blowing policy is in place enabling employees to raise concerns anonymously on unethical behaviour, breach of regulations and/ or violations of the Group's Code of Conduct. Such complaints are investigated and addressed through a formalised procedure and brought to the notice of the Board, serving as an overriding control mechanism.

The Board Related Party Transactions Review Committee has been set up in compliance with guidelines stipulated by the CSE. Directors individually declare their relevant transactions with the Company and its subsidiaries on a quarterly basis.

A formalised process is in place for identifying Related Party Transactions and avoiding conflicts of interest. All Related Party Transactions as defined by the applicable accounting standards are disclosed on Note 47 of the financial statements on pages 198 to 202 of this Report.

SHAREHOLDERS

All shareholders are encouraged to attend the Annual General Meeting of the Company and vote on the resolutions which form part of the agenda in accordance with matters reserved for shareholders. Extraordinary General Meetings are also called to inform shareholders on material developments that impact their interests and their consent is obtained for the same in accordance with the provisions of the Companies Act.

SUSTAINABILITY REPORTING

The Group continues its efforts to embed Sustainability into its operations and report on how the Group manages risks stemming from economic, environmental and social factors. The Group's Annual Report is used as a platform to provide comprehensive sustainability communication to all stakeholders and this year we have enhanced the scope and coverage of our sustainability reporting by adopting a stakeholder value creation approach. Holistic sustainability reporting is a journey and we continue to improve the reports each year in discharging of our obligations.

CORPORATE GOVERNANCE

Principle	Compliance and Implementation	Effective Date	Status
9	**Corporate Governance**		
9.1	**Applicability of Corporate Governance Rules**		
	The Company has to comply with CSE Listing Rule 9 by verifying its adherence to Corporate Governance Rules.	1st October 2023	Complied
9.2	**Policies**		
9.2.1	The Company has to implement the policies below, and disclose on the Company website along with information regarding their existence and implementation details. a) Policy on the matters relating to the Board of Directors b) Policy on Board Committees c) Policy on Corporate Governance, Nominations and Re-election d) Policy on Remuneration e) Policy on Internal Code of Business Conduct and Ethics for all Directors and employees, including policies on trading in the Entity's listed securities f) Policy on Risk Management and Internal Controls g) Policy on Relations with Shareholders and Investors h) Policy on Environmental, Social and Governance Sustainability i) Policy on Control and Management of Company Assets and Shareholder Investments j) Policy on Corporate Disclosures k) Policy on Whistleblowing l) Policy on Anti-Bribery and Corruption	1st October 2024	Complied
9.2.2	The Company has to comply with the Internal Code of Business Conduct and ethics	1st October 2024	Complied
9.2.3 - 9.2.4	The policies have to be disclosed on the company website, and be updated on changes made to them throughout the year. All policies are accessible to shareholders upon a written request.	1st October 2024	Complied
9.3	**Board Committees**		
9.3.1 - 9.3.2	The Company has to maintain 4 mandatory committees required by CSE listing rules. a) Nominations and Governance Committee b) Remuneration Committee c) Audit Committee d) Related Party Transactions Review Committee The composition, responsibilities, and disclosures required in respect of the above Board committees have been disclosed.	1st October 2023	Complied
9.3.3	The Chairperson of the Board of Directors is not the Chairperson of any Board Committees referred to in Rule 9.3.1 above.	1st October 2024	Complied

Principle	Compliance and Implementation	Effective Date	Status
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	The Company must maintains information required by 9.4.1 and the required information has been provided to the Exchange and/or the SEC upon request.	1st October 2023	Complied
9.4.2	The Company shall have established a policy to effectively communicate with shareholders and investors, which is outlined in both the annual report and on the website. Additionally, a designated contact person must be provided for communication purposes. This policy should ensure that all Directors are informed of any significant concerns or issues raised by shareholders. Furthermore, these concerns must be transparently addressed in the Annual Report and on the website.	1st October 2023	Complied
9.5	**Policy on matters relating to the Board of Directors**		
9.5.1	The Company has to adopt policies, along with information regarding the Board composition, the roles of the Chairperson and CEO, as well as other requirements as per Rule No 9.5.1	1st October 2023	Complied
9.5.2	The Company has to adopt the Policy on matters relating to the Board of Directors.	1st October 2023	Complied
9.6	**Chairperson and CEO**		
9.6.1 – 9.6.4	The roles of Chairperson and CEO are occupied by distinct individuals; however as the Chairperson of the Company is not a Non-Executive Director the Company has designated a Senior Independent Director (SID)	1st October 2023	Complied
9.7	**Fitness of Directors and CEOs**		
9.7.1 – 9.7.2	Every member of the Director Board should be a fit and proper person to act as Director, CEO/MD as specified in the 'Fit and Proper Assessment Criteria' set out in Rule 9.7.3	1st October 2023	Complied
9.7.3 – 9.7.5	The Entity shall ensure that the Board of Directors are fit and proper to act as a Director.	1st April 2024	Complied
9.8	**Board Composition**		
9.8.1- 9.8.2	The Director Board should consist of a minimum of 05 Directors and a 1/3 of the Board should be independent. The Board of the Company consists of 9 (Nine) Directors and 4 (Four) are independent. Hence 1/3 of the total number of Directors are independent, as required.	1st October 2024	Complied
9.8.3- 9.8.4	The criteria for determining independence should be disclosed. Refer the Independence of Director as at 31st March 2024	1st October 2023	Complied
9.8.5	Directors have to submit the formal declaration of independence annually. The Board has to review these annual declarations and other available information to verify adherence to the criteria for assessing independence.	1st October 2023	Complied
9.9	**Alternate Director**		
	The Company should follow the requirements in appointing an Alternate Director.	1st January 2024	Status in progress

CORPORATE GOVERNANCE

Principle	Compliance and Implementation	Effective Date	Status
9.10.	**Disclosures relating to Directors**		
9.10.1	The maximum no of Directorships should be in line with the policy on matters relating to the Board of Directors as per Rule No 9.5.1	1st October 2023	Complied
9.10.2	The Company should set out an immediate Market Announcement when making new appointments to the Board setting out the required information on the new appointment.	1st October 2023	Complied
9.10.3	An immediate Market Announcement should be made with regard to the changes to the composition of the Board and Board Committees referred to in Rule 9.3	1st October 2023	Complied
9.10.4	Director information required to Rule No. 9.10.4 has to be disclosed in the Annual Report.	1st October 2023	Complied
9.11	**Nominations and Governance Committee**		
9.11.1- 9.11.3	The Company should have a Nominations and Governance Committee and maintain a formal procedure for the appointment of new Directors and re- election of Directors to the Board. The Committee should operate under a set of written terms of reference that clearly outline its scope, authority, duties.	1st October 2024	Complied
9.11.4	Composition of the Committee: The Nominations and Governance Committee comprises of Three [3] Independent Non-Executive Directors. An Independent Director serves as the Chairperson. The committee composition must be disclosed in the Annual Report.	1st October 2024	Complied
9.11.5	Functions of the Committee: The Committee must fulfil its duties by evaluating and recommending Director appointments, establishing selection criteria, reviewing the Board's structure, and updating governance policies in accordance with the stipulations outlined in Section 9.11.5, thereby ensuring compliance with regulatory requirements. The re-elections and new appointments have to be disclosed.	1st October 2024	Complied

Principle	Compliance and Implementation	Effective Date	Status
9.11.6	Disclosures: During the year, the Company has demonstrated compliance with the necessary disclosure requirements, as follows. a) The names of Chairperson, Committee members and Directors; b) Committee appointment date; c) Nominating Director policy existence; d) Directors' periodic re-election requirement; e) Board diversity disclosure; f) Effective Director appointment policy demonstration; g) Re-elected Directors' details; h) Board and CEO performance evaluations; i) Independent Directors' awareness on major issues relating to the entity; j) New Directors' induction on governance; k) Annual updates on governance for Directors; l) Directors' independence confirmation; m) Listing Rules compliance statement, non-compliance explanation, and remedial actions.	1st October 2024	Complied
9.12	**Remuneration Committee**		
9.12.1 – 9.12.5	The Company should have a Remuneration Committee 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 remuneration. The Committee should operate under a set of written terms of reference that clearly outline its scope, authority, duties, and requirements for meeting quorum. Refer Remuneration Committee Report	1st October 2023	Complied
9.12.6	Composition of the Committee: The Company operates with a separate Remuneration Committee. The Remuneration Committee comprises Three [3] Independent Non-Executive Directors. An Independent Director serves as the Chairperson. Refer Remuneration Committee Report	1st October 2024	Complied
9.12.7	Functions of the Committee: The committee should, recommend and assess the relevance of the remuneration payable to the Executive Directors of the Company.	1st October 2023	Complied

Principle	Compliance and Implementation	Effective Date	Status

9.12.8	Disclosures:
	The Company should disclose that during the year, the Company has demonstrated compliance with the necessary disclosure requirements, as follows.
	a) Chairperson and members of the Remuneration Committee and their Directorships.
	b) Statement on remuneration policy.
	c) Aggregate remuneration of Executive and Non-Executive Directors.
	For (a) and (b) refer Remuneration Committee Report
	For (c) refer Financial Statement disclosure
		1st October 2023	Complied

9.13	**Audit Committee**		
9.13.1	The Audit Committee of the Company shall perform the Audit and Risk Functions set out in Rule 9.13.	1st October 2023	Complied
9.13.2	The Committee has to operate under a set of written terms of reference that clearly outline its scope, authority, duties.	1st October 2023	Complied
9.13.3	Composition of the Committee: The Audit Committee comprises of Four (4) Independent Non-Executive Directors. During the year the Committee should compulsorily meet quarterly. Unless otherwise determined by the Audit Committee the Chief Executive Officer and the Chief Financial Officer shall attend by invitation. The Chairperson of the Committee shall be a member of a recognised professional accounting body.	1st October 2024	Complied
9.13.4	Functions of the Committee: The committee should oversee the entity's compliance with financial regulations, reviewing financial statements and accounting policies, recommending external auditor appointments, ensuring assurance on financial records and risk management, overseeing compliance with auditing standards and risk management, evaluating risk policies, taking corrective actions on excessive risks, reviewing audit effectiveness, establishing policies for external auditor engagement, justifying auditor changes when necessary, and promptly reporting breaches to the Board and relevant authorities.	1st October 2024	Complied
9.13.5	Disclosures: 1) Audit Committee Report. 2) Disclosure requirement: a) Chairperson and Audit Committee members' details, b) Risk management status for Listed Entity and Group. c) CEO and CFO assurance statement. d) Compliance opinion on financial reporting requirements. e) Confirmation of Audit Charter existence. f) Summary of internal audit method. g) Details of functions discharged for the financial year. h) Confirmation of external auditors' independence. i) Auditor independence determination and engagement details. Refer Audit Committee Report.	1st October 2024	Complied

Principle	Compliance and Implementation	Effective Date	Status
9.14	**Related Party Transactions Review Committee**		
9.14.1	The Company possesses a Related Party Transactions Review Committee and conforms to the requirements set out in Rule 9.14 of these Rules. The Committee operates under a set of written terms of reference that clearly outline its scope, authority, and duties.	1st October 2023	Complied
9.14.2	Composition of the Committee: The Committee comprises of Two [2] Independent Non-Executive Directors and One [1] Executive Director. An Independent Director shall serve as the Chairperson.	1st April 2024	Complied
9.14.3	Functions of the Committee: The Company has to set up a Related Party Transactions Review Committee to oversee such transactions, with the aim of safeguarding shareholders' interests and preventing abuse by Directors, CEOs, or Substantial Shareholders. The rules prioritise the economic and commercial substance of transactions over the legal form or technicalities. The committee is tasked with establishing and maintaining clear policies, procedures, and processes for identifying, clarifying, and reporting related party transactions across the Company's operations. Refer the Related Party Transactions Review Committee Report.	1st October 2023	Complied
9.14.4	General requirements: The Committee shall meet quarterly, ensuring thorough documentation of meeting minutes for the Board of Directors. Committee members shall have access to adequate expertise to evaluate proposed transactions, seeking professional advice when necessary. Approval from the Board of Directors is requirement for reviewed transactions as mandated by Rule 9.14.4. Directors with personal interests in such matters must abstain from participation and voting during relevant Board Meetings. Refer the Related Party Transactions Review Committee Report	1st October 2023	Complied
9.14.5 – 9.14.6	The Related Party Transactions Review Committee, shall review all related party transactions, while also considering any material changes to previously reviewed transactions under Rule 9.14.5. They may assess transaction details, and Director independence and may establish guidelines for ongoing deals, conducting annual compliance reviews. The Company shall obtain shareholder approval in the way of a special resolution when related party transactions listed in 9.14.6 occur.	1st October 2023	Complied

Principle	Compliance and Implementation	Effective Date	Status
9.14.7	Disclosures: The non-recurrent related party transactions which exceeded the aggregate value of 10% of the Equity or 5% of the Total Assets, the latest related party transactions which exceeded aggregate value of the 10% of the Equity or 5% of the Total Assets, the subsequent non-recurrent related party transactions which exceeded 5% of the Equity of the entity shall be disclosed by an immediate market announcement in accordance with Rule 9.14.7. Refer the Related Party Transactions Review Committee Report.	1st October 2023	Complied
9.14.8	Disclosures in the Annual Report: The transactions in the aggregate value of the non- recurrent Related Party Transactions exceeding 10% of the Equity or 5% of the Total Assets of the Company, as per the latest Audited Financial Statements shall be disclosed in the Annual Report in the given format in rule 9.14.8.	1st October 2023	Complied
9.14.9	Acquisition and Disposal of Assets from/to related parties except for transactions in 9.14.10 shall follow the requirements as per Rule 9.14.9.	1st October 2023	Complied
9.14.10	Exempted Related Party Transactions: The Company shall note the definition given under exempted related party transactions when determine the related party transactions of the Company.	1st October 2023	Complied
9.16	**Additional disclosures**		
	i) The Board of Directors shall disclose all material interests in Entity contracts and refrained from voting on such matters. Please refer Annual Report of the Board of Directors	1st October 2023	Complied
	ii) The Board shall review internal controls and obtain reasonable assurance of effectiveness and any inability to declare shall be explained. Please refer Annual Report of the Board of Directors	1st October 2023	Complied
	iii) The Board shall stay informed about applicable laws, rules, and regulations. Refer Annual Report of the Board of Directors	1st October 2023	Complied
	iv) The Board shall disclose instances of non-compliance and material fines in Entity-operated jurisdictions. Refer Annual Report of the Board of Directors	1st October 2023	Complied

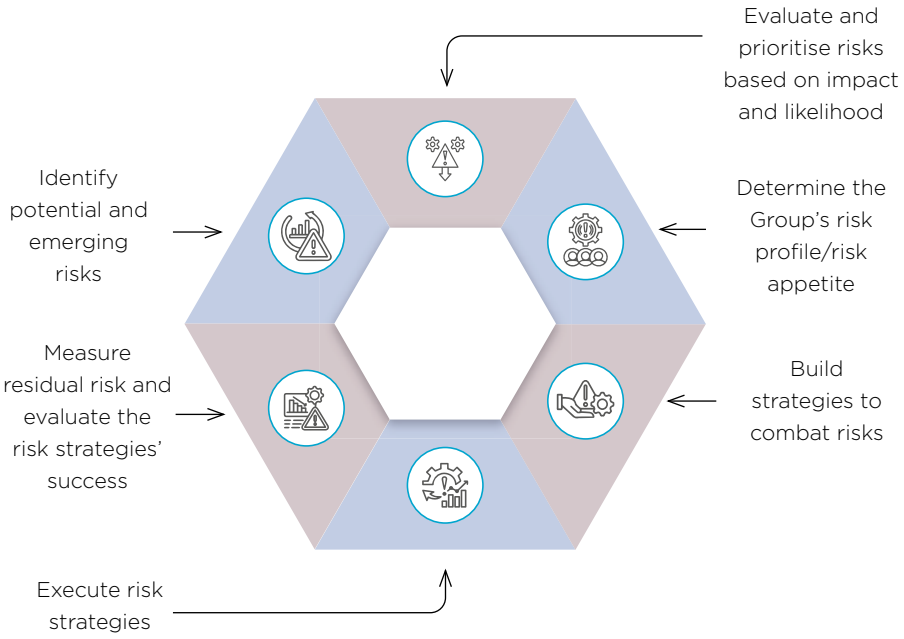
RISK & OPPORTUNITIES

RISK & OPPORTUNITIES

Amidst a rapidly evolving and unpredictable operating environment, Softlogic Holdings maintained a proactive approach to identifying and mitigating risks, while strategically capitalizing on new opportunities. Our strategic approach enabled the Group to effectively address potential threats and maintain the resilience whilst delivering value to stakeholders.

MANAGING RISKS

The Group undertakes a cyclical approach to risk management, captured below:



Utilising the above process, the following key risks were identified:

Identified Risk	Impact and Implications	Mitigation Strategies	Risk Status
Liquidity and Financial Stability	Financial stress and impaired ability to meet future debt obligations and potential liquidity shortages in the Banking System and the Money Market could impact sector operations.	Maintaining prudent management of cash flows and liquidity, with several business sectors generating robust cash inflows due to their nature as cash-driven operations. Diversify funding sources through exploring non-banking and offshore opportunities	Increasing
Data Protection and Cyber Security Risk	Cyber-attacks or ransomware attacks and potential losses to confidential stakeholder data can lead to legal implications, financial loss and damage credibility and corporate reputation	Conscious measures have been taken to manage the network perimeter defence and data losses while rigorous monitoring mechanisms are in place to address suspicious cyber activities. Vulnerability assessments for all critical systems are performed periodically and penetration testing is conducted for IT systems where appropriate. Staff awareness campaigns are conducted regarding information security and the handling of sensitive information.	Increasing
Reputation Risk	Unexpected events resulting in reputational damage. Closure of retail outlets and delays in employee and supplier obligations.	Engaging in the careful management of cash flows and liquidity. Optimise the funding strategy.	Increasing

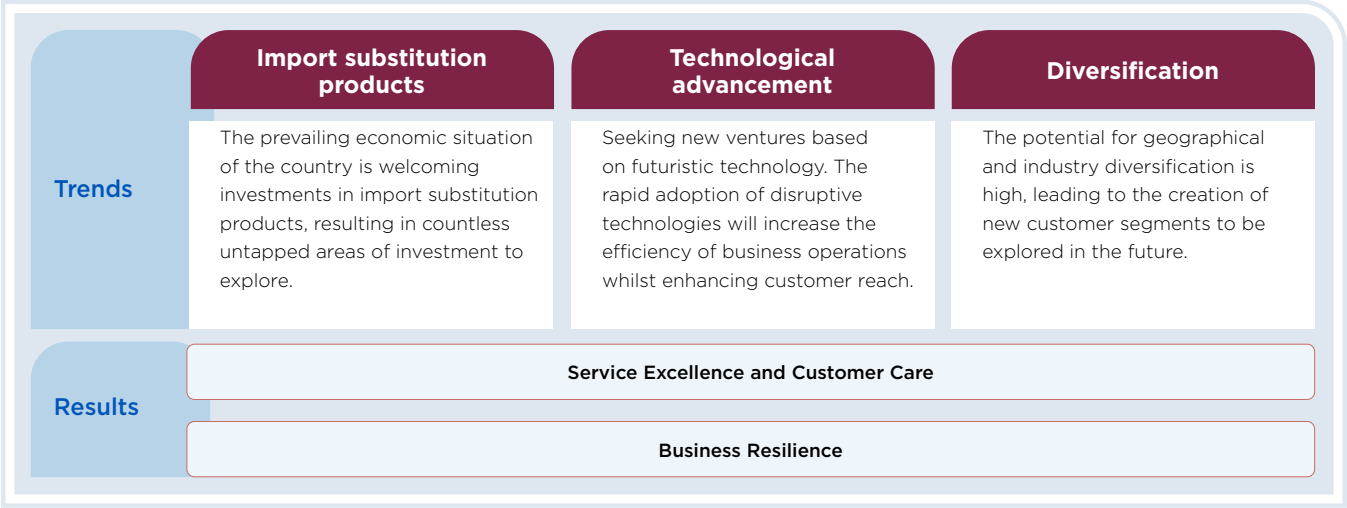
RISK & OPPORTUNITIES

Identified Risk	Impact and Implications	Mitigation Strategies	Risk Status
Supply Chain Risk	Escalating geo-economic confrontations and potential disruptions to supply chains could exert pressure on margins and challenge predictability and future planning.	Exploring alternate sources of supply and relying on long-term partnerships and innovative strategies to enable continuity.	Increasing
Human Resource Risk	The high levels of migration/ resignation of skilled employees could impact service excellence and business continuity.	Reviewing the Group's reward and recognition schemes regularly to ensure that total remuneration remains attractive to facilitate talent retention.	Increasing
Health and Safety Risk	A rise in workplace accidents could elevate the risk of injury, employee turnover, financial penalties, legal repercussions or litigation, and reputational damage.	Stringent health and safety protocols were followed to safeguard employee well-being. Optimal utilisation of digital platforms were encouraged to reduce the physical interactions in order to safeguard the health and safety of employees and customers.	No change
Business Cycle	The country was able to recover from the recession and which was a major relief for the business environment of the country. However, the high inflation and continued political uncertainties affected the demand for goods and services while the new tax policies affected the bottom-line and business growth. Retail and Healthcare sectors were affected in to a greater extent due to these encounters.	The Group maintained its resilience through various initiatives aimed at sustaining a robust operating model. Cost optimisation initiatives and rationalisation measures played a pivotal role in overcoming the challenges. Focusing on new growth opportunities and actively implementing innovative, cost-effective solutions. Monitoring the shifts in demand dynamics, capitalizing on emerging opportunities, and continuously evaluating the Group's portfolio to prioritise key growth areas.	Decreasing
Political Risk	Political uncertainties can affect the reputation in the international market. This may result in delaying the revival in tourist arrivals and FDI inflows and international partnerships can strained. Import bans and increased tariffs continued to affect the business operations, particularly in the automobile, retail and telecommunication sectors.	Continuously engaging and communicating with our partners to ensure our relationships are maintained. Regularly monitoring of regulatory changes to ensure adherence and to grab opportunities. Relying on a balanced portfolio to insulate against risks to certain sectors.	Decreasing

Identified Risk	Impact and Implications	Mitigation Strategies	Risk Status
Market Risk	Fluctuations in stock prices and interest rates have an impact on the financial services sector, particularly in terms of asset and liability portfolios. Similarly, due to certain sectors and their dependency on imports, volatile exchange rates can have an impact on profitability.	Prudent and proactive management of assets and liability portfolios. Seeking local manufacturing capabilities where pertinent.	Decreasing

PURSUING OPPORTUNITIES

The Group's readiness to take entrepreneurial risks allows it to capitalise on opportunities as they emerge. The below mentioned opportunities were determined following an assessment of emerging trends and dynamics, to which the Group responded accordingly:



FINANCIAL REVIEW

Softlogic recorded consolidated revenue of Rs. 103.6 Bn for the year, reflecting a 4% increase compared to Rs. 99.8 Bn in the previous year. Revenue performance during the year was supported by improved contributions from core verticals, with Financial Services, Healthcare Services and Retail continuing to anchor the Group's topline mix as operating conditions stabilised.

Financial Services emerged as the largest contributor to Group revenue, accounting for 31%, primarily driven by the life insurance business alongside broader sector-level initiatives implemented during the year. Healthcare Services and Retail followed closely, each contributing 30% of consolidated revenue. Healthcare sector performance benefitted from sustained activity levels across the hospital network, supported by stable demand across key clinical services and steady improvements in operating momentum. The Retail sector recorded a measured improvement, supported by recovering consumer demand and focused operational recalibration initiatives undertaken during the year.

The Information Technology sector contributed 6% to Group revenue, reflecting continued caution in enterprise technology spending.

The Leisure & Property segment maintained its contribution to 3%, supported by a gradual recovery in tourism and hospitality activity. Revenue contribution from the Automobile sector remained modest at 0.4%, reflecting the impact of vehicle import restrictions that prevailed for a significant part of the year.

Overall, the Group's revenue composition remains well balanced across consumer-driven, healthcare, and financial services businesses, providing diversification and resilience while positioning the portfolio to benefit from improving demand conditions across key sectors.

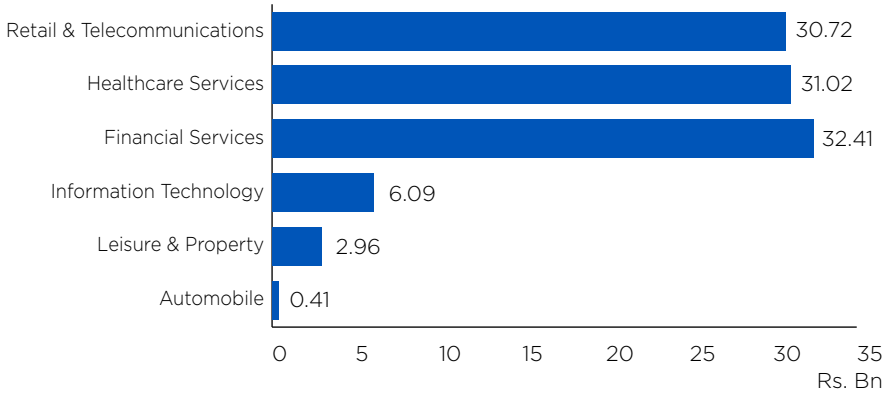
PROFITABILITY

Softlogic Group, with material operations across retail, healthcare, and financial services, executed its activities in an environment of moderating macroeconomic volatility, allowing for improved predictability in operating cycles and capital deployment. Consolidated Gross Profit for the year increased 14% to Rs. 37.7 Bn, with the gross profit margin improving from 33% to 36%. Margin expansion during the year was supported by a more normalised operating environment, improved supply availability following the easing of import controls, currency stability, and controlled inflation. In addition, margin benefits arising from economies of scale, together with the increasing realisation of synergies across the Group, supported margin performance during the year.

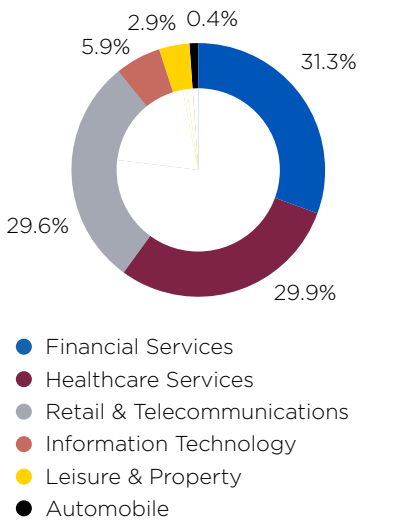
The Group maintained a disciplined approach to cost management during the year, with the operating cost base held at Rs. 32.6 Bn despite expanded activity levels across several businesses. As a result, consolidated EBITDA increased 25% to Rs. 12.5 Bn, while operating profit improved significantly to Rs. 6.4 Bn, compared to Rs. 3.5 Bn in the previous year. This translated into an improvement in the operating profit margin from 4% to 6%, reflecting stronger operating leverage and improved efficiency across key sectors.

A declining interest rate environment during the year contributed to a meaningful reduction in financing costs. Supported by monetary easing measures and improved clarity across financial markets, the Average Weighted Prime Lending Rate declined from 10.69% at the beginning of the year to 8.43%. This downward trend materially benefitted the Group, resulting in a 45% reduction in net finance costs to Rs. 7 Bn, compared to Rs. 12.7 Bn in the previous year.

Sector Revenue



Sector Revenue Contribution



During the year, transfers to insurance contract liabilities increased to Rs. 6.1 Bn, compared to Rs. 3.5 Bn last year.

Looking ahead, management expects further improvement in overall performance, supported by progress on capital enhancement initiatives, balance sheet optimization measures, and the continued execution of non-core asset monetization strategies currently underway.

FINANCIAL POSITION

Assets and Liabilities

The Group's total assets stood at Rs. 178.9 Bn as at year end, broadly in line with Rs. 179.2 Bn recorded in the previous year. Non-current assets declined 2% to Rs. 132.9 Bn as of 31 March 2025. Property, plant and equipment comprised 34% of total assets, underpinned by the Group's hospital infrastructure within Asiri Health, its nationwide retail footprints, hotel assets, and ongoing development of the ODEL Mall. Capital expenditure increased by 13% to Rs. 2.5 Bn during the year, driven primarily by sustained investment in Healthcare Services. Expenditure focused on the upgrade and expansion of medical equipment, enhancement of clinical capabilities, and maintenance of service quality standards, reflecting the sector's central role in the Group's long-term operating strategy.

Current assets increased 7% to Rs. 46 Bn, driven mainly by higher short-term investments, with the increase largely attributable to the Financial Services sector, which reported short-term investments of Rs. 13.3 Bn. Trade and other receivables increased 7% to Rs. 10.1 Bn, in line with business activity levels, while loans and advances increased by 6% to Rs. 3.9 Bn, supported by portfolio growth at Softlogic Finance. Inventories remained broadly stable at Rs. 8.4 Bn, reflecting disciplined inventory management across operating sectors.

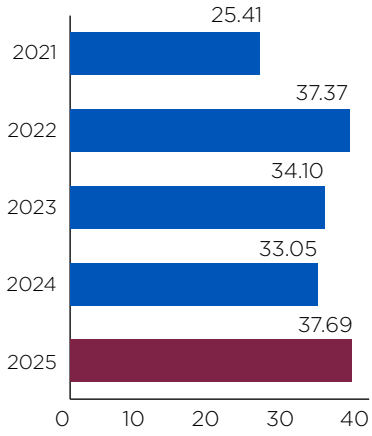
CASHFLOW

Cash and cash equivalents by the end of the year was Rs. 5.3 Bn in comparison to the Rs. 4.3 Bn recorded last year. Net cash inflows from operating activities was Rs. 8.8 Bn for the year. Net cash inflow from investing activities reached to Rs. 1.6 Bn in comparison to a net cash outflow of Rs. 2.9 Bn in the preceding year. A net cash outflow from financing activities of Rs. 8.6 Bn was recorded during the year while Rs. 5.4 Bn was recorded as net cash outflow in the preceding year.

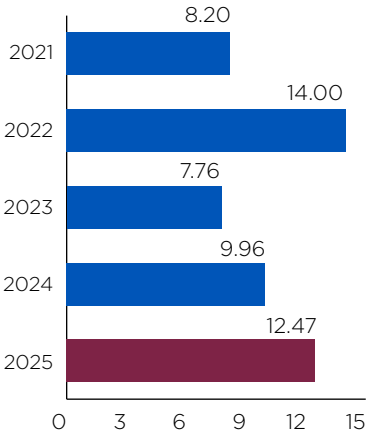
OUTLOOK

The financial year reflected a period of alignment between a gradually stabilizing macroeconomic environment and the Group's ongoing financial and operational rebalancing efforts. Easing monetary conditions, improved currency stability, and greater supply-side visibility provided a more constructive operating backdrop, within which the Group advanced margin recovery, strengthened cost discipline, and enhanced liquidity management. In parallel, the Group is pursuing capital enhancement initiatives, with a clear focus on progressively reducing leverage within the capital structure. Collectively, these actions will strengthen financial flexibility and support the development of a more resilient operating platform as market conditions continue to normalize.

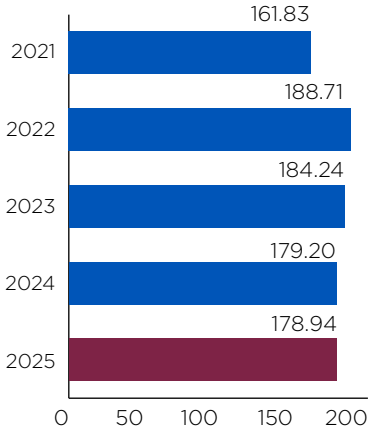
Group Gross Profit
Rs. Bn



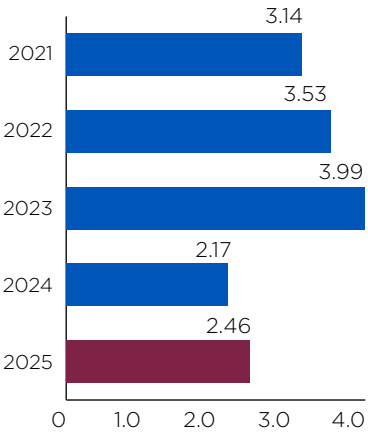
Group EBITDA
Rs. Bn



Total Assets
Rs. Bn



Capital Expenditure
Rs. Bn



RETAIL & TELECOMMUNICATIONS

"Powered by the country's widest retail reach and the largest portfolio of global brands, Softlogic's Retail & Telecommunications sector serves the full breadth of consumer needs, reinforced by Sri Lanka's largest proprietary customer database that gives it a clear and sustained competitive advantage."



Softlogic's Retail & Telecommunications sector brings together many of the world's most recognised and loved consumer brands across electronics, mobile devices, fashion, branded apparel, supermarkets, restaurants, and lifestyle concepts. With one of Sri Lanka's most extensive island-wide retail networks and the largest portfolio of global brand franchises, the sector enjoys a strong competitive advantage in both scale and consumer reach. This leadership is further reinforced by the country's largest proprietary customer database, which enables deeper consumer insights, personalised engagement, and highly targeted retail strategies. Together, these strengths continue to position the sector at the forefront of shaping Sri Lanka's modern retail landscape.

INDUSTRY OVERVIEW

The year under review marked a period of continued economic stabilization for Sri Lanka, supported by low inflation, a more stable exchange rate, and further reductions in policy interest rates under the ongoing reform programme. These improvements helped gradually restore confidence among consumers and businesses, while the economy continued to adjust to the structural changes implemented in recent years. Retailers also benefited from the earlier relaxation of import restrictions, which continued to ease supply bottlenecks and improve product availability, particularly across consumer durables, electronics, fashion, and lifestyle categories.

Within this evolving landscape, the retail sector demonstrated resilience and adaptability. Organised retailers maintained a strong focus on operational efficiency, including disciplined inventory management, consolidation of store networks, and strengthened supplier relationships to preserve margins in a still-challenging demand environment. Consumer purchasing behaviour remained highly value-conscious, with essential categories driving steady footfall. Discretionary categories such as electronics and lifestyle goods showed a gradual and uneven recovery, supported by improved product breadth and greater availability of flexible payment options. The year also saw deeper integration of omnichannel retail, with online, in-app, and in-store channels increasingly converging as consumers embraced convenience, transparency, and digital payment ecosystems.

The telecommunications sector played a critical enabling role during the year, underpinning the expansion of digital commerce and connectivity-driven consumption. Mobile penetration remained high, reflecting the centrality of mobile broadband to everyday life. The period was also characterised by industry consolidation and structural shifts, including major integration initiatives among operators and a regulatory environment evolving to support spectrum efficiency, network sustainability, and new technology entrants. These developments strengthened the sector's ability to support the country's digital transformation.

Despite the improving macroeconomic backdrop, several structural pressures persisted throughout the year. Elevated indirect taxes, higher utility and operating costs, and wage growth that lagged broader price and tax adjustments continued to restrict household purchasing power. At the same time, competitive intensity increased as informal and parallel trade channels, including the growth of social-media-based resellers and black-market activity, continued to thrive. These unregulated channels bypassed formal tax and import frameworks, created significant price distortions, and posed ongoing challenges to compliant retailers.

FASHION

ODEL · GALLERIA · cotton COLLECTION · COCO BY COTTON COLLECTION · ODEL BRANDS OUTLET STORE · LUV SL · ODEL SPORTS · Levi's

Calvin Klein · TOMMY HILFIGER · A|X ARMANI EXCHANGE · Samsonite · MANGO · ALDO · CHARLES & KEITH

Nike · adidas One Galle Face Mall · adidas One Galle Face Mall · ARROW USA·1851 ODEL - One Galle Face Mall · U.S. POLO ASSN. SINCE 1890 ODEL - One Galle Face Mall · SWAROVSKI One Galle Face Mall · yamamay · VERO MODA · toy store

INTERNATIONAL WATCHES

RADO SWITZERLAND · swatch SWISS MADE · flik flak · MIDO SWISS WATCHES SINCE 1918 · HAMILTON · Calvin Klein

FOSSIL · A|X ARMANI EXCHANGE · EMPORIO ARMANI · SKAGEN · MICHAEL KORS · DIESEL · DKNY · adidas

Q&Q · G-SHOCK · SWAROVSKI

EYEWEAR

Ray-Ban · VOGUE EYEWEAR · OAKLEY · MICHAEL KORS · PRADA · BVLGARI EYEWEAR · EMPORIO ARMANI

A|X ARMANI EXCHANGE · DOLCE & GABBANA · VERSACE · MIU MIU EYEWEAR · GIORGIO ARMANI · DKNY · Polaroid

CARRERA EYEWEAR SINCE 1956 · TOMMY HILFIGER · HUGO HUGO BOSS

CONSUMER ELECTRONICS

softlogic · softlogic MAX · Panasonic · SAMSUNG · NIKAI

softlogic PRIZM · DELL · acer · NOKIA · MAXMO · Authorised Reseller

RESTAURANTS

BURGER KING · Popeyes FAMOUS LOUISIANA CHICKEN · CRYSTAL JADE HONG KONG KITCHEN 港式小廚

Délifrance · BR BASKIN-ROBBINS · SUBWAY

ONLINE

my softlogic.lk · ODEL.LK

glomark.lk

SUPERMARKETS

softlogic GLOMARK

FURNITURE

softlogic FURNITURE

RETAIL & TELECOMMUNICATIONS

Even so, the industry made tangible progress in rebuilding stability and strengthening consumer confidence. Improved supply continuity, prudent cost management, and broader technology adoption helped retailers better align operations with evolving consumer expectations.

BUSINESS OVERVIEWS

Consumer Electronics

The Consumer Electronics division navigated a year marked by intense price competition and cautious consumer sentiment, focusing its efforts on rebuilding product range, improving operational controls, and reinforcing its market proposition. With import conditions now largely normalised and supply chains functioning more predictably than in previous years, the division was able to restore depth and consistency in its offering, particularly in mobile devices, televisions, and large appliances. Exchange rate stability and the downward movement in interest rates supported better affordability, while instalment-based payment schemes, collaboration with banking partners, and targeted promotions helped convert cautious demand into sales during the year.

Operational discipline remained a priority, with tighter inventory planning, sharper category focus, and stronger collaboration with global brand partners ensuring improved sell-through and healthier working capital cycles. The division also deepened its omnichannel capabilities, strengthening e-commerce platforms, enhancing last-mile fulfilment, and integrating online and in-store journeys to align with evolving consumer preferences. These initiatives supported sustained engagement across price-sensitive and premium customer segments alike.

Applying a focused retail network rationalisation initiative, the Consumer Electronics business concentrated resources on its highest-performing outlets, following an approach aligned with the 80:20 principle. This enabled the operation to strengthen locations that contribute the greatest share of revenue while selectively consolidating underperforming sites, resulting in improved overall productivity and resource efficiency. This shift allowed renewed investment in service quality, in-store experience, and brand visibility where it drives the greatest impact. Marketing campaigns were refined to emphasize value, authenticity, and trusted after-sales support, which remained key differentiators amid rising informal and parallel market activity within this market space.

The Office Automation & B2B business continued to deliver steady results, underpinned by its strong performance in large-scale air-conditioning and electronic appliance projects. Its track record in executing commercial and institutional installations, supported by dependable after-sales service and long-standing client relationships, added consistency to the broader portfolio.

The segment's local furniture manufacturing unit also delivered an encouraging performance during the year. The facility's ability to design and produce contemporary, durable, and affordable furniture that aligns with Sri Lankan consumer preferences, supported by competitive pricing through locally managed production, drove growing demand across both retail and institutional customers. Enhanced production efficiencies, improved material sourcing, and closer integration with the retail network further contributed to its positive momentum, reinforcing its role as a steadily expanding component of the wider portfolio.

Overall, the Consumer Electronics division navigated the year with measured resilience, leveraging operational efficiency, strong brand partnerships, and a refreshed retail proposition to maintain relevance in a market that remained value-driven and highly competitive.

42
Fashion outlets

84
Consumer Electronics stores

15
Supermarkets

45
Quick Service Restaurants

02
Mobile Phone Sales & Service Centres

Nearly 2,000 Independent Dealers for mobile phone distribution

Fashion & Apparel

The Fashion & Apparel segment navigated a demanding trading environment during the year, characterised by muted discretionary spending, heightened price sensitivity, and intensified competition from grey-market retailing. Despite these challenges, the business sustained its strong position in Sri Lanka's branded fashion landscape by sharpening its commercial focus, strengthening high-performing brands, and advancing key strategic milestones across its store network.

During the year, the segment continued its prudent rationalisation of the store portfolio, selectively exiting underperforming locations to concentrate resources on outlets and brands that consistently generate the highest contribution. This approach reinforced operational efficiency and enabled deeper investment in flagship formats, premium mall locations, and high-potential regional markets. Merchandising strategies were refined to improve assortment accuracy and sell-through, while promotional activity was tightly calibrated and

strategically crafted to drive footfall without compromising margin integrity.

The year also saw meaningful progress across the store network, with several milestone initiatives strengthening strategic direction. The launch of the first-ever ODEL Brands Outlet Store in Kohuwala introduced a value-driven format that provides consumers access to globally recognised high-street labels such as Zara Woman, Zara Man, Zara Home, ASOS, Top Shop, and other well-known high-street brands at more accessible price points. Building on this success, the outlet concept was subsequently expanded to One Galle Face Mall and later extended regionally with the opening of the ODEL Brands Outlet Store at ODEL Mall Kandy, extending aspirational fashion to a new geographical market segment. These new formats attracted strong customer engagement and reinforced the value proposition in a price-conscious environment.

The opening of Sri Lanka's largest Levi's Exclusive Brand Store at One Galle Face Mall marked a significant milestone in expanding the brand's premium retail footprint. The introduction of Arrow, an internationally acclaimed menswear brand, further enriched the portfolio and strengthened the commitment to continuous brand renewal. In parallel, high-visibility locations such as Havelock City Mall opened during the year contributed positively during the year, benefiting from globally recognised labels and improving customer traffic.

As part of strengthening our merchandise architecture, the segment expanded its product portfolio through enhanced consignment-based brand partnerships, onboarding high-demand labels to enrich category depth and elevate the overall fashion proposition. The consignment model supported improved margin efficiency and higher Gross Margin Return on Investment (GMROI) by operating on a sell-through–driven structure that reduces inventory carrying requirements and eases working-capital pressure, while enabling faster alignment with emerging fashion trends. Guided by strong consumer insights, brand equity assessments and real-time demand analytics, the segment will continue to introduce additional high-traction consignment labels in the months ahead. With these advancements, ODEL's product range now encompasses world-class top brands, ODEL's private labels as well as a carefully curated portfolio of consignment brands.

Tourist spending remained an important contributor, particularly across premium mall locations and at the ODEL flagship store, which continued to see higher engagement from international visitors. Efforts to enhance in-store experience, visual merchandising, and service quality supported performance across these destinations. Digital engagement and omnichannel connectivity were enhanced to support discovery, promotions, and brand storytelling, driving higher conversion across both online and offline channels.

The year was one of deliberate consolidation and brand-led growth for the Fashion & Apparel segment. Strengthened flagship formats, the successful expansion of outlet retailing, and sharper merchandising execution enabled the business to retain relevance despite subdued market conditions. With a more balanced and performance-driven store portfolio now in place, the segment is better positioned to capture volume recovery and incremental tourism-led demand in the year ahead.

Restaurants

The restaurant business recorded a positive year, delivering steady growth in outlet sales supported by healthier footfall and sustained demand through online ordering and delivery channels. Consumers continued to prioritise convenience, resulting in strong momentum across online platforms and improved throughput during peak periods. The operating landscape also shifted during the year with the exit of a major global fast-food player from the Sri Lankan market, creating additional headroom in the category and opening new opportunities for established operators to expand share.

Rs. 45.8 Bn
Sector Assets

Rs. 30.7 Bn
Sector Revenue

3,134
Sector Employees

Strategic expansion remained a core focus. New outlets in Jaffna, including Popeyes, Burger King and Baskin Robbins, strengthened the Group's presence in the Northern region and extended brand access to an increasingly active consumer base. Delifrance at Bandaranaike International Airport performed particularly well, supported by rising international passenger volumes and increased airport retail activity. These developments enhanced brand visibility, broadened geographic reach and reinforced the portfolio's relevance across both urban and travel-driven consumption hubs.

Operational execution was strengthened across the network with a focus on service efficiency, kitchen productivity and cost discipline. Menu engineering, value-led

offerings and targeted promotional activity supported customer engagement in a price-sensitive environment. Parallel improvements in supply chain coordination and procurement practices helped mitigate cost pressures and maintain consistency in product availability and quality.

With a more focused operating model, stronger cost discipline and a clear pipeline of expansion opportunities, the restaurant segment enters the upcoming year with enhanced scalability. Expansion plans will prioritise high-potential urban and semi-urban zones, guided by rigorous site selection and data-driven assessment of demand patterns. This disciplined approach aims to broaden market reach, strengthen competitiveness across the quick-service and café categories and support the long-term vision of building a resilient, multi-brand restaurant platform.

Telecommunications

Softlogic's telecommunication business delivered a steady performance during the year, supported by improved product availability, stabilizing consumer demand and stronger activity across its dealer network. The business continued to distribute HMD, Nokia and Softlogic-branded mobile phones island-wide through its established nationwide infrastructure, while Samsung distribution was carried out within the specific geographic territories assigned to Softlogic during the year. Improved affordability, enhanced financing options and rising demand for device upgrades contributed to a more favourable operating environment, enabling the business to maintain momentum across its authorised coverage areas.

The brand portfolio remained a key strength. HMD and Nokia devices continued to perform steadily across the country, while Softlogic-branded feature phones, introduced earlier, sustained encouraging traction in the value segment. This experience validated local consumer acceptance of own-brand devices and informed the decision to broaden Softlogic's presence in the handset category. During the year, groundwork commenced for the launch of Softlogic-branded smartphones, aimed at high-volume, price-sensitive segments, and for the development of a complementary range of Softlogic-branded mobile phone accessories to support higher attach rates at retail and distribution level.

Samsung Electronics has now restructured its distribution model in Sri Lanka. Under the new framework, territorial restrictions were removed and each of the two authorised national distributors, including Softlogic Mobile Distribution (Pvt) Ltd, was assigned distinct product portfolios with the ability to operate nationwide. This change represents a significant strategic shift for Softlogic's handset business. It unlocks full national market access for the allocated Samsung product range and allows Softlogic to leverage its existing island-wide infrastructure, already built around HMD, Nokia and Softlogic-branded phones, to deepen market penetration and improve dealer coverage. Coupled with the planned launch of Softlogic's own smartphone and accessories range, this post-year-end development strengthens the company's competitive position and creates a platform for accelerated growth in the periods ahead.

Supermarkets

Glomark delivered a stable performance during the year, supported by tighter operational discipline, improved supply-chain predictability and more consistent on-shelf availability across key FMCG categories. Demand in staple, fresh and household segments remained resilient, with healthier basket composition and stronger footfall conversion, particularly during promotional cycles. The business continued to refine SKU assortment, planogram execution and space-to-sales optimisation, strengthening trading density across its existing network.

Glomark continues to advance its retail expansion strategy, with preparatory work underway for new outlets in Buthgamuwa, Kirula Road, Rajagiriya and Kadawatha. These locations demonstrate strong population growth, increasing household purchasing power and attractive trade-area fundamentals that support the company's network development priorities. The Glomark Essential format, which was initially introduced at Central Hospital as part of the Group's convenience-led retail proposition, was further expanded with the opening of an additional outlet at Horton Place. This compact and convenience-oriented model has been designed to serve high-density urban catchments that prioritise quick shop missions and streamlined assortments. Encouraged by sustained customer uptake across both locations, the company plans to selectively scale the Essential format across priority suburban and city-centre markets.

Glomark also introduced its new brand-led wellness platform, "හොඳ Better Life with GLOMARK," signalling a considered shift toward a more purposeful and health-oriented retail proposition. The initiative strengthens customer experience through clearer product cues, improved navigation of healthier options and curated assortments designed to support everyday wellbeing. As part of this platform, the brand launched "හොඳ Better Squad," Sri Lanka's first wellness-aligned children's storybook, to encourage early awareness of nutrition and healthy habits. In alignment with this direction, Glomark is refining its category architecture and expanding its private-label portfolio with a greater focus on organic, clean-label and wellness-oriented products, broadening customer choice, improving basket quality and reinforcing value across key categories. Together, these initiatives support the brand's progression toward a more contemporary and health-aligned retail offering.

SECTOR PERFORMANCE

ODEL Group recorded a turnover of Rs. 5.9 Bn for the year, compared to Rs. 7.3 Bn in the previous year. Gross profit declined by 20% to Rs. 3.1 Bn, reflecting changes in the business mix during the year, with the gross profit margin moderating by 100 basis points to 52%. Administrative expenses increased a negligible 0.2% to Rs. 4.3 Bn. Finance costs declined 16% to Rs. 3.0 Bn during the year.

Sector turnover, which includes ODEL Group, Consumer Electronics, Telecommunications, Restaurants and Supermarkets, declined 6% to Rs. 30.7 Bn during the year, reflecting a measured normalisation in consumer demand across several categories. However, sector's net finance costs declined 19% to Rs. 7.3 Bn, driven by the stabilization of market interest rates at single digit levels. The sector closed the year with a loss of Rs. 10.9 Bn, an improvement from the loss of Rs. 13.9 Bn recorded in the previous year.

Management remains confident in the sector's medium-term outlook, supported by improvements in operational discipline, cost efficiency, and the continued execution of defined strategic initiatives. Ongoing measures focused on balance sheet strengthening and operational optimisation are expected to enhance capital efficiency and reinforce underlying business fundamentals as the operating environment stabilizes.

SECTOR OUTLOOK

The Retail sector is positioned at an inflection point, supported by the renewed availability of import lines and the absence of import restrictions that previously constrained product flow and assortment depth. This easing in operating conditions has strengthened supply stability and allowed formal retail channels to re-establish competitiveness. As regulated distribution stabilizes and consumer choice broadens, the Group's multi-format retail portfolio is beginning to translate these tailwinds into renewed commercial momentum.

Within Fashion and Apparel, a more predictable flow of merchandise, combined with the strengthening of the product portfolio, is expected to reinforce assortment depth and support higher store productivity. The focus in the year ahead will be on enhancing consistency across the merchandise architecture and fulfilling category depth to deliver a full-fledged department store experience, supported by strong brand-building and marketing initiatives that elevate private labels and strengthen the overall brand strategy. These improvements will help counter the growing influence of grey-market resellers operating through social-media platforms, whose expansion during periods of limited formal supply created pricing distortions and margin pressure. With regulated retail channels regaining stability and a more compelling, brand-led merchandise proposition now in place, the segment is well positioned to restore relevance, enhance differentiation, and capture renewed discretionary demand, while the planned resumption of construction on the ODEL Mall development underscores the Group's long-term commitment to category leadership and is expected to significantly enhance its destination-retail footprint once completed.

The sector will continue to advance the performance of its self-managed retail assets, including Arcade Independence Square and the ODEL Mall in Kandy. A more diversified tenant mix, curated activity zones and an expanded experiential offering are expected to deepen footfall and increase earnings per square foot, enabling these assets to evolve into vibrant multi-activity destinations that generate more stable rental income streams.

A key strategic priority for the period ahead is to intensify Group-wide synergies, with Retail emerging as the primary beneficiary given its broad consumer interface and shared touchpoints with other sectors. Enhanced integration of merchandising insights, customer data and coordinated marketing initiatives will support stronger category execution and more consistent value delivery across formats. Omni-channel expansion will continue to be a central focus, driven by improved digital engagement, upgraded online platforms and more targeted social-media-led campaigns. These efforts will be underpinned by the Softlogic One loyalty platform, which remains one of the largest consumer ecosystems in the country and provides a powerful mechanism for personalised engagement and scalable cross-selling across the Group.

Across the wider consumer ecosystem, the operating context is becoming increasingly constructive. The Restaurant sector is expected to benefit from rising mobility, expanding regional footfall and continued demand for convenience-led dining formats. The Supermarket business will extend its Glomark Essential express model and expand its private-label offering to capture value-conscious households in high-density suburban catchments. The Consumer Electronics segment is positioned to maintain its recovery trajectory as import conditions stabilize, and consumer purchasing capacity gradually improves.

Taken together, these developments support a more favourable retail operating environment. With improved macroeconomic fundamentals, strengthened supply continuity and a more synergy-driven commercial model, the Group's Retail businesses are well positioned to consolidate their market presence and deliver sustained growth in the periods ahead.

HEALTHCARE SERVICES

"With over 670 beds spanning the Western, Central, and Southern Provinces, Asiri Health continues to redefine private healthcare in Sri Lanka, blending four decades of clinical excellence with innovation, technology, and compassion to set new benchmarks in patient care nationwide."



Asiri Health continued to consolidate its leadership as Sri Lanka's most trusted and technologically advanced private healthcare network. With a legacy of over four decades of clinical excellence, Asiri Health today operates six hospitals with a combined capacity exceeding 670 beds, together with a network of specialised centers of excellence, laboratories, and an education arm dedicated to developing healthcare professionals. Asiri Health was the first private hospital group to establish operations beyond Colombo, pioneering access to advanced healthcare across Sri Lanka. Through sustained investment in technology, infrastructure, and specialised expertise, the Group has reinforced its position as the foremost name in Sri Lanka's private healthcare sector, advancing the standards of service, quality, and patient outcomes nationwide.

INDUSTRY OVERVIEW

Sri Lanka's private healthcare industry continued to demonstrate resilience and relevance amid an evolving national health landscape. As the country faces the twin challenges of an ageing population and the rising prevalence of non-communicable diseases, demand for reliable, specialised, and technology-enabled medical care has expanded steadily. The private sector now delivers a substantial share of outpatient consultations and diagnostics while steadily broadening its role in inpatient and tertiary care.

Macroeconomic stabilization during the year helped restore confidence and create a more predictable environment for healthcare operators. The recovery in tourism also renewed prospects for medical and wellness tourism, as hospitals aligned their service standards with international expectations.

At the policy level, the Government advanced reforms to strengthen national health delivery and improve infrastructure. The Primary Healthcare Restructuring Programme, supported by international partners, aims to expand preventive and outpatient services and better integrate private providers within the public system. In parallel, the phased implementation of the Personal Data Protection Act (2022) introduced stronger governance and patient-data safeguards, encouraging the adoption of secure digital health systems across the sector.

ASIRI MEDICAL HOSPITAL LIVE MORE

ASIRI SURGICAL HOSPITAL LIVE MORE

ASIRI CENTRAL HOSPITAL LIVE MORE

ASIRI HOSPITAL MATARA LIVE MORE

ASIRI HOSPITAL KANDY LIVE MORE A Softlogic Group Company

ASIRI HOSPITAL GALLE LIVE MORE A Softlogic Group Company

ASIRI LABORATORIES LIVE MORE

Industry performance was further supported by greater health awareness, shifting patient expectations, and rapid technological progress. Preventive medicine, telehealth, and integrated digital platforms gained traction as patients sought more accessible and connected care. Hospitals broadened their capabilities in tertiary and super-specialty fields such as cardiology, oncology, and organ transplantation.

Nevertheless, the industry faced notable challenges. The introduction of VAT on medical equipment, higher energy costs, and continued migration of skilled professionals placed pressure on margins and workforce stability. Periodic shortages of essential medicines underscored the need for stronger supply-chain resilience, while competition among providers intensified in a price-sensitive market. At the same time, regulation became more rigorous, with heightened focus on ethics, pricing transparency, and environmental accountability.

Consumer confidence in private healthcare remained firm, supported by improving economic conditions and a gradual rise in health-insurance uptake among middle-income households. The decentralisation of secondary care and the growing emphasis on structured public–private partnerships are steadily reshaping how healthcare is delivered and financed in Sri Lanka. Overall, the year marked a period of consolidation and measured transformation for the industry, anchored by cautious optimism, policy reform, and a decisive shift toward technology-driven, patient-centred care.

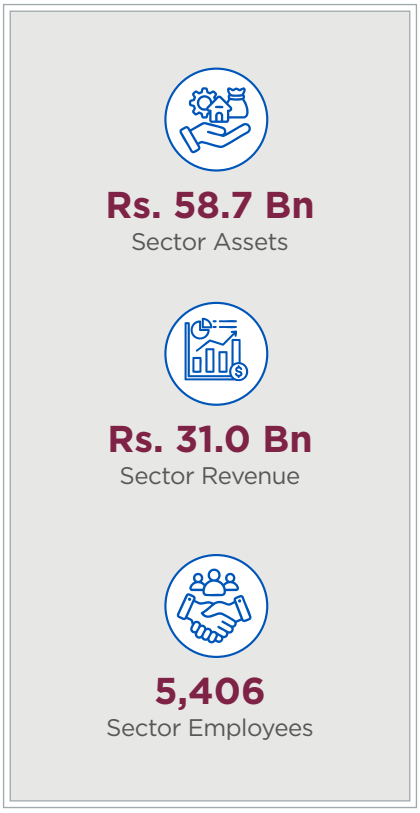
BUSINESS OVERVIEWS

Asiri Hospital Holdings PLC

Asiri Hospital Holdings PLC oversees the Group's hospital network, providing strategic direction and shared governance across Asiri Health while operating Asiri Medical Hospital, a 99-bed multi-specialty facility. During the year, Asiri Hospital Holdings continued to drive operational efficiencies, strengthen clinical governance, and enhance patient experience across its network. Asiri Health's performance was supported by sustained patient demand, steady surgical throughput, and ongoing investment in technology, infrastructure, and medical expertise.

Asiri Medical Hospital reported a strong year, marked by the broadening of clinical offerings and sustained growth in patient volumes. Building on its reputation as the country's premier mother-and-baby hospital, Asiri Medical Hospital enhanced its multidisciplinary model with new clinics in Paediatric Neurology, Epilepsy, Memory, Geriatric, Diabetes Wound, Well-Woman, Menopause, and Obesity & Lifestyle Modification care. These initiatives strengthened the hospital's comprehensive approach to both adult and paediatric medicine, supported by Sri Lanka's largest pool of consultant specialists. The expansion reflects Asiri Health's strategy to deepen preventive, lifestyle, and chronic-care services while maintaining clinical excellence across its acute-care disciplines.

At hospital level, turnover reached Rs. 13.4 Bn for the year, compared to Rs. 12.4 Bn in the previous year. EBITDA increased 32% to Rs. 5 Bn, reflecting improved operating performance. Profit after tax rose to Rs. 2.3 Bn, an increase from Rs. 254 Mn recorded in the prior year.



Asiri Surgical Hospital PLC

Asiri Surgical Hospital PLC, the Group's flagship 134-bed hospital for complex surgery and interventional care, continued to strengthen its leadership in tertiary healthcare during the year. With a focus on clinical innovation, advanced technology, and multidisciplinary collaboration, the hospital maintained its reputation as the nation's benchmark for high-acuity surgical services.

It performed the highest number of Transcatheter Aortic Valve Implantation (TAVI) procedures in Sri Lanka and commissioned the first AI-integrated Cardiac Catheterisation Laboratory, significantly enhancing interventional cardiology precision and throughput. The hospital expanded its Neurosciences vertical through a dedicated Neuro Clinic and Spine Unit, while the Kidney Transplant Programme recorded steady growth. Preparations

HEALTHCARE SERVICES

advanced for the launch of Liver Transplantation Services. Complementing these developments, Asiri Surgical Hospital introduced Geriatric and Rehabilitation services to support long-term recovery and continued to operate free specialty clinics, reinforcing its commitment to accessible care.

Asiri Surgical recorded a topline of Rs. 6.4 Bn for the year, reflecting an 8% growth. The hospital's EBITDA increased 17% to Rs. 728 Mn, to close the year with a net profit of Rs. 193 Mn compared to a loss of Rs. 144 Mn in the previous year.

Central Hospital Ltd

Central Hospital maintained its standing as the Group's premier tertiary care facility, known for its comprehensive clinical portfolio, international accreditation, and patient safety standards. The hospital combines advanced infrastructure with leading medical expertise to deliver complex, multidisciplinary care across a wide spectrum of specialties.

With a capacity of 220 beds and 12 operating theatres, Central Hospital provides services through its Centres of Excellence in Cardiology, Neurology, Renal Care, and Oncology. During the year, it earned its third Joint Commission International (JCI) accreditation, reaffirming compliance with the world's most stringent healthcare standards and further strengthening its credentials as a preferred destination for medical tourism. The hospital introduced new arthroscopy and carpal tunnel systems, strengthened corporate wellness offerings, and secured Gulf region visa medical accreditation, diversifying its service base. Monthly free clinics across neurology, cardiology, and men's health continued to support outreach and preventive care.

Asiri Hospital Kandy

Asiri Hospital Kandy, a 136-bed tertiary care facility, reinforced its position as the Central Province's foremost private hospital during the year under review. Entering its sixth year of operation, the hospital continued to demonstrate strong financial and operational performance, underpinned by steady growth in patient volumes and a sustained expansion of clinical capabilities.

Performance during the year was driven by its Centres of Excellence in Cardiology, Surgery, and Mother-and-Baby Care, which remained key contributors to activity across the hospital. The Radiology, Pharmacy, and Wellness units recorded robust growth, reflecting heightened demand from both corporate and foreign employment segments. The Cardiac Surgery Unit maintained high throughput, performing a substantial number of coronary artery bypass graft (CABG) surgeries, percutaneous transluminal coronary angioplasties (PTCA), and angiograms, reinforcing AHK's leadership in interventional cardiology and surgical care.

Infrastructure and technology upgrades, including the introduction of a new laparoscopic platform and X1 endoscopy system, further enhanced procedural precision and service delivery. Continuous investment in clinical technology, specialist training, and workflow optimisation has positioned Asiri Hospital Kandy as the definitive tertiary healthcare provider in the Central Province.

Asiri Hospital Matara

Asiri Hospital Matara, the 55-bed multi-specialty hospital, continued to strengthen its position as the Southern Province's foremost private healthcare provider during the year. The hospital achieved a key milestone with significant progress on establishing the region's first Cardiac Catheterization Laboratory and Coronary Care Unit (CCU), a project that will expand access to advanced cardiac services beyond Colombo.

During the year, Asiri Hospital Matara also broadened its clinical portfolio to meet the evolving healthcare needs of the region. The Eye Surgery Campaign was successfully reintroduced, providing greater access to affordable ophthalmic care, while specialised clinics in Gastroenterology, Well-Woman Health, and Mother-and-Baby Care were further expanded. In a pioneering move for the Southern Province, the hospital strengthened its focus on mental wellbeing through the appointment of a full-time Consultant Psychiatrist, marking one of the first such roles in the private sector. These developments reflect AHM's ongoing commitment to integrated, patient-centred healthcare that combines clinical quality with accessibility and community relevance.

Asiri Hospital Galle

Asiri Hospital Galle, a 30-bed multi-specialty hospital, continued to reinforce its position as a leading private healthcare provider in the Southern region. During the year, the hospital advanced plans to introduce a Kidney Transplant Programme, building on its established renal and dialysis services and marking an important step in the expansion of specialised medical care in the region.

During the year, operational enhancements were undertaken across key service areas to elevate patient experience and clinical efficiency. The Dental and Oral & Maxillofacial Surgery Unit was

upgraded with state-of-the-art diagnostic and surgical technology, while the 24-hour Accident & Emergency Department was strengthened through the addition of full-time Emergency Physicians and a General Surgeon, ensuring comprehensive and continuous emergency response capability. To better serve the growing number of overseas and maritime patients, Asiri Hospital Galle established a Foreign Patient Coordination Unit, staffed with multilingual professionals, to facilitate medical tourism and seafarer healthcare through the Port of Galle. These developments underline the hospital's continued commitment to delivering accessible, high-quality healthcare while contributing to the region's growing reputation as a destination for advanced medical services.

Asiri AOI Cancer Centre

The Asiri AOI Cancer Centre continued to lead Sri Lanka's private oncology segment, delivering strong operational and clinical performance during the year. Financial performance was supported by sustained growth in patient volumes, enhanced treatment protocols, and improved clinical outcomes.

Asiri AOI remains the only private facility in Sri Lanka offering PET-CT scanning, and delivers radiation therapy with 99.9% precision through the country's most advanced linear accelerator. The Centre also extended treatment concessions to government-referred patients and strengthened collaboration with the Sri Lanka College of Oncologists, providing simulation access and clinical training for medical professionals. These initiatives reinforce Asiri AOI's role as both a leader in advanced cancer care and a national resource for knowledge sharing and professional development.

Asiri Laboratories Services

Celebrating over four decades of diagnostic excellence, Asiri Laboratories continued to lead Sri Lanka's diagnostics sector through sustained growth, innovation, and a strong culture of quality. The network expanded to 93 collection centres, 17 satellite laboratories, and 6 hospital laboratories, performing over 15,000 tests daily and serving more than 3.3Mn patients annually.

Technological advancement remained central to performance. The introduction of cutting-edge systems such as the Mindray BC-6800Plus, the world's fastest haematology analyser, alongside the BioFire FilmArray System and Hydrasis 2 Scan (Sebia) further enhanced automation, precision, and turnaround efficiency. Five new diagnostic panels were launched, including Meningitis/Encephalitis, Pneumonia, and Thyroid Receptor Antibody tests, broadening the clinical testing portfolio.

Asiri Laboratories received ISO 15189:2022 recertification for its laboratories at Central Hospital and Asiri Medical Hospital, while the laboratory at Asiri Matara achieved certification for the first time. The organisation was also honoured with the Business Excellence Award 2025 for Medical Diagnostics Services for the third consecutive year, reaffirming its leadership in quality and innovation.

Asiri Academy of Health Sciences

The Asiri Academy of Health Sciences (AAHS) reached a significant milestone with the inauguration of its purpose-built Colombo campus in 2024, marking a new chapter in healthcare education within Sri Lanka. The Academy continued to broaden its portfolio of academic programs, ranging from Foundation in Health Sciences and Higher National Diplomas in Nursing and Medical Laboratory Technology to MBA programmes in Health and Nursing Administration.

AAHS is affiliated with internationally recognised institutions including MI College Maldives, the University of Wollongong (Australia), London Metropolitan University, and the University of East London, ensuring that its curricula and training standards are aligned with global benchmarks. All programs are NVQ-certified, emphasizing competency-based, practice-oriented education. The Academy also entered into a partnership with the Institute of Chemistry Ceylon (ICHEMC) to host national-level practical training for laboratory sciences.

Through these initiatives, AAHS continues to play a pivotal role in developing a skilled healthcare workforce, supporting both the Asiri Group's internal talent pipeline and the broader national healthcare system.

SECTOR PERFORMANCE

Healthcare Services recorded revenue growth of 9% to Rs. 31 Bn during the year, reflecting sustained improvements in service mix and service volumes across Asiri Health's hospital network. Sector EBITDA amounted to Rs. 7.8 Bn, while finance costs declined sharply by 44% to Rs. 2.0 Bn, compared with Rs. 3.6 Bn in the previous year. Finance income moderated to Rs. 1.3 Bn from Rs. 1.7 Bn. Sector profitability improved 14% to Rs. 3.5 Bn for the year.

Performance during the year was supported by higher patient volumes across inpatient and outpatient segments, driven by growth in admissions, procedural throughput, and increased utilisation of specialised clinical services. Average occupancy levels strengthened

during the year, contributing to improved operating leverage. The continued normalisation of elective procedures further supported revenue quality and margin resilience. Overall, these outcomes reflect the sector's focus on clinical excellence, capacity optimisation, and the delivery of consistent, high-quality healthcare services.

SECTOR OUTLOOK

Sri Lanka's private healthcare industry is poised for a new phase of growth as the sector aligns with the country's broader trajectory of economic stabilization and demographic transition. An ageing population, rising incidence of non-communicable diseases, and greater health awareness are expected to sustain long-term demand for specialised medical services. At the same time, the expansion of health insurance coverage and a gradual shift toward preventive and personalised medicine are creating new opportunities for private providers to deliver accessible, high-quality care.

Government initiatives aimed at strengthening the national health system, such as the Primary Healthcare Restructuring Programme and reforms promoting digital health integration, are also expected to open pathways for deeper public–private collaboration. In parallel, the recovery of tourism and the government's renewed focus on positioning Sri Lanka as a regional medical and wellness hub are likely to spur growth in medical tourism, particularly in advanced diagnostics, surgical specialties, and rehabilitation services.

Within this evolving landscape, Asiri Health is well positioned to capture emerging opportunities and reinforce its leadership as Sri Lanka's benchmark for private healthcare excellence. The Group's network of six hospitals, a comprehensive diagnostics arm, and an expanding education and research ecosystem provide a strong foundation for growth. Alongside its ongoing investments in capacity and innovation, Asiri Health is enhancing its governance practices and operational discipline, reflecting its continued commitment to ethical standards, transparency, and stakeholder confidence.

Future priorities will centre on expanding clinical capacity, broadening regional access, and advancing digital health technologies to improve connectivity, continuity, and patient outcomes. Asiri Health will continue to leverage its brand equity, clinical expertise, and operational excellence to drive innovation in patient care while contributing to the broader national health agenda. With a sustained focus on quality, governance, and sustainability, the Group is well placed to lead the next phase of transformation in Sri Lanka's private healthcare sector.

FINANCIAL SERVICES

"Spanning life and health insurance, licensed finance, asset management, and stockbroking, Softlogic's Financial Services sector continues to grow its presence, delivering innovative solutions and enabling inclusive financial access"



Softlogic's Financial Services vertical spans life and health insurance, licensed finance, stockbroking, and asset management. The platform serves a broad retail and corporate customer base nationwide, combining strong distribution, risk management, and digital capability to deliver insurance, finance, credit, and investment solutions.

INDUSTRY OVERVIEW

Sri Lanka's financial services sector demonstrated steady recovery during the year, reflecting broader economic stabilization and renewed investor confidence. The rebound in private sector credit boosted Non-Bank Financial Institutions (NBFIs), with the industry's asset base expanding by 14% to Rs. 1,931 Bn. Leasing and vehicle loans gained traction as import restrictions eased, while gold-backed lending sustained momentum. Importantly, asset quality improved, with the gross NPL ratio declining from 18% in CY2023 to 11% in CY2024, driven by disciplined recoveries and healthier borrower cash flows.

The Central Bank's NBFI Master Plan for sector consolidation advanced, laying the foundation for a stronger and more sustainable financial ecosystem. At the same time, rapid digital adoption reshaped financial services, with mobile lending platforms, AI-driven credit assessments, and data-based risk management broadening access and enhancing resilience.

The life insurance industry sustained strong growth, supported by rising household incomes, increasing awareness of risk protection, and expanding distribution channels. Premium growth was underpinned by higher renewals and greater demand for health and protection products, with digital solutions accelerating policy issuance and claims management.

Equity markets delivered one of the best performances among regional peers, with the All-Share Price Index (ASPI) advancing 38% to close at 15,814.82 points. Trading volumes nearly doubled (up 96%), reflecting strong domestic participation alongside a resurgence of foreign inflows, supported by political stability, progress on the IMF programme reviews, and completion of sovereign debt restructuring.

Softlogic Capital

softlogic LIFE

Softlogic Finance

Softlogic Stockbrokers

softlogic INVEST

FINANCIAL SERVICES

Together, these trends highlight the resilience and adaptability of Sri Lanka's financial services sector, which is poised to play a pivotal role in strengthening financial intermediation and broadening access to capital in the years ahead.

BUSINESS OVERVIEWS

Softlogic Capital PLC

Softlogic Capital PLC (SCAP), the holding company of the Group's Financial Services sector, provided strategic direction and support to its subsidiaries during a period of industry transformation. The company's diversified portfolio across life insurance, finance, capital markets, and asset management enabled resilience amid a dynamic operating environment.

A key highlight was the creation of a Special Purpose Vehicle (SPV) to which a portion of Softlogic Finance PLC's distressed loan portfolio was transferred, with Central Bank approval. This restructuring materially improved the subsidiary's asset quality, strengthening its balance sheet and positioning it for growth.

At the consolidated level, total operating income stood at Rs. 42.4 Bn, compared with Rs. 36.7 Bn in the previous year, reflecting stronger contributions from Softlogic Life and stabilizing performance at Softlogic Finance.

Softlogic Life Insurance PLC

Softlogic Life reinforced its position as Sri Lanka's second-largest life insurer, serving over 1.3 Mn policyholders. For over a decade, the company has consistently outperformed industry growth, supported by an extensive distribution network and an evolving product suite tailored to customer needs.

During the year, Gross Written Premiums (GWP) rose 20% to Rs. 31.6 Bn, consolidating market share gains and reaffirming strong growth momentum. Assets stood at Rs. 53.6 Bn, with equity at Rs. 10.4 Bn, while Rs. 11 Bn was paid out in protection claims, demonstrating the company's commitment to policyholder trust. Softlogic Life maintained a 17% market share in the life insurance industry.

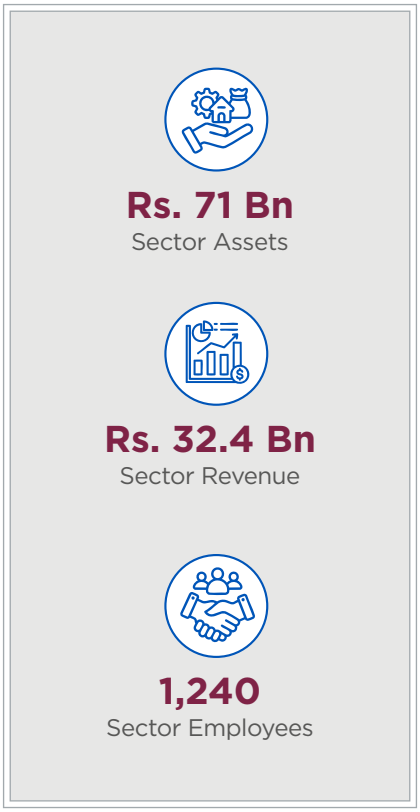
A significant development was the strategic acquisition of Allianz Life, which will expand market share, broaden the product portfolio, and strengthen leadership in life and health protection. The company also accelerated its digital adoption agenda, advancing client servicing, process efficiency, and operational resilience.

Softlogic Finance PLC

Softlogic Finance achieved a successful turnaround, reporting a net profit of Rs. 145 Mn compared to a net loss of Rs. 1.8 Bn in the previous year. This recovery was driven by effective NPL recoveries, the disposal of repossessed vehicles, prudent cost management, and tighter credit discipline.

A landmark transaction during the year was the transfer of Rs. 1.1 Bn of distressed loans to an SPV with CBSL approval. This materially improved asset quality and lifted a long-standing burden from the balance sheet. Capital adequacy remained strong, with Tier I and Total CAR at 25.46%, well above regulatory requirements.

The company reported total operating income of Rs. 677 Mn, compared to a net operating loss of Rs. 61 Mn last year. Total assets stood at Rs. 8 Bn at year-end. In parallel, Softlogic Finance advanced its digital transformation journey, laying the groundwork for digital onboarding, customer-facing platforms, and process automation.



With strengthened governance, risk management, and a performance-oriented culture, the company is well-positioned to capture opportunities in a recovering economy while aligning with national consolidation priorities for the financial services sector.

Softlogic Stockbrokers

Softlogic Stockbrokers capitalised on the rebound of the Colombo Stock Exchange, delivering a resilient performance supported by its award-winning equity research, recognised by the CFA Society Sri Lanka. The company strengthened market positioning by providing timely research, advisory services, and innovative solutions to both institutional and retail clients.

With enhanced digital platforms and a trusted research team, the company continues to reinforce its reputation as one of Sri Lanka's leading brokerage firms, well-positioned to capture further growth in an expanding capital market.

Softlogic Asset Management

Softlogic Asset Management remained a leading player in Sri Lanka's capital markets, leveraging improved investor sentiment to expand its asset base. As one of the country's top five fund managers, the company managed assets of over Rs. 45 Bn, operating one of the largest investor bases in the unit trust industry.

The company's performance underscores its expertise in delivering value through group synergies, innovative strategies, and a focus on delivering strong returns for clients. With a growing investor base and strengthened market reputation, it is well-positioned to expand its role in deepening financial market participation.

SECTOR PERFORMANCE

Sector topline increased 16% to Rs. 32.4 Bn during the year. Profitability saw a significant growth, with the sector closing the year with a profit of Rs. 2.9 Bn, compared Rs. 34 Mn reported last year.

SECTOR OUTLOOK

Sri Lanka's financial services industry is entering a period of stabilized momentum, supported by structural reforms and improving macroeconomic fundamentals. Inflation has eased, while the Central Bank has maintained the policy rate at 7.75%, providing greater clarity for lending and credit pricing. The recent Fitch rating upgrades of several Non-Bank Financial Institutions (NBFIs) reflect strengthening balance sheets and renewed investor confidence in the sector.

For the NBFI sector, the anticipated lifting of vehicle import restrictions is expected to re-energize leasing and hire purchase activities. At the same time, the Central Bank's consolidation roadmap is driving sector rationalisation, paving the way for stronger, more efficient, and better-capitalised players.

In the life insurance segment, rising awareness of financial protection and the market's relatively low penetration continue to present significant opportunities for expansion. The acquisition of Allianz Life will further strengthen Softlogic Life's product portfolio and distribution network, reinforcing its market leadership aspirations. Demographic shifts, coupled with the growing demand for health protection and retirement planning solutions, are expected to underpin long-term growth across the industry.

Equity markets are also poised to benefit from improved investor sentiment following enhanced political stability, progress under the IMF-supported reform programme, and renewed foreign inflows. With interest rates trending downward and a stable exchange rate environment, the Colombo Stock Exchange is well positioned to attract both domestic and international capital, creating opportunities for capital market participants.

Within this evolving landscape, Softlogic's financial services cluster is strategically positioned to capture emerging opportunities through its diversified business model spanning insurance, finance, asset management, and stockbroking. Strategic initiatives — including the SPV-led restructuring of Softlogic Finance, the integration of Allianz Life, and the continued strengthening of digital capabilities across the cluster — provide a robust foundation for sustainable growth, enhanced customer engagement, and long-term shareholder value creation.

INFORMATION TECHNOLOGY

"Empowering enterprises and state institutions through secure and scalable technology, Softlogic's IT sector drives Intelligent Automation and the Agentic AI-driven transformation of tomorrow."



The IT cluster represents the Group's technology leadership through Softlogic Information Technologies, Softlogic Computers, and Softlogic BPO Services. Together, these businesses deliver secure, scalable, and enterprise-grade solutions spanning Agentic AI, multi-cloud technologies, cybersecurity, fintech, intelligent automation, and AI-ready ICT infrastructure extending from the edge to the core, while also providing comprehensive mission-critical support services. Anchored by global technology partnerships and a nationwide service network, the cluster plays a pivotal role in driving the Intelligent Automation and Agentic AI-driven transformation of enterprises and state institutions, preparing Sri Lanka's public and private sectors to align with Industry 5.0.

INDUSTRY OVERVIEW

Sri Lanka's IT industry is growing at a robust pace as the country accelerates its transition toward a digital economy. National targets aim to expand the digital economy from around USD3.7 Bn today to USD15 Bn by 2030, supported by rising adoption of AI, multi-cloud computing, fintech, cybersecurity, and e-commerce. Government initiatives, including the National Digital Economy Strategy 2030, the phased implementation of the Personal Data Protection Act, and the rollout of digital payment platforms such as GovPay, have laid a strong foundation for technology-led growth. Internet penetration has now crossed 53%, while broadband speeds and mobile connectivity continue to improve, further widening access to digital services.

These drivers have opened opportunities across infrastructure modernisation, business process automation, and data-driven decision making. At the same time, challenges such as uneven rural penetration, a widening digital divide, and the demand for skilled talent remain, requiring continuous investment in capacity building, innovation, and upskilling initiatives.

BUSINESS OVERVIEWS

Softlogic Information Technologies

Softlogic Information Technologies (SITL) reinforced its position as a leading enterprise IT solutions provider, serving enterprises, banks, financial institutions, educational institutions, government agencies,

and SMEs. The company advanced its Industry 5.0 portfolio, becoming the first to deliver Agentic AI solutions, virtualization and hybrid cloud platforms, cybersecurity, AI-powered digital workspaces, IoT applications, data analytics, fintech, and process automation. Beyond bespoke software development, the company strengthened its managed services, remote support, and helpdesk offerings, supported by a nationwide network of over 120 certified engineers.

Strategic partnerships with global technology leaders such as Dell EMC, Lenovo, HP, Nutanix, BMC, Palo Alto Networks, Aruba, HID, Matica, Xerox, Austria Cards, and Seshaasai ensured access to cutting-edge technologies and AI-ready infrastructure, consolidating SITL's reputation as a trusted digital transformation partner.

During the year, the company expanded its multi-cloud and cybersecurity portfolios, secured new enterprise contracts across both state and private sectors, and broadened its managed services footprint island-wide, reinforcing its leadership in enterprise-grade digital solutions.

Softlogic Computers

With nearly three decades of market leadership, Softlogic Computers continued to dominate profitable niches in retail, hospitality, banking, and finance ICT solutions. Its wide product suite includes POS systems, receipt and journal printers, barcode scanners, LCD displays, cash drawers, passbook printers, document scanners, currency counters, CCTV, structured cabling, and annual maintenance solutions. The company operates through a dealer network of around 70 resellers, software developers, and IT partners across the island. As the key distributor for Epson, Zebra, Riello, Partner, Honeywell, and SCP, the company is well positioned to sustain growth, backed by its strong technical support framework and island-wide service presence.

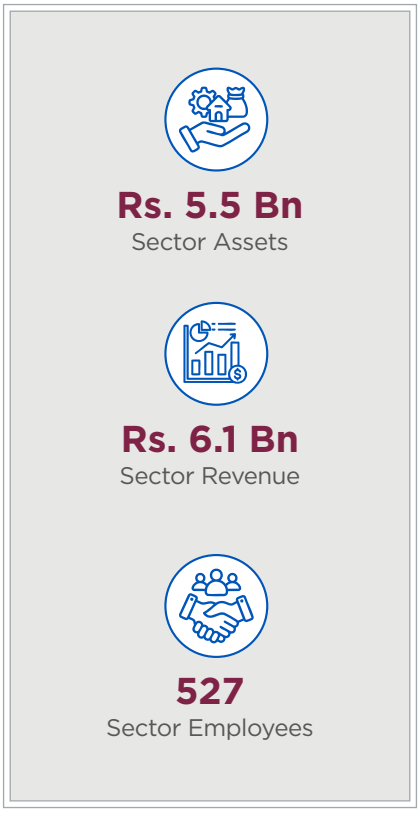
During the year, Softlogic Computers strengthened its distribution partnerships, expanded its reseller base, and maintained leadership in retail and banking ICT infrastructure solutions.

Softlogic BPO Services

Softlogic BPO Services played a pivotal role in supporting both Group operations and external clients, offering IT infrastructure management, helpdesk support, and business process outsourcing. The company ensured seamless business continuity by managing enterprise systems, maintaining mission-critical infrastructure, and providing scalable automation solutions. Building on its reputation for reliability, Softlogic BPO Services also extended select IT services to external corporate clients, further diversifying its revenue base and enhancing its role within the Group's technology ecosystem.

SECTOR PERFORMANCE

The IT sector delivered resilient results, supported by its diversified solutions portfolio, strong vendor alliances, and long-standing client base. The sector's focus on customer-centric solutions, enhanced service delivery, and innovation, backed by global technology alliances, ensured stability in a competitive market environment. Sector revenue stood at Rs. 6.1 Bn compared to Rs. 7.2 Bn last year, reflecting a cautious demand environment. Sector operating profit reached Rs.59 Mn compared to Rs. 624 Mn last year. Sector assets stood at Rs. 5.5 Bn.



SECTOR OUTLOOK

Sri Lanka's IT industry is set for sustained double-digit growth, supported by the government's drive toward a USD15 Bn digital economy by 2030 and the rapid adoption of cloud, AI, and fintech solutions across both public and private sectors. The relaxation of import restrictions, improving broadband penetration, and rising e-commerce activity are expected to accelerate demand for infrastructure modernization, digital payments, and cybersecurity. At the same time, regulatory reforms such as the Personal Data Protection Act and national initiatives around GovPay and digital IDs will further expand and strengthen the country's digital ecosystem.

As a trusted technology partner in numerous government-led digital initiatives, the Group's consistent success in securing state technology projects positions it as a key

INFORMATION TECHNOLOGY

enabler and direct beneficiary of Sri Lanka's national digital transformation agenda. Building on this foundation, Softlogic Information Technologies will continue to focus on Industry 5.0 solutions, advanced cybersecurity, and AI-driven innovation while scaling up managed services and nationwide customer support to maintain its leadership in enterprise and public sector IT. Softlogic Computers, supported by its resilient dealer network and global distribution partnerships, is well positioned to capture growth across retail, banking, and hospitality technology. Softlogic BPO Services will further expand its role in automation, infrastructure management, and client diversification. Collectively, these businesses are poised to harness the sector's strong momentum, leveraging trusted client relationships, global alliances, and a proven ability to deliver secure, scalable, and end-to-end technology solutions.

LEISURE & PROPERTY

"Anchored by flagship hotels, premium travel services, and property ventures, Softlogic's Leisure & Property sector continues to strengthen its presence in Sri Lanka's hospitality and real estate landscapes."



Softlogic's Leisure & Property sector exemplifies the Group's deep commitment to Sri Lanka's hospitality and real estate landscape. Anchored by landmark hotels and innovative property developments, the sector strategically leverages its premium assets and integrated ventures to drive long-term opportunities in tourism-led urban development.

INDUSTRY OVERVIEW

Sri Lanka's hotel and leisure industry recorded robust growth during the year, supported by easing macroeconomic pressures and an improvement in global travel sentiment. Tourist arrivals increased by 20% to approximately 2.14Mn, driven by key source markets such as India, the United Kingdom, Germany, and Russia. This momentum was further strengthened by expanded airline connectivity and sustained demand from traditional European travelers.

Domestic tourism also played a significant role, with rising household incomes encouraging local travel, which helped stabilise occupancy during off-peak seasons. The upscale segment saw notable gains in Average Daily Rates (ADR) and Revenue per Available Room (RevPAR), fueled by high-value travelers seeking wellness, cultural, and eco-tourism experiences.

Emerging preferences for wellness-oriented tourism, sustainability, and curated experiences are reshaping the industry's value proposition. Sri Lanka's recognition as a leading global travel destination in 2024 further reinforces this positive outlook

The property development sector in Sri Lanka showed cautious optimism, supported by stabilizing economic conditions and improved financing clarity. Investor confidence is returning, as evidenced by rising land values, particularly in the Western Province, and increasing apartment prices.

BUSINESS OVERVIEWS

Softlogic City Hotel

The 219-room five-star city hotel in Colombo 03, operated by Minor Hotels Group, solidified its position as a premium urban retreat. It benefited from the recovery in international business travel and increased Meetings, Incentives, Conferences,

nH COLLECTION COLOMBO

nH BENTOTA CEYSANDS RESORT

softlogic DESTINATION MANAGEMENT

Sabre

LEISURE & PROPERTY

and Exhibitions (MICE) activity. Modern facilities such as an executive lounge and versatile meeting spaces contributed to its competitive standing in Colombo's hospitality market.

Ceysand Resorts

The 165-room beachfront Ceysand Resort strategically situated between the Bentota River and the Indian Ocean capitalised on the resurgence of coastal tourism. Strong demand from European and Indian travelers, complemented by resilient domestic tourism, supported stable performance during off-peak months. The resort maintained high guest satisfaction by adhering to Minor Hotels' global standards.

Odel Properties One

ODEL Properties One adopted a measured approach to project execution, balancing growth ambitions with market realities. While demand for premium urban real estate remained steady, timelines for the ODEL Mall mixed-use development were rescheduled to align with economic conditions and capital priorities. This flagship project remains central to Softlogic's long-term growth strategy.

Sabre Travel Network

Sabre Travel Network Lanka operates as the local arm of the globally renowned Sabre technology platform, providing advanced travel distribution solutions for airlines, hoteliers, and travel agencies. The company continued to play a pivotal role in supporting Sri Lanka's travel ecosystem through robust booking and reservation technology, serving as a key enabler for the tourism and aviation sectors.

In line with global trends, the company is driving innovation and accelerating the adoption of the latest technologies in travel, such as New Distribution Capability (NDC), to enhance connectivity, efficiency, and personalisation across the industry.

During the year, Softlogic increased its stake to 51%, transitioning Sabre Travel Network Lanka from an associate to a subsidiary. The remaining shareholding is held by Sabre South Asia Pte Ltd, a regional presence of Sabre Corporation, a global leader in travel technology. This strategic step enhances our control over a critical part of the travel value chain and strengthens our ability to integrate technology-driven solutions into our broader Leisure and Travel portfolio.

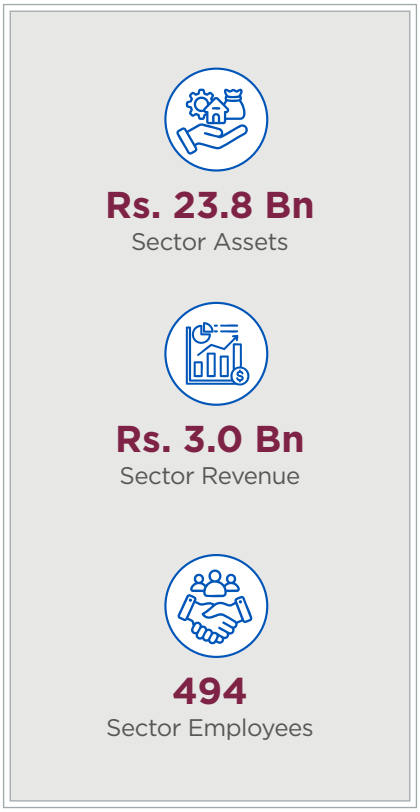
SECTOR PERFORMANCE

The sector recorded revenue of Rs. 3.0 Bn for the year. Sector EBITDA showed a marked turnaround, reporting a positive Rs. 74 Mn compared with a negative EBITDA of Rs. 379 Mn in the previous year. The sector closed the year with a loss of Rs. 3.7 Bn.

SECTOR OUTLOOK

Looking ahead, the leisure and property industry holds cautious optimism, supported by robust tourist arrivals and strong forward bookings. Growth drivers include increased flight frequencies, charter tourism from Europe, and the expanding Indian outbound travel market. International accolades and positive traveller reviews further enhance Sri Lanka's global destination status. The planned expansion of Bandaranaike International Airport is expected to increase capacity for future growth.

Softlogic's Leisure & Property cluster is positioned to capitalise on this momentum by maintaining high occupancy and yield at its key hotel properties, leveraging MICE opportunities, enhancing guest experiences, and advancing strategic real estate projects as conditions improve. Operational improvements under Minor International's management is showing promising results, reinforcing confidence in sustainable performance.



AUTOMOBILES

"Representing world-class brands including Ford, King Long, Suzuki, Atul and Hamer, Softlogic's automobile sector is poised to capture growth, underpinned by pent-up demand, trusted global partnerships and a strong after-sales service platform."



The Group's Automobile sector encompasses a broad portfolio of passenger vehicles, two-wheelers, three-wheelers, and commercial transport solutions. By partnering with globally recognised brands, the sector caters to both personal and business transportation needs across Sri Lanka. The addition of Atul Auto's three-wheeler range has expanded the offering in passenger and cargo transport, while the introduction of Hamer off-road accessories has extended the portfolio into lifestyle and performance enhancements. Supported by a state-of-the-art multi-brand service and repair facility, the sector is positioned to deliver durable products, reliable solutions, and trusted after-sales care to a growing customer base.

INDUSTRY OVERVIEW

The automobile industry, long constrained by import restrictions since 2020, experienced a structural turning point during the year under review. For much of the year, volumes remained subdued as limited availability of vehicles and weak consumer sentiment weighed on market activity. The industry was sustained largely by after-sales and service income, with workshops and spare parts sales playing a central role in keeping existing fleets operational. This service-driven focus became the backbone of the industry during the restriction years, forcing companies to strengthen technical capacity, expand parts inventories, and place greater emphasis on customer retention.

The operating landscape shifted meaningfully in the latter part of the year, when the government began easing import controls, allowing new volumes to gradually enter the market. This was complemented by an improving macroeconomic backdrop, where a managed exchange rate provided predictability for importers and declining interest rates enhanced affordability and improved credit access. Together with pent-up demand that had accumulated over nearly five years, these factors created the conditions for a revival in both passenger and commercial segments.

Market activity began to reflect this shift, with global brands reactivating their presence and consumers showing renewed interest in both personal mobility and business transport solutions. The re-entry of passenger vehicles, two-wheelers

Ford

KING LONG

SUZUKI

ATUL

HAMER

AUTOMOBILES

and three-wheelers marked a clear inflection point, broadening consumer choice after years of scarcity. The industry now looks toward a phased recovery, with growth expected to be gradual but underpinned by structural drivers such as income stabilization, stronger financing conditions, and the need to replace and modernise an ageing vehicle fleet.

BUSINESS OVERVIEWS

Future Automobiles

Future Automobiles, the authorised distributor for Ford vehicles in Sri Lanka, navigated the challenging environment of import restrictions by facilitating the import of ambulances permitted under special allowances, thereby sustaining operations and contributing to essential national healthcare mobility during the period.

With the relaxation of restrictions in the latter part of the year, the company reactivated its core vehicle import operations, leading to a steady revival in Ford sales. This recovery was underpinned by pent-up demand accumulated during the restriction years, together with improving consumer confidence and stabilizing macroeconomic conditions. The company's established service and repair network continued to ensure comprehensive support for the existing Ford vehicle base, reinforcing customer confidence in the brand.

The product portfolio was further strengthened through the introduction of lifestyle automotive accessories under the Hamer brand, marking a diversification into premium vehicle customisation solutions. This initiative complements the global positioning of Ford while broadening Future Automobiles' revenue base beyond traditional sales and service activities.

With a diversified offering, enhanced after-sales capabilities, and the resumption of vehicle imports, Future Automobiles is well placed to reinforce its presence in the passenger vehicle market and capitalise on the opportunities created by the industry's gradual recovery.

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Rs. 599 Mn
Sector Assets

Rs. 409 Mn
Sector Revenue

56
Sector Employees

Suzuki Motors Lanka

Suzuki Motors Lanka, the exclusive distributor of Suzuki motorcycles in Sri Lanka, navigated the prolonged import restriction period by relying on spare parts distribution and service income, thereby ensuring uninterrupted support to the existing rider base. This approach preserved customer trust and sustained operational stability despite the absence of new unit sales.

With the resumption of motorcycle imports during the year, Suzuki re-entered the market with renewed strength, benefiting from the

significant pent-up demand that had accumulated over several years. The brand's reputation for reliability and fuel efficiency enabled it to regain traction swiftly, reinforcing its role in the two-wheeler segment and positioning it to meet Sri Lanka's growing demand for affordable and dependable personal transport solutions.

SECTOR PERFORMANCE

The automobile sector operated under subdued conditions for much of the year, with revenue primarily sustained by after-sales services and spare parts income, as new vehicle imports remained restricted. The relaxation of the import ban during the final quarter created renewed momentum, but the timing meant that its impact was not fully reflected in the year's financial results.

Sector revenue stood at Rs. 409 Mn, reflecting only a marginal increase of 8% over the previous year, as import-driven volumes began to flow in only towards the close of the financial period. The sector reported a loss of Rs. 111 Mn, compared with a loss of Rs. 126 Mn in the previous year, highlighting the continued challenges of operating with constrained sales channels.

With imports now resuming and demand supported by pent-up replacement cycles, the sector is expected to benefit more visibly in the coming year, leveraging its diversified portfolio, global partnerships, and established service network.

SECTOR OUTLOOK

The outlook for Sri Lanka's automobile industry is shaped by a gradual return to normalcy following several years of restrictions that constrained supply and suppressed demand. The re-opening of import channels has unlocked pent-up demand across both passenger and commercial categories, while a managed exchange rate has improved visibility for importers and declining interest rates have enhanced affordability for consumers. These developments, alongside stabilizing household incomes, are expected to provide a firmer platform for sector growth in the medium term.

For the Group, the sector is positioned to capitalise on this renewed momentum through a carefully diversified portfolio spanning passenger vehicles, two-wheelers, buses, and three-wheelers. The re-entry of Ford, King Long and Suzuki, the addition of Atul Auto three-wheelers, and the expansion into lifestyle accessories through Hamer collectively broaden the addressable market while strengthening the customer value proposition beyond traditional vehicle sales.

Going forward, emphasis will remain on deepening customer trust through a robust after-sales infrastructure, ensuring reliability in service and spare parts availability, and leveraging global brand partnerships to introduce new product categories. This measured, multi-brand strategy places the automobile cluster in a strong position to participate in industry recovery, while building resilience against market cycles and laying the groundwork for sustained long-term growth.

HUMAN CAPITAL

Softlogic Group continues to strengthen its Human Capital through strategic talent acquisition, structured performance management, and employee engagement. With a focus on building strong talent pipelines, enhancing learning through continuous development, driving digitized PMS practices, and fostering an inclusive & engaging work culture, we remain committed to attracting, developing and retaining top talent to support business excellence.

TALENT ACQUISITION

The Company employs a diverse range of methods to source employees, tailoring its recruitment strategies based on the specific requirements of each vacant position. To attract talent, the Company advertises job openings on reputed career websites. Due to Softlogic's strong employer brand and reputation, these platforms generate a large volume of applications, facilitating the Company to reach a broad talent pool.

In addition to third party career portals, the company leverages its solid employer brand on LinkedIn, where it actively posts job vacancies and advertisements to attract qualified candidates for specialised roles. The Company's LinkedIn presence helps in connecting with professionals who align with its culture and values.

To further expand its talent acquisition efforts, the HC team participates in career fairs organised by both government and private institutions, providing direct access to potential candidates and foster relationships with academic institutions and training bodies.

In the past financial year, Asiri Health utilised a variety of recruitment channels to attract talent across all levels. For non-executive roles, paper advertisements proved effective. Additionally, a significant number of successful hires came through referrals from our own employees. Managerial positions were often sourced through head-hunters to ensure the best fit for the organisation.

TIME TO HIRE

Time to Hire measures the number of days required to identify, assess, and select the most suitable candidate once a vacancy is opened. For Softlogic, this reflects the efficiency of our recruitment process and our ability to attract and secure talent promptly.

On average, the hiring process varied by role level, with executive positions involving more specialised assessments and non-executive roles driven towards quick fulfilment to support ongoing operations. We prioritise every vacancy and act swiftly, preparing a strong talent pipeline in advance. With the support of our internal CV bank and succession planning framework, we are able to manage recruitment efficiently and proceed without considerable delays across all role categories.

COST OF RECRUITMENT

Recruitment cost is the financial expenditure associated with the process of identifying, attracting, and selecting qualified candidates to fill job vacancies within the Company. The recruitment cost for the Company varies depending on the position being filled and the specific recruitment sources utilised. However, the Company successfully manages to stay within the agreed budget limits. This structured budgeting approach ensures cost-efficiency while maintaining the effectiveness of the recruitment process across different job categories.

The cost of recruitment primarily included expenses related to job advertisements, as well as agency fees for headhunters when recruiting for senior managerial positions. For non-executive roles, lower-cost channels such as paper advertisements were utilised.

RETENTION STRATEGIES

We have implemented a variety of employee engagement initiatives aimed at enhancing retention and fostering stronger connections between employees, their job roles, and the organisation as a whole. These initiatives focus on several key areas to address employees' holistic needs.

1. **Recognising and Rewarding High Performers –** We continue to acknowledge and celebrate the contributions of our employees by recognising high performers across the Company. One of our key initiatives is the Employee of the Month programme, which highlights individuals who demonstrate exceptional commitment, performance, and alignment with our organisational values.

2. **Work from Home –** Company has introduced the work from home mechanism to facilitate employees to work in an efficient and effective way.

3. **Flexi shifts –** Employees are having an opportunity to select flexible working hours to balance their work life and to ensure operational efficiency.

4. **Provide Wellness Offerings –** We have introduced special discounted rates for employees to receive medical treatments at our group's hospitals, ensuring greater access to quality healthcare. In addition, all employees are eligible for a medical insurance scheme, with the Company bearing 50% of the premium cost. These initiatives underscore our commitment to supporting the health and well-being of our workforce.

5. **Employee entertainment events –** Events such as Movie nights, New year celebrations, Cricket tournaments, Art competitions, are organised by the Company to entertain employees & to release their work stress.

6. **Employee referral program -** We are rewarding the existing employees if they have introduced a new employee to the Company & if the new employee exists for a certain period of time.

Softlogic Group places a high emphasis on retaining top talent by offering a competitive salary structure that is benchmarked against industry standards. Our retention strategies include providing a comprehensive benefits package, which encompasses life insurance, personal accident coverage, subsidized hostel and meal facilities, staff medical insurance, and transport services covering seven key routes. We also ensure a safe and supportive working environment, offering continuous training and development programs to foster career growth and professional development. These initiatives collectively contribute to employee satisfaction and long-term retention.

EXIT INTERVIEW DATA

At Softlogic Group, all employees undergo a structured exit procedure upon leaving the organisation. Exit interviews are conducted to understand the primary reasons for departures and identify areas for improvement in employee retention.

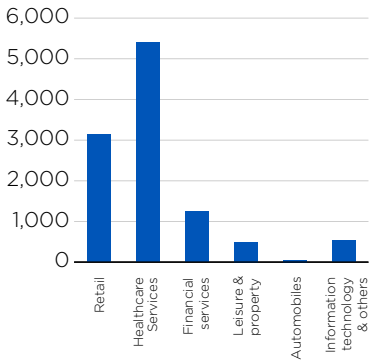
Analysis of exit interviews from the last financial year highlighted the following key trends:

» Migration: Many employees left to pursue skilled opportunities abroad, reflecting the growing mobility of talent in the healthcare and corporate sectors.

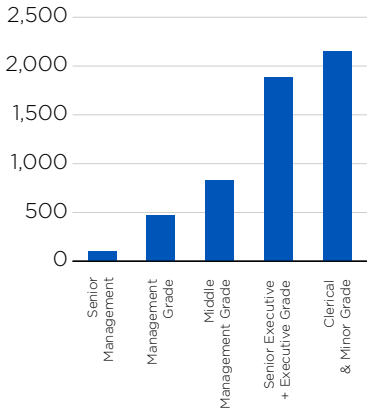
» Personal Commitments: A significant portion of the workforce, particularly among female employees (over 70%), left due to personal reasons such as marriage or childbirth.

Understanding these factors informs the Group's retention strategies and reinforces our commitment to creating a supportive and engaging work environment. Addressing career progression, compensation competitiveness, and work-life balance will remain key priorities in the year ahead.

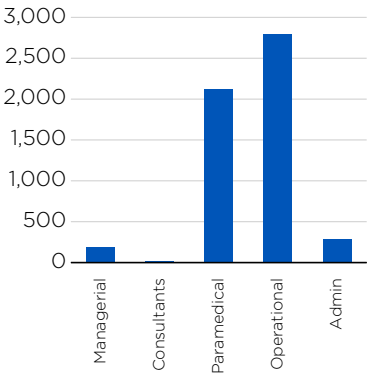
Total Staff



Work force by Employment Grade - Retail, Finance, Leisure, Automobiles, Information Technology and Other Sectors



Work force by Employment Grade - Healthcare Sector



HUMAN CAPITAL

PERFORMANCE MANAGEMENT

Performance Management and Employee Recognition

At Softlogic Group, performance management is a cornerstone of our people strategy, ensuring that teams consistently deliver outstanding results while maintaining the highest standards of service Our comprehensive Performance Management System (PMS) aligns employee performance with corporate objectives, promotes accountability, and fosters professional growth.

Performance Evaluation

All employees undergo annual performance evaluations through the Group's PMS. These reviews objectively assess individual performance against predefined Key Performance Indicators (KPIs) and role-specific technical competencies. The system ensures employees understand their responsibilities and how their contributions support organisational success.

Individualised Feedback

A key feature of the PMS is one-on-one feedback sessions conducted by department heads or supervisors. These sessions:

- Set new performance goals and identify areas for improvement.
- Determine training needs and career development plans.
- Include HC representatives to address grievances or career-related concerns, ensuring transparency and constructive dialogue.

This collaborative approach strengthens employee engagement and supports a culture of continuous learning and improvement.

Recognition and Rewards

Performance insights guide recognition and reward programs, which include:

- Bonuses and Promotions for outstanding performers.
- Employee of the Month/Year Awards to celebrate exceptional contributions.
- Chairman's Award recognising extraordinary achievements.
- 25 Years of Service Appreciation for long-term dedication.
- Employee Referral Program encouraging talent acquisition through employee networks.
- Best Service Model Outlet of the Year acknowledging excellence in service delivery.

Digital Transformation of Performance Management

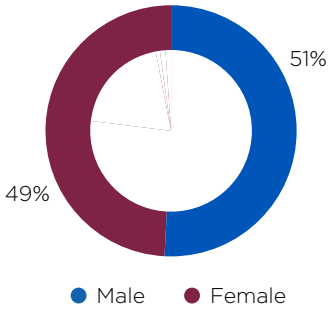
In 2023, Asiri Health digitized the PMS with the launch of eValuator, automating performance reviews and replacing manual processes. Key enhancements include:

- Integration of attendance data (no-pay days, late attendance, and minutes) for a complete performance view.
- Introduction of web-based self-appraisal forms.
- 2024/25 implementation of weighted evaluation criteria, linking salary increments directly to performance ratings, creating a merit-based, transparent reward system.

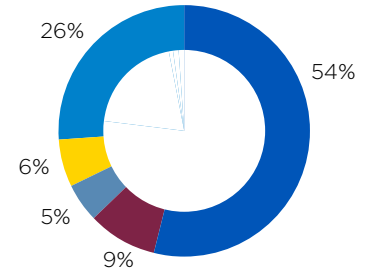
Continuous Feedback

The PMS is further supported by continuous feedback mechanisms, including 360-degree feedback tool. These enable real-time performance adjustments and ongoing guidance, ensuring employees receive regular support and opportunities for development throughout the year.

Work Force by Gender

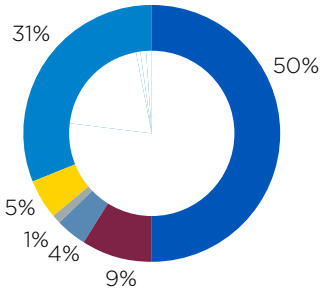


Total Resignations in the Group



- Retail
- Financial services
- Leisure & property
- Automobiles
- Information technology & others
- Healthcare services

New Hires in the Group



- Retail
- Financial services
- Leisure & property
- Automobiles
- Information technology & others
- Healthcare services

Future Initiatives

Looking ahead, the Group plans to integrate advanced analytics and AI-driven insights into the PMS to provide deeper performance understanding, enabling more tailored development plans. Efforts will continue to simplify evaluations for managers while empowering employees with tools for self-assessment and professional growth.

TRAINING AND DEVELOPMENT

At Softlogic Group, we believe that employee training and development are essential for personal growth, professional expertise, and organisational success. Our initiatives are designed to equip employees with the knowledge, skills, and motivation needed to perform effectively and advance their careers.

We foster a future-focused learning culture, integrating e-learning ecosystems with hands-on training and knowledge-building activities. This approach ensures comprehensive development while preparing employees to navigate the evolving dynamics of our operating environment.

Training Governance and Planning

A structured process guides training initiatives across the Group:

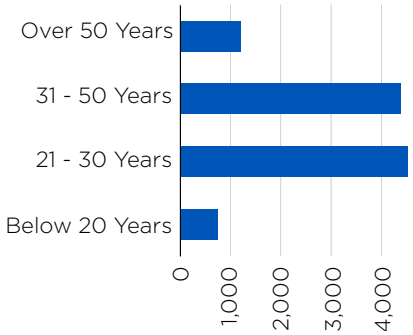
1. **Skills Audit:** At the start of each financial year, the Head of each Company/Division reviews a Skills Audit of employees under their purview.
2. **Training Needs Analysis (TNA):** Based on the Skills Audit, a TNA is prepared collaboratively with the Human Capital (HC) Division, identifying training priorities.
3. **Budgeting & Approval:** Training budgets are prepared jointly with department heads and submitted for approval by the Chairman prior to scheduling.
4. **External Training:** To build a highly skilled workforce, the company prioritises quality learning by inviting the best trainers in the field and by nominating employees for premium external training opportunities.
5. **Post-Training Evaluation:** Upon completion, the Head of Company/Division evaluates skill enhancement and progress, submitting a Post-Training Evaluation to the HC Division.

This systematic approach is reinforced by continuous feedback mechanisms, enabling employees to provide and receive feedback with supervisors and department heads. Additionally, mid-year and year-end performance evaluations support ongoing assessment and development.

Training Approach

Softlogic's training framework integrates both technical and soft skills development. Annual training plans are finalised after considering

Group Cadre - Age wise



performance discussions and training needs analysis.

Summary of Key Training Initiatives 2024/25

- Soft Skills & Personal Development:
  - Positive Mindset Development Programme
  - Team Work and Service Excellence Programme
  - Personal Grooming & Hygiene Session
  - Glow and Grow Self-care Workshop
  - Workplace Stress Management Session
- Technical & Professional Development:
  - Advanced Microsoft Excel Workshop
  - Tax Workshop





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Healthcare-Specific Training (Asiri Group)

A major focus of the annual training effort is healthcare excellence, ensuring staff are fully prepared to meet medical and patient care demands:

- Clinical Skills Training: Over 5,000 man-hours dedicated to Basic Life Support, Advanced Life Support, Immediate Life Support, Neonatal Life Support, and First Aid.
- Specialised Clinical Development: Regular sessions for nurses and medical officers aligned with Continuous Professional Development (CPD) standards.
- Customer Care Training: Approximately 3,400 man-hours focused on service professionalism, emphasizing patient-centered care.
- Safety Training: Around 4,300 man-hours devoted to safety initiatives, including Fire Evacuation Drills, Fire Safety & Emergency Response, and Waste Disposal & Spill Management, ensuring employee and patient safety.

Softlogic's comprehensive training strategy demonstrates a strong commitment to enhancing employee skills, safety, and professional capabilities. By investing in targeted development programs and healthcare-specific training, the Group ensures its workforce remains competent, confident, and prepared to deliver high standards of service and performance across all operations.

SUCCESSION PLANNING - TALENT IDENTIFICATION, DEVELOPMENT, AND LEADERSHIP GROWTH

Our approach to leadership development combines talent identification, continuous learning, and personalised growth opportunities. Regular mid-year and year-end evaluations enable us to assess employee performance comprehensively. High-performing employees are identified, recognised, and rewarded with promotions, while targeted development plans are created for employees who require additional support. This ensures both excellence and inclusivity, with clear pathways for professional advancement.

We assess leadership potential through a combination of performance evaluations and behavioural assessments. High-potential individuals are provided with access to tailored leadership programs, mentorship, and coaching to strengthen their capabilities. In addition, opportunities such as stretch assignments, cross-functional projects, and leadership roles are offered to enhance real-world experience. This holistic approach equips future leaders with the skills and strategic mindset required to navigate complex challenges and drive organisational success.

Management Trainee Programme

The Group's Management Trainee Programme is a cornerstone of our leadership pipeline strategy. Designed to identify and nurture high-potential employees, the program prepares them for critical leadership and specialist roles within the organisation.

- Rigorous Selection: The program begins with a stringent selection process to ensure only the most promising candidates are chosen.
- Comprehensive Training: Trainees are exposed to multiple business functions, enabling them to develop a holistic understanding of the Group's operations.
- Ongoing Evaluation: Performance is closely monitored throughout the year-long program, focusing









not only on technical competence but also on leadership potential, adaptability, and cultural alignment.

» Long-Term Placement: Upon completion, successful trainees transition into permanent roles across the Group, ensuring a pipeline of well-trained, high-potential talent ready to take on critical responsibilities.

Promotions and Internal Growth

During the last financial year, a considerable number of our employees were promoted into higher positions, primarily leadership roles. These promotions were the result of a rigorous evaluation process that considered individual achievements, leadership ability, and overall contribution to the Company. Decisions were not limited to past performance but also assessed employees' potential to lead strategic initiatives in the future.

This internal promotion policy underscores our commitment to developing talent within the organisation. By rewarding performance and fostering growth, we strengthen our leadership pipeline and sustain long-term organisational success.

Succession Planning at Asiri Health

Succession planning remains a central element of Asiri Health's long-term strategy, ensuring leadership continuity and business resilience. Our succession planning framework emphasizes the early identification of high-potential employees who can assume critical roles as the company grows.

» Talent Identification: Employees demonstrating leadership qualities, technical expertise, and growth capacity are identified through performance evaluations, talent reviews, and career discussions.

» Leadership Development Programs:

- Mentorship Programs: Senior leaders provide guidance, fostering professional and personal growth.
- Training and Workshops: Focused on leadership, decision-making, communication, and problem-solving.
- Cross-Functional Exposure: Employees gain diverse experiences by working across business units.
- Executive Coaching: Targeted coaching prepares individuals for senior leadership roles.

Learning and Development at Softlogic Life

At Softlogic Life, our learning and development agenda focuses on creating a digitally empowered workforce capable of driving innovation. The strategy prioritises leadership development, upskilling, and reskilling, all delivered through a structured annual Learning and Development calendar.

Professional Development Support

» Professional Subscription Reimbursements: Employees receive reimbursement for memberships in industry associations, access to journals, and subscriptions to specialised online learning platforms.

» Exam Reimbursement Program: Employees are encouraged to pursue advanced professional certifications through a robust reimbursement scheme, ensuring the Group maintains a highly qualified workforce.

» Education Loan Scheme: Education loans support employees in pursuing advanced degrees in insurance, risk management, and business administration, further strengthening long-term talent development.

EMPLOYEE ENGAGEMENT & WORKPLACE CULTURE

At Softlogic Group, employee engagement remains central to our culture. We are committed to promoting a healthy work-life balance, fostering inclusivity, and creating opportunities for collaboration and connection. In 2024 and early 2025, we organised a series of cultural, social, wellness, and recognition programs that celebrated traditions, strengthened bonds, and supported employee well-being.

Cultural & Religious Celebrations

- **Sinhala & Hindu New Year 2024**

  A vibrant calendar of activities was held across the Group to mark the New Year. Celebrations including staff engagement activities with traditional games and display of a Traditional Avurudu table reinforced cultural pride and unity across the workforce.

HUMAN CAPITAL

- **Vesak Celebrations 2024**

  The Softlogic Vesak Decoration Competition encouraged creativity among employees, while sector companies organised a Dansala for the public and an inter-department Vesak Lantern Competition. Celebrations also included the Vesak Bathi Gee, showcasing harmony through devotional music.

- **Poson Commemorations 2024**

  Observed with a Dansala, Dharma Deshanawa, and a serene Poson Bathi Gee, bringing together employees, their families, and the wider Community in reflecting unity.

- **Christmas & New Year Festivities**

  A joyful Christmas Carols Service was hosted in December 2024, featuring participation from staff and children of the Softlogic Day Care Center. The year 2025 commenced with the First Working Day Celebration and a traditional New Year table symbolizing new beginnings and prosperity.

- **Pirith and Alms Giving Ceremony 2025**

  This annual event was conducted to invoke blessings on employees, their families, and the organisation.

Employee Recognition & Engagement

» 25 Years of Service Appreciation (2024) recognised the dedication and loyalty of long-serving employees.

» Employee of the Month ensured continuous appreciation of individual contributions.

» Softlogic Employees' Children's Art Competition and awards ceremony highlighted the creativity of employees' families.

» Book & Shoe Vouchers were provided for employees' children, alongside the Sisu Diriya Book Donation Campaign by Asiri Hospitals, reinforcing our commitment to education and family support.

Health, Wellness & Social Responsibility

» Blood Donation Campaign 2024 encouraged employees to contribute to saving lives.

» World Diabetes Day 2024 was marked with a Free Medical Camp, promoting awareness and preventive healthcare.

» World AIDS Day – Red Ribbon Campaign 2024 raised awareness on HIV/AIDS, fostering compassion and responsibility.

» International Nurses' Day was celebrated across all Asiri Hospitals, recognising the dedication and invaluable service of our nursing staff.

» Beach Clean-up Campaign at Modara Beach, Panadura emphasised sustainability and corporate social responsibility.

» ICA International Half Marathon in Colombo where Asiri Health serve as the official healthcare partner, offering medical support and championing active lifestyles.

Knowledge & Skills Development

» Launch of the Softlogic e-Library provided employees with access to knowledge resources for personal and professional growth.

» Customer Service Week 2024 reinforced our commitment to service excellence.

» Hackathon Competitions and the Asiri Talent Show encouraged creativity, teamwork, and innovation, giving employees a platform to showcase their talents in dancing, singing, and compering.

Entertainment & Team Bonding

» Blockbuster Movie Nights (2024 & 2025) provided enjoyable experiences for employees and their families.

» Asiri Fest 2024 created a space for entertainment, performances, and socializing, strengthening employee unity.

» Cricket Tournaments and recreational activities across the Group further enhanced camaraderie and team spirit.

Diversity & Inclusion

» International Women's Day 2025 was celebrated with a series of Group-wide initiatives:

  – Medical awareness sessions and beauty & wellness programs were organised, with employees receiving cupcakes and succulent plants as tokens of appreciation.

  – Asiri Wanitha Product Sale empowered women entrepreneurs and staff by giving them a platform to showcase their products.

  – Special programs and recognition events celebrated the achievements and contributions of women across the Group.

  – A Best Group Photo Competition added creativity and fun to the occasion.

These initiatives demonstrate the Group's ongoing commitment to cultivating a positive, inclusive, and engaging work environment. By celebrating cultural traditions, prioritising health and wellness, supporting employee families, and encouraging innovation, Softlogic

Group continues to strengthen its workplace culture and inspire employees to thrive as one family.

SSB INVESTOR FORUM 2025: THRIVING THROUGH CHANGE & RISING STRONG

The SSB Investor Forum 2025, organised by Softlogic Stockbrokers (Pvt) Ltd, was successfully held on 25th February 2025 at Shangri-La Colombo. The event brought together industry leaders, financial experts, and investors for an insightful discussion on Sri Lanka's economy and equity market outlook. A key highlight of the evening was the keynote address by Mr. Mahinda Siriwardana, Secretary to the Treasury and Ministry of Finance, Planning and Economic Development, who shared perspectives on Sri Lanka's economic trajectory, policy measures, and development priorities. The evening concluded with a fellowship and networking session, providing an excellent platform for relationship-building and knowledge sharing among attendees.

During the year, Softlogic Life hosted a series of engaging programs designed to foster a vibrant and connected workplace. Key highlights included the Year-End Celebration, Cricket Tournament, and Hackathon Competition. These initiatives played an important role in strengthening team spirit, promoting collaboration, and building a positive culture where every employee feels valued and included.









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

The Directors of Softlogic Holdings PLC have pleasure in presenting to the members of their report together with the Audited Financial Statements of the Company and the Audited Consolidated Financial Statements of the Group for the year ended 31st March 2025.

GENERAL

Softlogic Holdings PLC is a Public Limited Company which was incorporated under the Companies Act No. 17 of 1982 as a Private Limited Company on 25th February 1998, re- registered under the Companies Act No. 7 of 2007 on 17th December 2007, converted to a Public Limited Liability Company on 10th December 2008, and listed on the Colombo Stock Exchange on 20th June 2011. The name of the Company was changed to Softlogic Holdings PLC on 25th August 2011.

The Company was registered on the Diri Savi Board of the Colombo Stock Exchange and transferred to the Watch list due to emphasis of matter on Going Concern contained in the Annual Report 2021/22, 2022/23 and 2023/24.

PRINCIPAL ACTIVITIES AND NATURE

The principal activities of the Company are holding investments and providing management services and financial assistance to its subsidiaries. The business activities of other companies within the Group are information & communication technology, automobile sales and after sales, consumer electronic retailing, garment manufacturing & fashion retailing, hoteliering, quick service restaurant operations, development of apartments, provision of financial services, life insurance services, stock brokering services, management of Unit Trusts, healthcare services, management consultancy and financial advisory services.

FUTURE DEVELOPMENTS

An indication of likely future developments is set out in the Chairman's Review on pages 10 to 15 and Sector Reviews on pages 40 to 61 of this report.

PERFORMANCE REVIEW

The Financial Statements reflect the state of affairs of the Company and the Group. This report forms an integral part of the Annual Report of the Board of Directors.

FINANCIAL STATEMENTS

Section 168 (b) of the Companies Act require that the Annual Report of the Directors include financial statements of the Company, in accordance with Section 151 of the Companies Act and Group financial statements for the accounting period, in accordance with Section 152 of the Companies Act. The requisite financial statements of the Company are given on pages 92 to 237 of the Annual Report.

DIRECTORS' RESPONSIBILITY FOR FINANCIAL REPORTING

The Directors are responsible for the preparation of the Financial Statements of the Company to reflect a true and fair view of the state of affairs. The Directors are of the view that these Financial Statements have been prepared in conformity with the requirements of the Companies Act No. 07 of 2007 and the Sri Lanka Accounting Standards. A statement in this regard is given on page 82.

AUDITOR'S REPORT

The Auditor's Report on the financial statements is given on pages 84 to 91 of the Annual Report.

SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of the financial statements are given on pages 100 to 237 of the Annual Report. There was no change in the accounting policies adopted from the previous year.

PROPERTY, PLANT & EQUIPMENT

The details and movement of property, plant and equipment during the year under review is set out in Note 21 to the Financial Statements on pages 148 to 154.

CAPITAL EXPENDITURE

The total capital expenditure incurred on the acquisition of property, plant and equipment for the Company and the Group amounted to Rs. 2 Mn (2024 Rs. 8 Mn) and Rs. 2,455 Mn (2024 Rs. 2,167 Mn) respectively. Details of capital expenditure and their movements are given in Note 21 to the Financial Statements on pages 148 to 154 of the Annual Report.

In addition to the above, a sum of Rs. 1,026 Mn (2024 Rs. 1,327 Mn) has been incurred by the Group in respect of the ODEL Mall project.

RESERVES

The accumulated losses for the Company amounted to Rs. 13,067 Mn (2024, retained earnings of the Company were negative and amounted to Rs. 13,724 Mn) and accumulated losses for the Group Rs. 84,284 Mn (2024 Rs. 69,594 Mn). The movement and composition of the Capital and accumulated losses are disclosed in the Statement of Changes in Equity.

DONATIONS

During the year, donations made by the Group amounted to Rs. 2 Mn (2024 Rs. 2 Mn).

STATED CAPITAL

The stated capital of the Company as at 31 March 2025 was Rs. 14,146,382,253 represented by 1,395,257,979 shares. The stated capital of the Company was increased from Rs. 12,119,234,553 to Rs. 14,146,382,253 subsequent to the Rights Issue which was concluded in September 2024.

EVENTS AFTER THE DATE OF THE STATEMENT OF FINANCIAL POSITION

No circumstances have arisen, and no material events have occurred after the date of the Statement of Financial Position, which would require adjustments to or disclose in the accounts other than those disclosed in Note 52 to the Financial Statements.

TAXATION

The information relating to income tax and deferred taxation is given in Note 19 to the Financial Statements.

STATUTORY PAYMENTS

The Directors, to the best of their knowledge and belief are satisfied that all taxes, duties and levies payable by the Company and the Group, all contributions, levies and taxes payable on behalf of, and in respect of, the employees of the Company and the Group, and all other known statutory dues as were due and payable by the Company and the Group as at the date of the Statement of Financial Position have been paid or, where relevant provided for except as specified in Note 50 to the Financial Statements, covering contingent liabilities.

DIRECTORATE

The following Directors held Office during the year under review. The biographical details of the Board members are set out on pages 18 to 21.

- Mr. A.K. Pathirage (Chairman/ Managing Director)
- Mr. H.K. Kaimal
- Mr. G.W.D.H.U. Gunawardena
- Mr. R.J. Perera
- Mr. M.P.R. Rassool (Resigned w.e.f. 21st October 2025)
- Mr. J.D.N. Kekulawala
- Prof. A.S. Dharmasiri
- Mr. A. Russell Davison (Resigned w.e.f. 1st May 2024)
- Mr. S. Saraf
- Mr. C.K. Gupta (Alternate Director to Mr. S. Saraf)
- Mr. T. Nadarasa (Appointed w.e.f. 1st May 2024)

DIRECTORS' SHAREHOLDING

The relevant interests of Directors in the shares of the Company are as follows:

Name of Director	No of Shares as at 31/03/2025	No of Shares as at 31/03/2024
Mr. A.K. Pathirage	**616,407,331**	493,125,865
Mr. H.K. Kaimal	**80,439,792**	80,439,792
Mr. G.W.D.H.U. Gunawardena	**71,333,852**	71,333,852
Mr. R.J. Perera	**75,437,508**	75,437,508
Mr. M.P.R. Rassool (Resigned w.e.f. 21st October 2025)	**-**	-
Mr. J.D.N. Kekulawala	**-**	-
Prof. A.S. Dharmasiri	**-**	-
Mr. A. Russell Davison (Resigned w.e.f. 1st May 2024)	**-**	-
Mr. S. Saraf	**-**	-
Mr. C.K. Gupta (Alternate Director to Mr. S. Saraf)	**-**	-
Mr. T. Nadarasa (Appointed w.e.f. 1st May 2024)	**-**	-
Mr. M.I. Furkan (Appointed w.e.f. 29th August 2025)	**-**	-

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

DIRECTORS' REMUNERATION

Directors' remuneration in respect of the Company for the financial year ended 31 March 2025 was Rs. 65.16 Mn (2024 - Rs. 65.63 Mn). The remuneration of the Directors is determined by the Board.

DIRECTORS' INTERESTS IN CONTRACTS AND PROPOSED CONTRACTS WITH THE COMPANY

Directors' interests in contracts, both direct and indirect, are referred to in Note 47 to the Financial Statements. The Directors have no direct or indirect interest in any other contract or proposed contract with the Company.

INTERESTS REGISTER

The Interests Register is maintained by the Company as per the Companies Act No. 07 of 2007. All Directors have disclosed their interests pursuant to Section 192(2) of the said Act.

FIT AND PROPER ASSESSMENT CRITERIA OF THE BOARD OF DIRECTORS

The Directors hereby confirm that the Directors and CEO of the Company satisfy the Fit and Proper Assessment Criteria stipulated in Section 9.7 of the Listing Rules of the Colombo Stock Exchange for the year.

SHAREHOLDERS' INFORMATION

The distribution of shareholders is indicated on page 238 of the Annual Report. There were 9,917 registered shareholders as at 31 March 2025 (31 March 2024 – 10,103).

SHARE INFORMATION

Information on share trading is given on page 239 of the Annual Report.

INTERNAL CONTROL

The Directors are responsible for the governance of the Company including the establishment and maintenance of the Company's system of internal control.

Internal control systems are designed to meet the particular needs of the organisation concerned and the risk to which it is exposed and by their nature can provide reasonable, but not absolute assurance against material misstatement or loss. The Directors are satisfied that a strong control environment is prevalent within the Company and that the internal control systems referred to above are effective.

RISK MANAGEMENT

The Group's risk management objectives and policies and the exposure to risks, are set out in pages 35 to 37 of the Annual Report.

CORPORATE GOVERNANCE

The report on Corporate Governance is given on pages 22 to 34 of the Annual Report.

The Directors have declared all material interests in contracts involving the Company and refrained from voting on matters in which they were materially interested.

The Company complied with all applicable laws and regulations in conducting its business and has not engaged in any activity contravening the relevant laws and regulations. Officers responsible for ensuring compliance with the provisions in various laws and regulations, confirm compliance in each quarter to the Board Audit Committee.

All endeavours have been made to ensure that shareholders in each category have been treated equitably in accordance with the original Terms of Issue.

The business is a Going Concern with supporting assumptions or qualifications as necessary, and that the Board of Directors has reviewed the Company's Corporate/Business plans and is satisfied that the Company has adequate resources to continue its operations in the foreseeable future. Accordingly, the Financial Statements of the Company are prepared based on the Going Concern assumption.

The Board of Directors has conducted a review of internal controls covering financial, operational and compliance controls, risk management and has obtained a reasonable assurance of their effectiveness and proper adherence.

The Company has complied with the Listing Rules issued by CSE. Refer pages 28 to 34 for measures taken and compliance status.

THE AUDITORS

The Board Audit Committee reviews the appointment of the external auditors, as well as their relationship with the Group, including monitoring the Group's use of the auditors for non-audit services and the balance of audit and non-audit fees paid to the auditors.

The Auditors of the Company, Messrs. Ernst & Young, Chartered Accountants were paid Rs. 8.8 Mn as audit fees for the financial year ended 31 March 2025 (2024 Rs. 4.7 Mn) by the Company. Details of which are given in Note 18 to the Financial Statements.

As far as the Directors are aware, the Auditors do not have any relationship (other than that of an auditor) with the Company that would have an impact on their independence. The Auditors also do not have any interest in the Company.

Having reviewed the independence and effectiveness of the external auditors, the Audit Committee has recommended to the Board that the existing auditors, Messrs. Ernst & Young, Chartered Accountants be re-appointed. Ernst & Young have expressed their willingness to continue in office and ordinary resolution re-appointing them as auditors and authorising the Directors to determine their remuneration will be proposed at the forthcoming AGM.

RELATED PARTY TRANSACTIONS

The Company's transactions with Related Parties are given in Note 47 to the Financial Statements.

During the year 2024/2025 there were no non-recurrent or recurrent related party transactions that exceeded the respective thresholds mentioned in the Listing Rules of the Colombo Stock Exchange. As required by Section 9.3.2 (d) of the Listing Rules, the Board confirms that the Company has complied with all requirements as per Section 9 of the Listing Rules. The Directors have disclosed the transactions with Related Parties in terms of Sri Lanka Accounting Standard (LKAS 24), Related Party Disclosures in Note 47 on pages 198 to 202 which is adopted in the preparation of these Financial Statements.

GOING CONCERN

The Directors, having assessed the environment within which it operates, the Board is satisfied that the Company and the Group have adequate resources to continue its operations in the foreseeable future. Therefore, the Directors have adopted the going- concern basis in preparing the financial statements.

ANNUAL GENERAL MEETING

The Annual General Meeting of the Company will be held on Wednesday the 14th January 2026 at 10.00 am. The Notice of the Annual General Meeting is on page 242 of the Annual Report.

(Sgd.)
A. K. Pathirage
Chairman/Managing Director

(Sgd.)
H. K. Kaimal
Director

(Sgd.)
Softlogic Corporate Services (Pvt) Ltd
Secretaries

08 December 2025
Colombo

BOARD AUDIT COMMITTEE REPORT

SCOPE OF THE COMMITTEE

The Board Audit Committee supports the Board of Directors in fulfilling in discharging its oversight responsibilities in relation to financial reporting, Internal Audit function, compliance with laws & regulations, internal controls and risk management and External Auditors' performance and their independence. The scope, functions and responsibilities are adequately set out in the terms of reference of the Committee which has been approved by the Board and is reviewed annually. The Committee places reliance on other Audit Committees in the Group without prejudicing the independence of those Committees. However, the Committee reviews the minutes of those committees' meetings and receives appropriate briefings on matters arising from those. The effectiveness of the Committee is evaluated annually by each member of the Committee and the results are communicated to the Board.

COMPOSITION

The Audit Committee is appointed by the Board of Directors and comprised three Independent Non-Executive Directors as of 31st March 2025. The current members of the Audit Committee are as follows and profiles of them appear in the Board of Directors section of this Annual Report.

- Mr. J.D.N. Kekulawala - Chairman, Senior Independent Non-Executive Director
- Prof. A.S. Dharmasiri - Member, Independent Non-Executive Director
- Mr. T. Nadarasa - Member, Independent Non-Executive Director (Appointed w.e.f. 10th June 2024)
- Mr. M.I. Furkan - Member, Independent Non-Executive Director (Appointed w.e.f. 4th September 2025)

Mr. D. Vitharanage, Group Head-Chief Internal Auditor/Chief Risk Officer served as the Committee's Secretary. The composition of the Committee enables a blend of financial and audit expertise and wide business and regulatory experience to fulfil its responsibilities.

MEETINGS

The Audit Committee met on twelve occasions during the year under review including quarterly meetings to review and make recommendations on the quarterly and annual financial statements before they were considered and approved by the Board of Directors.

The attendance at Audit Committee meetings was as follows:

Name	Meeting Attended
Mr. J.D.N. Kekulawala	12/12
Prof. A.S. Dharmasiri	10/12
Mr. T. Nadarasa (Appointed w.e.f. 10th June 2024)	10/12
Mr. M.I. Furkan (Appointed w.e.f. 4th September 2025)	-

The Group Head of Finance attended the Committee's meetings by invitation and other members of the Senior Management attended meetings by invitation when necessary. The Committee meets with the External Auditors, with no members of Management present, to cover matters they wish to discuss confidentially.

ACTIVITY & FOCUS, AND REPORTING

The Committee has continued to focus its attention mainly on the following during the year:

1. The integrity of the Company's and Group's financial statements, including the reasonableness of assertions made, the appropriateness of accounting policies used, the adequacy of presentation and disclosures made and the effectiveness of internal control over financial reporting. This has continued to be a major thrust of the Committee;
    a. Interactions with the External Auditors of the Holding Company, and the Group companies not covered by separate Board Audit Committees, on their audit plans, observations and key findings;
    b. Review and follow-up of observations in Management Letters presented by external auditors, with relevant Group companies and;
    c. Discussion with property valuers and actuaries entrusted with valuation of retirement gratuities.
2. Procedures in place to examine Company's ability to continue as a going concern.
3. The work and performance of the Internal Auditors.
4. Review of procedures in place to monitor compliance with applicable Laws and Regulations.
5. Review of steps focused on IT Security.
6. Greater formalisation of processes enabling whistle-blowing.

Following each quarterly meeting at which financial statements are reviewed, the Committee briefs the Group Chairman/Managing Director from time to time. These meetings draw attention to matters requiring consideration and action and also on matters of importance. Generally, these meetings are scheduled at the request of the Committee.

COMPLIANCE

The Committee obtained representations from Group Managing Director/ Chief Executive Officer and Group Head of Finance on the adequacy of provisions made for possible liabilities. The committee also reviewed reports tabled during the Board Meetings with regard to statutory payments and filing of Returns. Having made necessary observations, the Audit Committee is of the view that the company has complied with Companies Act No.07 of 2007, regulations & directions of Securities Exchange Commission, Colombo Stock Exchange and Sri Lanka Accounting Standards.

ETHICS AND GOOD GOVERNANCE

The committee continuously emphasised on upholding ethical values of the staff members.
In this regard, Code of Ethics, Whistle-Blowers Policies and Anti corruption policies were put in place and followed educating and encouraging all members of the staff. All appropriate procedures are in place to conduct independent investigations into incidents reported through Whistle- Blowing or identified through other means. The Whistle-Blower Policy guarantees strict confidentiality of the identity of the Whistle-Blowers.

FINANCIAL STATEMENTS

The Committee reviewed Interim Financial Statements of all four quarters and the Annual Financial Statements prior to publication. During the review, Audit Committee ensured that Financial Statements are prepared in compliance with Sri Lanka Accounting Standards and applicable regulatory requirements. The Committee assessed the appropriateness of the Company's whistle blowing policy to ensure the Company's arrangement for confidentiality of information and its sources.

EVALUATION OF THE COMMITTEE

The Chairman of the Audit Committee is a member of a recognised professional accounting body. An independent evaluation of the effectiveness of the Committee was carried out by the other members of the Board during the year. Considering the overall conduct of the Committee and its contribution on the overall performance of the group, the Committee has been rated as effective.

REAPPOINTMENT OF EXTERNAL AUDITORS

As far as the Members are aware, the Auditors do not have any relationship (other than that of an auditor) with the Company that would have an impact on their independence.
The Auditors also do not have any interest in the Company.

The Audit Committee has proposed to the Board of Directors, having considered their independence and performance, that the incumbent auditors M/S Ernst & Young, Chartered Accountants be re-appointed for the year ending 31 March 2026 at the upcoming Annual General Meeting.

The current Auditors Messrs Ernst and Young were appointed as external auditors in FY 2005/2006 and continue to hold that position at present. A partner rotation of the auditors takes place periodically and the last rotation of the audit partner took place in 2023.

(Sgd.)
J. D. N. Kekulawala
Chairman – Board Audit Committee

08 December 2025
Colombo

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE REPORT

PURPOSE

The purpose of the Related Party Transactions Review Committee is to conduct an appropriate review of Softlogic Group's related party transactions and to ensure that interests of shareholders and other stakeholders are considered when engaging in related party dealings, hence preventing Directors, Key Management Personnel or substantial shareholders taking advantage of their positions. The Committee ensures adherence to the Rule 9 of the Listing Rules and guided by the Code of Best Practices on related party transactions issued by the Securities & Exchange Commission of Sri Lanka (SEC) and CA Sri Lanka. The Committee states opinions in accordance with the charter of the Related Party Transactions Review Committee. It reviews the charter and policies while making recommendations to the Board as and when deemed necessary.

COMPOSITION

The Related Party Transactions Review Committee comprised two Independent Non-Executive Directors, including the Chairman, and one Executive Director as at 31st March 2025 as follows;

- Prof. A.S. Dharmasiri – Independent Non-Executive Director (Member)
- Mr. H.K. Kaimal - Executive Director – (Member)
- Mr. T. Nadarasa – Independent Non-Executive Director (Member)

The Composition of the Related Party Transactions Review Committee was re-constituted on 04th September 2025 as follows;

- Mr. M.I. Furkan – Independent Non-Executive Director (Chairman)
- Mr. H.K. Kaimal - Executive Director – (Member)
- Mr. T. Nadarasa - Independent Non- Executive Director (Member)

The Group Head of Finance attends the meeting by invitation. Softlogic Corporate Services (Pvt) Ltd, serves as Secretaries to the Committee.

Name	Meetings Attended
Prof. A.S. Dharmasiri	3/3
Mr. H.K. Kaimal	3/3
Mr. T. Nadarasa	3/3
Mr. M.I. Furkan (Appointed w.e.f. 4th September 2025)	-

ROLES AND RESPONSIBILITIES

1. Reviewing in advance all proposed related party transactions of the Company in compliance with the Code.
2. Adopting policies and procedures to review related party transactions and reviewing and overseeing existing policies and procedures.
3. Determining whether related party transactions that are to be entered into by the Company require the approval of the Board or Shareholders of the respective Companies.
4. If related party transactions are ongoing (recurrent related party transactions) the Committee establishes guidelines for senior management to follow in its ongoing dealings with the relevant related party.
5. Ensuring that no Director of the Company shall participate in any discussion of a proposed related party transaction for which he or she is a related party, unless such Director is requested to do so by the Committee for the express purpose of providing information concerning the related party transactions to the Committee.
6. If there is any potential conflict in any related party transaction, the Committee may recommend the creation of a special committee to review and approve the proposed related party transaction.
7. Ensuring that immediate market disclosures and disclosures in the Annual Report as required by the applicable rules/regulations are made in a timely and detailed manner.

REVIEW OF THE RELATED PARTY TRANSACTIONS DURING THE YEAR

The Committee reviewed all proposed Related Party Transactions of Softlogic Holdings PLC and scrutinised such transactions to ensure that they are no less favourable to the Group than those generally available to an unaffiliated third party in a similar circumstance. The activities of the Committee have been communicated to the Board quarterly through tabling minutes of the meeting of the Committee at Board Meetings.

Relevant disclosures have been made to the Colombo Stock Exchange in compliance with regulations. Details of Related Party Transactions entered by the Group during the above period are disclosed in Note 47 to the Financial Statements.

During the year 2024/2025 there were no non-recurrent or recurrent related party transactions that exceeded the respective thresholds mentioned in the Listing Rules of the Colombo Stock Exchange.

The Committee adopted the policies and procedures aligns with CSE Listing Rules when reviewing the Related Party Transactions.

The deceleration by the Board of Directors as an affirmative statement of the compliance with the Listing Rules pertaining to related party transactions is given on page 73 of the Annual Report.

(Sgd.)
Mr. M.I. Furkan
Chairman - Related Party Transactions Review Committee

08 December 2025
Colombo

HR & REMUNERATION COMMITTEE REPORT

PURPOSE

The primary objective of the Committee is to ensure that the organisation's remuneration policy and practices are fair, competitive, and are consistent with the Group's strategic objectives, risk appetite, values and overall interests of stakeholders. This includes reviewing and recommending compensation packages for senior executives, overseeing performance evaluation and incentive programmes. Additionally, the committee plays a crucial role in promoting a positive organisational culture, enhancing employee engagement, and attracting and retaining top talent.

The Committee's duties and obligations are outlined in its formal Terms of Reference (TOR).

COMMITTEE COMPOSITION AND MEETING

The Human Resources and Remuneration Committee comprises only of Independent Non- Executive Directors. The members of the Human Resources and Remuneration Committee as of 31 March 2025 and their attendance at the meetings held are as follows:

ATTENDANCE AT MEETINGS

Name	Meeting Attended
Prof. A.S. Dharmasiri - Chairman Independent Non- Executive Director	1/1
Mr. J.D.N. Kekulawala – Member Independent Non- Executive Director	1/1
Mr. T. Nadarasa – Member Independent Non- Executive Director (Appointed w.e.f. 10th June 2024)	1/1

The Chairman of the Group, who also serves as the Managing Director and Ms. Buddhika Manage, Group Director of Human Capital attend Committee Meetings by invitation. During these meetings, the Committee delved into the intricate relationship between remuneration and the organisation's culture, as well as how our remuneration structures impact our strategic behaviours. A thorough review of our executive remuneration offerings was undertaken with the aim of optimising the structure of our packages to enhance competitiveness.

ACTIVITIES OF THE YEAR

During the year, the HR & Remuneration Committee undertook strategic initiatives to align remuneration practices with the Group's long- term goals. Key efforts focused on addressing high attrition rates due to mass emigration and skill loss within an economically challenged context. Competitive salary adjustments were made to maintain critical workforce retention during periods of hyperinflation. New incentivisation programmes were established to recognise exceptional employee performances against KPIs, fostering a positive corporate culture and enhancing overall engagement levels. These measures collectively sought to bolster the organisation's ability to recruit and retain top talent amidst in difficult market circumstances.

OUR REWARD FRAMEWORK

Our Reward Framework serves as a cornerstone in our commitment to aligning remuneration practices with our organisational objectives. Through a meticulous review process, we have customised our policies to address the challenges posed by high labour turnover and economic instability, ensuring that our compensation strategies remain competitive and sustainable. By implementing targeted increments to retain key talent amidst hyperinflation and introducing innovative incentive schemes to recognise exceptional performance, we aim to foster a culture of excellence and engagement within our workforce. This framework not only reinforces our dedication to attracting and retaining top talent but also underscores our ongoing efforts to promote a positive organisational culture that values and rewards achievement.

REMUNERATION PACKAGE OF DIRECTORS

a) Remuneration of Directors

No remuneration is paid to Non- Executive Directors other than the Directors' fees paid based on their participation at Board meetings and other Sub-Committee meetings.

b) Retirement Benefits

Non-Executive Directors are not entitled to retirement benefits.

c) Share Option Plans for Directors

The Company does not have a share option plan for Directors.

d) Personal Loans for Directors

No Director is entitled to Company loans.

Total fees and remuneration paid to all Directors including the Managing Director and the Chairman are disclosed in Note 18 on page 141 in this report.

THE YEAR AHEAD

The Remuneration Committee remains committed to overseeing the alignment of the remuneration policy with the Group's strategic direction. The Committee's objective is to appropriately incentivise performance in accordance with the Company's business goals, ultimately enhancing shareholder value through sustainable growth.

(Sgd.)

Prof. A.S. Dharmasiri

Chairman - HR & Remuneration Committee

08 December 2025
Colombo

NOMINATIONS AND GOVERNANCE COMMITTEE REPORT

The Nominations and Governance Committee of Softlogic Holdings PLC was established by the Board of Directors of the Company and reports directly to the Board.

SCOPE

The Nominations and Governance Committee was established to ensure the Board's oversight and control over the selection of Directors. The committee has the authority to discuss the issues under its purview and report back to the Board of Directors with recommendations, enabling the Board to take a decision on the matter. The Committee focuses on the following objectives in discharging its responsibilities;

- To implement a procedure to select Directors to the Board.
- Provide advice and recommendations to the Board or the Chairman on any such appointment.
- To ensure that the Directors are fit and proper persons to hold office.
- To consider and recommend the re-election of current Directors, taking into account the performance and contribution made by them towards the overall discharge of the Board's responsibilities.
- A member of the Committee opts out in decisions relating to his own appointment.

COMPOSITION

The Nominations and Governance Committee of Softlogic Holdings PLC was established on 01st July 2024 and comprises the following Directors.

- Mr. T. Nadarasa – Independent Non-Executive Director – Chairman
- Mr. J.D.N. Kekulawala – Senior Independent Non-Executive Director – Member
- Prof. A.S. Dharmasiri – Independent Non-Executive Director – Member

MEETINGS

The Nominations and Governance Committee shall meet as and when required. The Committee's attendance at meetings is provided below:

Name	Meeting Attended
Mr. T. Nadarasa	1/1
Mr. J.D.N. Kekulawala	1/1
Prof. A.S. Dharmasiri	1/1

CONCLUSION

The Committee continues to work closely with the Board of Directors in relation to the structure, size and composition of the Board ensuring the diversity and balance of skills, knowledge and experience. The Committee is satisfied that the representation of skills, knowledge and experience on the Board is appropriate for the Company's current needs at Board level.

(Sgd.)
Mr. T. Nadarasa
Chairman
Nominations and Governance Committee

08 December 2025
Colombo

REPORT OF SENIOR INDEPENDENT DIRECTOR

This report is presented in compliance with the requirement set out in Section 9.6.3 (e) of the revised Listing Rules on Corporate Governance of the Colombo Stock Exchange which came into effect on 01st October 2023. The requirement of appointing a "Senior Independent Director" (SID) to Softlogic Holdings PLC is in accordance with Section 9.6.3 (a) ii of the revised Listing Rules on Corporate Governance of the Colombo Stock Exchange and the Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka.

ROLE AND RESPONSIBILITIES OF SENIOR INDEPENDENT DIRECTOR

In terms of the role and responsibilities of the SID, the principal role of the SID is to support the Chairman in his role and duties, acting as an intermediator for the Non-Executive Directors and to facilitate the due exercise of the functions of the Chairman with the Non-Executive Directors as and when necessary. The role and the responsibilities vested on the SID of the Board is relevant in the current context of Corporate Governance regulations, standards, and best practices which are frequently reviewed and revised by regulators.

Senior Independent Director's role is to ensure requisite governance standards are complied with while providing necessary assistance to the Chairman of the Board through discussion and communication between Non-executive and Independent Directors of the Company in addressing matters relevant to the Board as a whole to enhance the overall effectiveness of the Board.

(Sgd.)
J.D.N. Kekulawala
Senior Independent Director

08 December 2025
Colombo

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The responsibilities of the Directors, in relation to the financial statements of the Company differ from the responsibilities of the Auditors, which are set out in the Report of the Auditors on pages 84 to 91.

The Companies Act No. 07 of 2007 stipulates that the Directors are responsible for preparing the Annual Report and the financial statements. Company law requires the Directors to prepare financial statements for each financial year, giving a true and fair view of the state of affairs of the Company at the end of the financial year, and of the Statement of Comprehensive Income of the Company and the Group for the financial year, which comply with the requirements of the Companies Act.

The Directors consider that, in preparing financial statements set out on pages 92 to 237 of the Annual Report, appropriate accounting policies have been selected and applied in a consistent manner and supported by reasonable and prudent judgments and estimates and that all applicable accounting standards have been followed. The Directors confirm that they have justified in adopting the going concern basis in preparing the financial statements since adequate resources are available to continue operations in the foreseeable future.

The Directors are responsible for keeping proper accounting records, which disclose reasonable accuracy, at any time, the financial position of the Company and to enable them to ensure the financial statements comply with the Companies Act No. 07 of 2007 and are prepared in accordance with Sri Lanka Accounting Standard (SLFRS/ LKAS).

They are also responsible for safeguarding the assets of the Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities. In this regard, the Directors have instituted an effective and comprehensive system of internal control.

The Directors are required to prepare financial statements and to provide the external auditors with every opportunity to take whatever steps and undertake whatever inspections they may consider to be appropriate to enable them to give their independent audit opinion.

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

COMPLIANCE REPORT

The Directors confirm that to the best of their knowledge, all taxes, duties and levies payable by the Company, all contributions, levies and taxes payable on behalf of and in respect of the employees of the Company and other known statutory dues as were due and payable by the Company as at the date of the Statement of Financial Position have been paid or, where relevant provided for, in arriving at the financial results for the year under review except as specified in Note 50 to the Financial Statements covering contingent liabilities.

(Sgd.)
A. K. Pathirage
Chairman/Managing Director

(Sgd.)
H. K. Kaimal
Director

08 December 2025
Colombo

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INDEPENDENT AUDITOR'S REPORT

Shape the future with confidence

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TO THE SHAREHOLDERS OF SOFTLOGIC HOLDINGS PLC

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Softlogic 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, and the income statement, statement of comprehensive income, statement of changes in equity and 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 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 cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Basis for Opinion

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

Material uncertainty related to going concern

We draw attention to Note 5 to the financial statements, which indicate that the Group incurred a loss after tax of Rs. 11,085 Mn for the year ended 31 March 2025 (2024 – Rs. 15,200 Mn). As of the reporting date, the Company's and Group's current liabilities exceeded its current assets by Rs. 14,282 Mn (2024 - 25,481 Mn) and Rs. 68,740 Mn (2024 – Rs. 76,957 Mn), respectively. The reported accumulated losses of the Company and the Group amounted to Rs. 13,067 Mn (2024 – Rs.13,724 Mn) and Rs. 84,284 Mn (2024 - 69,594 Mn), respectively, and the Group reported a negative net assets position of Rs. 40,707 Mn (2024 – Rs. 30,200 Mn) as of the reporting date. These events and conditions indicate that a material uncertainty exists which may cast significant doubt on the Company's and Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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. In addition to the matter described in the Material Uncertainty Related to Going Concern section of our report, we have determined the matters described below to be the key audit matters to be communicated in our report. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

Key audit matter	How our audit addressed the key audit matter
Revenue The Group derives its revenue of Rs. 103,622 Mn from several operating segments as disclosed in Note 13 to the financial statements. This was a key audit matter due to: • Materiality of the reported revenues by the Group during the year. • Complexity of revenue recognition due to involvement of multiple divisions to provide medical services in relation to the healthcare operating segment which contributes 30% to the Group revenue	**Our audit procedures, with the involvement of the component auditors, included the following key procedures:** • Obtained an understanding of the nature of revenue contracts entered in to by the industry segments of the Group • Tested the relevant key controls over revenue. Our procedures included testing the general IT control environment and the relevant key IT application controls relating to the most significant IT systems relevant to revenue • Performed appropriate analytical procedures to understand and assess the reasonableness of the reported revenues • Tested revenue transactions and the appropriateness of revenue recognized during the year and particularly towards the year end, by reviewing the sales invoices and relevant supporting documents We also assessed the adequacy of related disclosures in Note 13 to the financial statements.

Key audit matter	How our audit addressed the key audit matter
Interest Bearing Borrowings As of the reporting date, the Group reported total interest bearing borrowings of Rs. 113,369 Mn, of which Rs. 61,652 Mn was reported as current liabilities and the balance Rs. 51,717 Mn as non-current liabilities, as disclosed in Notes 39, 43, 45 and 9.3.3 to the financial statements. This was a key audit matter due to: • The materiality of the interest-bearing borrowings balance which represents 52% of the Group's total liabilities as of the reporting date; and • The existence of several financial and non-financial covenants, the breach of which could impact the classification of the interest-bearing loans and borrowings in the financial statements.	**Our audit procedures, with the involvement of the component auditors, included the following;** • Obtained an understanding of the terms and conditions attached to borrowings, by perusing the loan agreements and other contractual documents. • Obtained direct confirmations from financial institutions for outstanding amounts as of the reporting date. • Obtained management's assessment of future cash flows and its plans to meet debt service obligations as per existing contractual arrangements related to borrowings and evaluated the appropriateness of significant judgments and reasonableness of assumptions used by management. Our procedures included reviewing all the restructured facility letters from financial institutions. • Assessed the maturity profile of the Group's borrowings focusing on the management's plans to meet the debt obligations maturing within the next twelve months and working capital requirements. We also assessed the adequacy and appropriateness of the disclosures made in Notes 39, 43, 45 and 9.3.3 relating to interest bearing borrowings.

Key audit matter	How our audit addressed the key audit matter
Insurance contract liabilities Life insurance contract liabilities amounting to Rs. 33,671 Mn, represent 15% of total liabilities of the Group as at 31 March 2025, and are determined based on an actuarial valuation as described in Note 38 to the financial statements. This was a key audit matter due to: • Materiality of the reported life insurance contract liabilities. • The degree of management assumptions, judgements and estimation uncertainty associated with the actuarial valuation of life insurance contract liabilities and liability adequacy test carried out to determine the adequacy of the carrying value of life insurance contract liabilities. Key areas of significant judgments, estimates and assumptions used in the valuation of the life insurance contract liabilities included the following: • Determination of assumptions such as mortality rates, morbidity rates, bonus rates, discount rates, persistency ratio and related claim handling expenses as disclosed in Note 38 to the financial statements.	**Our audit procedures, with the involvement of the component auditors, included the following:** • Assessed the competence, capabilities and objectivity of management's actuarial expert involved in the liability valuation process. • Performed audit procedures to test the controls over the process of estimating the insurance contract liabilities. • Involved an internal expert to assess the reasonableness of the assumptions used in the valuation of the insurance contract liabilities. • Reconciled the movements in insurance contract liabilities during the year with the movements in the financial results. We also assessed the adequacy of the disclosures in Note 38 to the financial statements.

Key audit matter	How our audit addressed the key audit matter
Allowance for expected credit losses Allowance for expected credit losses amounting to Rs. 4,182 Mn arising from loans and advances of Rs. 9,675 Mn (Note 28 and 32) is determined by the management based on the accounting policies described in Note 28.3 and 32.1. These collectively contributed 3% to the Group's total assets. This was a key audit matter due to: • The involvement of significant management judgements, assumptions and level of estimation uncertainty associated in management's expectation of future cash flows to recover such financial assets; and • The materiality of the reported amount of Allowance for expected credit losses and use of complex calculations in its determination Key areas of significant judgements, assumptions and estimates used by management included assumed future occurrence of events and/or transactions and forward-looking macroeconomic scenarios and their associated weightages, which are subject to inherently heightened levels of estimation uncertainty.	**Our audit procedures, with the involvement of the component auditors, included the following:** • Assessed the alignment of the Group's allowance for expected credit losses computations and underlying methodology including responses to market economic volatility with its accounting policies, based on the best available information up to the date of our report. • Evaluated the design, implementation, and operating effectiveness of controls over estimation of allowance for expected credit losses, which included assessing the level of oversight, review and approval of allowance for expected credit losses, policies and procedures by the Board and the management. • Tested the completeness, accuracy and reasonableness of the underlying data used in the allowance for expected credit losses computations by cross checking to relevant source documents and accounting records. • Evaluated the reasonableness of credit quality assessments and related stage classifications. • Assessed the reasonableness of the judgements, assumptions and estimates used by the Management in assumed future occurrence of events and/or transactions including the value and the timing of cash flow forecasts, status of recovery actions of the collaterals, forward-looking macroeconomic scenarios and their associated weightages. • Assessed the adequacy of the related financial statement disclosures set out in Notes 28 and 32 of the financial statements.

Key audit matter	How our audit addressed the key audit matter
Carrying value of ODEL mall project As at 31 March 2025, the Group's statement of financial position includes Other Non- Current Assets amounting to Rs. 17,787 Mn and Other Current Assets of Rs. 436 Mn relating to the ODEL mall project, as disclosed in Note 29 and 33 to the financial statements. This was a key audit matter due to: • The materiality of the reported balances which collectively amount to Rs. 18,223 Mn and represent 10% of the total assets of the Group, and the possible impairment indicators that may exist due to the heightened costs to complete the project. • The degree of significant management assumptions, judgements and estimates associated with deriving. • The estimated future cash flows in value-in-use (VIU) calculations used to ascertain the recoverable amount of Other Non-Current assets such as cost to complete the project, forecast occupancy levels, expected profitability and margins, cost, discount rate, terminal growth rate, revised project timeline and the forecast funding; and • Net Realizable Value (NRV) of Apartments – Work in progress included in Other Current Assets; as disclosed in Notes 29 and 33 to the financial statements.	**Our audit procedures, with the involvement of the component auditors, included the following:** • Inspected the project status reports and the certificates issued by the project manager to identify the status of the project and the estimated and actual costs incurred as of reporting date. • Assessed whether capitalized cost met the recognition criteria forth in the accounting policies and applicable accounting standards. • Gained an understanding of how management has forecast its discounted future cash flows. Obtained the VIU computation from management and tested calculation of the discounted future cash flows and the completeness and accuracy of the underlying data used. • Based on the best available information up to the date of the audit report, we assessed the reasonableness of the significant assumptions, judgements and estimates such as forecast occupancy levels, expected profitability and margins, discount rate, terminal growth rate, revised project timeline and the forecast funding of the project in cashflow projections to determine the recoverable amount of the project. We also performed a sensitivity analysis of significant assumptions used to evaluate the effect on the value-in-use calculations. • Tested NRV of the apartments - work in progress to the selling prices contracted in the project. We also assessed the adequacy of the Group's disclosures in Notes 29 and 33 to the financial statements.

INDEPENDENT AUDITOR'S REPORT



Other Information included in the 2025 Annual Report

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

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

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

Responsibilities of the management and those charged with governance for the financial statements

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls of the Company and the Group.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to

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draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on other legal and regulatory requirements

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

CA Sri Lanka membership number of the engagement partner responsible for signing this independent auditor's report is 2440.

Ernst & Young

8 December 2025

Colombo

Partners: D K Hulangamuwa FCA FCMA LLB (London), A P A Gunasekera FCA FCMA, Ms. Y A De Silva FCA, Ms. G G S Manatunga FCA, W K B S P Fernando FCA FCMA FCCA, B E Wijesuriya FCA FCMA, R N de Saram ACA FCMA, N M Sulaiman FCA FCMA, Ms. L K H L Fonseka FCA, Ms. P V K N Sajeewani FCA, A A J R Perera FCA ACMA, N Y R L Fernando ACA, D N Gamage ACA ACMA, C A Yalagala ACA ACMA, Ms. P S Paranavitane ACA ACMA LLB (Colombo), B Vasanthan ACA ACMA, W D P L Perera ACA

Principals: T P M Ruberu FCMA FCCA MBA (USJ-SL), G B Goudian ACMA, D L B Karunathilaka ACMA, W S J De Silva Bsc (Hons) - MIS Msc - IT, V Shakthivel B.Com (Sp), M U M Mansoor ACA

A member firm of Ernst & Young Global Limited

INCOME STATEMENT

In Rs. '000 For the year ended 31 March	Note	GROUP 2025	 2024	COMPANY 2025	 2024
Continuing operations					
Revenue from contract with customers		**71,577,809**	72,230,867	**1,824,860**	1,000,041
Revenue from insurance contracts		**30,842,349**	25,032,614	**-**	-
Interest income		**1,201,987**	2,575,690	**-**	-
Total revenue	13	**103,622,145**	99,839,171	**1,824,860**	1,000,041
Cost of sales		**(65,930,406)**	(66,789,512)	**(342,235)**	(388,000)
Gross profit		**37,691,739**	33,049,659	**1,482,625**	612,041
Dividend income	14	**-**	-	**963,901**	26,060
Other operating income	15	**1,232,817**	3,104,553	**29,774**	43,358
Distribution expenses		**(4,216,646)**	(4,056,043)	**-**	-
Administrative expenses		**(28,357,133)**	(28,571,639)	**639,812**	(4,947,661)
Operating profit/ (loss)		**6,350,777**	3,526,530	**3,116,112**	(4,266,202)
Finance income	16	**9,121,780**	8,283,779	**2,969,759**	3,175,998
Finance costs	17	**(16,113,368)**	(21,024,373)	**(5,559,778)**	(8,069,542)
Net finance cost		**(6,991,588)**	(12,740,594)	**(2,590,019)**	(4,893,544)
Change in insurance contract liabilities	38.2	**(6,094,342)**	(3,458,552)	**-**	-
Change in fair value of investment property	23	**(768,237)**	36,114	**90,401**	8,853
Share of profit of equity accounted investees	26.2	**16,759**	10,043	**-**	-
Profit/ (loss) before tax	18	**(7,486,631)**	(12,626,459)	**616,494**	(9,150,893)
Tax expense	19.1.1	**(3,598,547)**	(2,573,729)	**(31,861)**	14,329
Profit/ (loss) for the year		**(11,085,178)**	(15,200,188)	**584,633**	(9,136,564)
Attributable to:					
Equity holders of the parent		**(15,051,608)**	(18,600,924)		
Non-controlling interests		**3,966,430**	3,400,736		
		(11,085,178)	(15,200,188)		
Loss per share					
Basic		**(11.19)**	(15.60)		

Figures in brackets indicate deductions.

The accounting policies and notes as set out in pages 100 to 237 form an integral part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME

In Rs. '000 For the year ended 31 March	Note	GROUP 2025	 2024	COMPANY 2025	 2024
Profit/ (loss) for the year		**(11,085,178)**	(15,200,188)	**584,633**	(9,136,564)
Other comprehensive income					
Continuing operations					
Other comprehensive income to be reclassified to income statement in subsequent periods					
Currency translation of foreign operations		**2,505**	6,905	**-**	-
Net change in fair value on derivative financial instruments	39.6	**723,559**	1,344,225	**-**	-
Net gain/ (loss) on financial instruments at fair value through other comprehensive income		**(541,406)**	247,482	**-**	-
Net other comprehensive profit to be reclassified to income statement in subsequent periods		**184,658**	1,598,612	**-**	-
Other comprehensive income not to be reclassified to income statement in subsequent periods					
Revaluation of land and buildings	21.1	**1,084,504**	1,571,553	**-**	-
Re-measurement gain/ (loss) on employee benefit liabilities	41	**(70,425)**	(192,149)	**7,202**	2,555
Share of other comprehensive income/ (loss) of equity accounted investments (net of tax)	26.2	**398**	(1,065)	**-**	-
Net profit on equity instruments at fair value through other comprehensive income		**1,414,557**	583,292	**25,701,604**	2,742,359
Tax on other comprehensive income not to be reclassified to income statement in subsequent periods	19.2.1	**(238,506)**	(228,169)	**(8,404,672)**	1,244,851
Net other comprehensive income not to be reclassified to income statement in subsequent periods		**2,190,528**	1,733,462	**17,304,134**	3,989,765
Other comprehensive income for the year, net of tax		**2,375,186**	3,332,074	**17,304,134**	3,989,765
Total comprehensive profit/ (loss) for the year, net of tax		**(8,709,992)**	(11,868,114)	**17,888,767**	(5,146,799)
Attributable to:					
Equity holders of the parent		**(13,695,935)**	(16,239,237)		
Non-controlling interests		**4,985,943**	4,371,123		
		(8,709,992)	(11,868,114)		

Figures in brackets indicate deductions.

The accounting policies and notes as set out in pages 100 to 237 form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

In Rs. '000 As at 31 March	Note	GROUP 2025	 2024	COMPANY 2025	 2024
Assets					
Non-current assets					
Property, plant and equipment	21	**60,608,976**	60,871,989	**46,847**	61,081
Right of use assets	22.1	**7,863,836**	7,278,003	**4,066**	190,993
Investment properties	23	**1,520,400**	2,288,637	**1,149,800**	1,053,200
Intangible assets	24	**7,692,458**	7,940,863	**720**	-
Investments in subsidiaries	25	**-**	-	**109,984,030**	84,761,805
Investments in equity accounted investees	26	**13,170**	20,013	**9,750**	9,750
Non-current financial assets	27	**31,871,109**	34,289,696	**14,479**	-
Rental receivable on lease assets and hire purchase	28.1	**1,049,363**	3,590,305	**-**	-
Other non-current assets	29	**18,586,207**	16,376,875	**-**	-
Deferred tax assets	19.2.2	**3,698,724**	3,386,539	**-**	-
		132,904,243	136,042,920	**111,209,692**	86,076,829
Current assets					
Inventories	30	**8,432,620**	8,482,536	**-**	-
Trade and other receivables	31	**10,118,155**	9,459,759	**1,660,261**	885,301
Loans and advances	32	**3,944,571**	3,730,950	**-**	-
Rental receivable on lease assets and hire purchase	28.2	**436,153**	408,235	**-**	-
Amounts due from related parties	47.1	**102,825**	100,643	**17,812,418**	13,148,847
Other current assets	33	**4,422,867**	6,332,923	**360,543**	212,487
Short term investments	34	**13,325,964**	10,300,195	**17,663**	92,768
Cash in hand and at bank	35	**5,250,765**	4,340,269	**9,937**	6,702
		46,033,920	43,155,510	**19,860,822**	14,346,105
Total assets		**178,938,163**	179,198,430	**131,070,514**	100,422,934
Equity and Liabilities					
Equity attributable to equity holders of the parent					
Stated capital	36	**14,146,383**	12,119,235	**14,146,383**	12,119,235
Accumulated losses		**(84,283,884)**	(69,593,779)	**(13,067,432)**	(13,723,532)
Other components of equity	37	**10,617,850**	9,200,410	**62,640,387**	45,412,911
		(59,519,651)	(48,274,134)	**63,719,338**	43,808,614
Non-controlling interests		**18,812,703**	18,074,203	**-**	-
Total equity		**(40,706,948)**	(30,199,931)	**63,719,338**	43,808,614

In Rs. '000 As at 31 March	Note	GROUP 2025	 2024	COMPANY 2025	 2024
Non-current liabilities					
Insurance contract liabilities	38	**33,671,063**	27,759,130	**-**	-
Interest bearing borrowings	39	**44,345,812**	43,007,411	**16,720,649**	10,367,289
Lease liabilities	22.2	**6,641,441**	5,620,464	**1,369**	169,540
Public deposits	40	**1,892,855**	2,188,492	**-**	-
Deferred tax liabilities	19.2.2	**7,974,765**	7,856,963	**14,516,724**	6,080,191
Employee benefit liabilities	41	**2,323,707**	2,068,555	**151,984**	148,411
Other deferred liabilities	42.2	**21,914**	31,955	**21,622**	21,622
Other non-current financial liabilities	43	**7,999,675**	752,885	**1,795,972**	-
		104,871,232	89,285,855	**33,208,320**	16,787,053
Current liabilities					
Trade and other payables	44	**28,625,446**	24,115,829	**6,080,476**	3,308,925
Amounts due to related parties	47.2	**3,361**	28,919	**239,927**	211,769
Income tax liabilities	19.1.4	**3,624,124**	2,959,644	**-**	-
Other current financial liabilities	45	**40,042,820**	46,381,548	**20,287,220**	24,931,767
Current portion of interest bearing borrowings	39	**21,609,262**	25,388,578	**3,745,548**	10,314,172
Current portion of lease liability	22.2	**1,466,036**	1,821,314	**2,610**	36,595
Other current liabilities	46	**7,549,444**	4,815,949	**3,703,697**	953,943
Public deposits	40	**2,380,177**	5,292,880	**-**	-
Bank overdrafts	35	**9,473,209**	9,307,845	**83,378**	70,096
		114,773,879	120,112,506	**34,142,856**	39,827,267
Total liabilities		**219,645,111**	209,398,361	**67,351,176**	56,614,320
Total equity and liabilities		**178,938,163**	179,198,430	**131,070,514**	100,422,934

I certify that the Financial Statements comply with the requirements of the Companies Act No. 7 of 2007.

(Sgd.)
C. K. Amarasekara
Head of Finance

The Board of Directors is responsible for these financial statements.

Signed for and on behalf of the Board.

(Sgd.)
A. K. Pathirage
Chairman

(Sgd.)
H. K. Kaimal
Director

8 December 2025
Colombo

Figures in brackets indicate deductions.

The accounting policies and notes as set out in pages 100 to 237 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

Group

In Rs. '000	Attributable to equity holders of parent				
	Stated capital	Restricted regulatory reserve	Non-distributable regulatory loss allowance reserve	Revaluation reserve	Foreign currency translation reserves
As at 01 April 2023	12,119,235	309,613	1,289,904	13,311,383	(136,714)
Profit/ (loss) for the year	-	-	-	-	-
Other comprehensive income/ (loss)	-	-	-	780,956	6,266
Revaluation reserve reclassified to retained earnings	-	-	-	(694,700)	-
Equity investments at FVOCI reclassified to retained earnings	-	-	-	-	-
Total comprehensive income/ (loss)	-	-		86,256	6,266
Transfer to non-distributable regulatory loss allowance reserve	-	-	(9,393)	-	-
Share issue expenses	-	-	-	-	-
Changes in ownership interest in subsidiaries	-	-	-	-	-
Subsidiary dividend to non-controlling interest	-	-	-	-	-
As at 31 March 2024	12,119,235	309,613	1,280,511	13,397,639	(130,448)
Profit/ (loss) for the year	-	-	-	-	-
Other comprehensive income/ (loss)	-	-	-	316,847	2,505
Equity investments at FVOCI reclassified to retained earnings	-	-	-	-	-
Total comprehensive income/ (loss)	-	-		316,847	2,505
Proceeds from issue of shares	2,027,148	-	-	-	-
Share issue expenses	-	-	-	-	-
Transfer to non-distributable regulatory loss allowance reserve	-	-	(575,201)	-	-
Changes in ownership interest in subsidiaries	-	-	-	-	-
Subsidiary dividend to non-controlling interest	-	-	-	-	-
As at 31 March 2025	14,146,383	309,613	705,310	13,714,486	(127,943)

Company

In Rs. '000	Stated capital	Fair value reserve of financial assets at FVOCI	Accumulated losses	Total equity
As at 01 April 2023	12,119,235	41,424,935	(4,588,757)	48,955,413
Loss for the year	-	-	(9,136,564)	(9,136,564)
Other comprehensive income	-	3,987,976	1,789	3,989,765
Total comprehensive income/ (loss)	-	3,987,976	(9,134,775)	(5,146,799)
As at 31 March 2024	12,119,235	45,412,911	(13,723,532)	43,808,614
Profit for the year	-	-	584,633	584,633
Other comprehensive income	-	17,299,093	5,041	17,304,134
Equity investments at FVOCI reclassified to retained earnings	-	(71,617)	71,617	-
Total comprehensive income	-	17,227,476	661,291	17,888,767
Proceeds from issue of shares	2,027,148	-	-	2,027,148
Cost for issue of shares	-	-	(5,191)	(5,191)
As at 31 March 2025	14,146,383	62,640,387	(13,067,432)	63,719,338

Figures in brackets indicate deductions.

The accounting policies and notes as set out in pages 100 to 237 form an integral part of these financial statements.

Attributable to equity holders of parent							
Fair value reserve of financial assets at FVOCI	Statutory reserve fund	Other reserves	Cash flow hedge reserve	Accumulated losses	Total	Non-controlling interests	Total equity
(1,552,983)	263,436	(1,689,786)	(4,443,631)	(51,548,609)	(32,078,152)	14,206,292	(17,871,860)
-	-	-	-	(18,600,924)	(18,600,924)	3,400,736	(15,200,188)
331,457	-	-	1,343,054	(100,046)	2,361,687	970,387	3,332,074
-	-	-	-	694,700	-	-	-
37,998	-	-	-	(37,998)	-	-	-
369,455	-	-	1,343,054	(18,044,268)	(16,239,237)	4,371,123	(11,868,114)
-	-	-	-	9,393	-	-	-
-	-	-	-	(10,295)	(10,295)	(5,901)	(16,196)
-	-	53,550	-	-	53,550	283,884	337,434
-	-	-	-	-	-	(781,195)	(781,195)
(1,183,528)	263,436	(1,636,236)	(3,100,577)	(69,593,779)	(48,274,134)	18,074,203	(30,199,931)
-	-	-	-	(15,051,608)	(15,051,608)	3,966,430	(11,085,178)
340,389	-	-	723,075	(27,143)	1,355,673	1,019,513	2,375,186
181,364	-	-	-	(181,364)	-	-	-
521,753	-	-	723,075	(15,260,115)	(13,695,935)	4,985,943	(8,709,992)
-	-	-	-	-	2,027,148	-	2,027,148
-	-	-	-	(5,191)	(5,191)	-	(5,191)
-	-	-	-	575,201	-	-	-
-	-	428,461	-	-	428,461	209,168	637,629
-	-	-	-	-	-	(4,456,611)	(4,456,611)
(661,775)	263,436	(1,207,775)	(2,377,502)	(84,283,884)	(59,519,651)	18,812,703	(40,706,948)

STATEMENT OF CASH FLOWS

In Rs. '000 For the year ended 31 March	Note	GROUP 2025	 2024	COMPANY 2025	 2024
Cash flows from/ (used in) operating activities					
Profit/ (loss) before tax from continuing operations		**(7,486,631)**	(12,626,459)	**616,494**	(9,150,893)
Adjustments for:					
Finance income	16	**(9,121,781)**	(8,283,777)	**(2,969,759)**	(3,175,998)
Dividend income	14	**-**	-	**(963,901)**	(26,060)
Finance cost	17	**16,113,368**	21,024,373	**5,559,778**	8,069,542
Change in fair value of investment property	23	**768,237**	(36,114)	**(90,401)**	(8,853)
Gain on bargain purchases	15	**-**	(1,531,814)	**-**	-
Share of profit of equity accounted investees	26.2	**(16,758)**	(10,043)	**-**	-
Gratuity provision and related cost	41	**479,008**	533,503	**27,944**	39,567
Provisions for/ write-off of impaired receivables		**525,324**	103,959	**(1,402,955)**	4,161,499
Provisions for/ write-off of inventories	30.1	**39,591**	578,243	**-**	-
Provisions for/ write-off of other non current assets		**893,829**	767,433	**-**	-
Provisions for/ write-off of loans and advances	9.1.8.2	**(136,779)**	509,592	**-**	-
Provisions for/ write-off of investments in lease and hire purchase	9.1.14.2	**(155,015)**	(131,026)	**-**	-
Depreciation of property, plant and equipment	21	**3,713,252**	3,920,398	**21,450**	29,268
Loss/ (profit) on sale of property, plant and equipment and right of use assets	15	**49,231**	(89,304)	**1,032**	(12,331)
Loss on sale of Investment property		**-**	-	**-**	11,703
Impairment of investments		**(646,565)**	540,896	**(30,000)**	31,250
Amortisation/ impairment of intangible assets	24	**283,812**	292,568	**1,031**	1,367
Amortisation of right of use assets	22.1	**2,119,930**	2,218,358	**11,616**	49,805
Impairment and derecognition of property, plant & equipment, right of use assets and intangible assets		**13,538**	9,796	**-**	-
Operating profit before working capital changes		**7,435,591**	7,790,582	**782,329**	19,866
Increase in inventories		**1,436,730**	253,354	**-**	281
Increase in trade and other receivables		**(1,183,719)**	(1,251,660)	**(567,030)**	(358,184)
(Increase)/ decrease in loans and advances		**(65,808)**	4,368,539	**-**	-
Decrease in investments in lease and hire purchase		**2,668,039**	3,953,325	**-**	-
Increase in other current assets		**(1,799,624)**	(803,434)	**(148,056)**	(125,325)
(Increase)/ decrease in amounts due from related parties		**(2,182)**	9,290	**(583,336)**	(937,463)
Increase in trade and other payables		**5,070,504**	4,185,246	**118,203**	1,308,672
Increase/ (decrease) in amounts due to related parties		**(25,558)**	-	**42,574**	158,153
Increase in other current liabilities		**2,667,813**	2,380,615	**2,827,551**	780,294
Increase in deferred income		**40,340**	47,792	**-**	-
Decrease in public deposits		**(3,208,340)**	(4,949,243)	**-**	-
Increase in insurance contract liabilities		**5,911,933**	3,297,037	**-**	-
Cash generated from operations		**18,945,719**	19,281,443	**2,472,235**	846,294
Finance income received		**6,431,231**	7,309,866	**2,859**	92,791
Finance expenses paid		**(12,787,136)**	(17,844,140)	**(2,641,555)**	(1,898,915)
Dividends received		**24,000**	30,000	**963,901**	26,060
Tax paid		**(3,519,751)**	(2,003,199)	**-**	-
Gratuity paid	41	**(294,281)**	(274,238)	**(16,064)**	(17,892)
Net cash flow from/ (used in) operating activities		**8,799,782**	6,499,732	**781,376**	(951,662)

In Rs. '000 For the year ended 31 March	Note	GROUP 2025	 2024	COMPANY 2025	 2024
Cash flows from/ (used in) investing activities					
Purchase and construction of property, plant and equipment	21	**(2,454,804)**	(2,166,982)	**(1,082)**	(8,435)
Addition to intangible assets	24	**(46,529)**	(56,103)	**(1,751)**	-
Addition to investment property	23	**-**	-	**(6,199)**	-
Increase in other non-current assets		**(950,327)**	(1,357,701)	**-**	-
(Purchase)/ disposal of short term investments (net)		**626,667**	(209,947)	**77,677**	-
Dividends received		**159,401**	65,304	**-**	-
(Purchase)/ disposal of non-current financial assets		**4,212,840**	(116,180)	**-**	-
Acqusition of business, net of cash acquired	8.1	**-**	(209,766)	**-**	-
Proceeds from disposal of investment property		**-**	-	**-**	1,100
Proceeds from sale of property, plant and equipment		**70,534**	1,108,703	**3,290**	13,859
Net cash flow from/ (used in) investing activities		**1,617,782**	(2,942,672)	**71,935**	6,524
Cash flows from/ (used in) financing activities					
Proceeds from issue of shares		**2,027,148**	-	**2,027,148**	-
Proceeds from shareholders with non-controlling interest on issue of shares in subsidiaries		**3,884**	103	**-**	-
Direct cost on issue of shares		**(5,191)**	(16,197)	**(5,191)**	-
Dividend paid to non-controlling interest		**(4,458,761)**	(789,009)	**-**	-
Increase in interest in subsidiaries		**(439)**	(12,677)	**-**	(9,052)
Proceeds from disposal of controlling interest in subsidiaries		**659,184**	-	**480,700**	-
Proceeds from long term borrowings		**2,088,229**	4,291,225	**1,006,067**	10,512,161
Repayment of long term borrowings		**(10,251,922)**	(6,990,123)	**(2,513,439)**	(4,011,239)
Repayment of lease liabilities		**(2,867,952)**	(2,897,291)	**(52,567)**	(67,090)
Decrease in other non-current financial liabilities		**(123,886)**	(25,020)	**-**	-
Proceeds from/ (repayment of) other current financial liabilities (net)		**4,377,152**	1,000,594	**(1,806,076)**	(6,871,446)
Net cash flow used in financing activities		**(8,552,554)**	(5,438,395)	**(863,358)**	(446,666)
Net increase/ (decrease) in cash and cash equivalents		**1,865,010**	(1,881,335)	**(10,047)**	(1,391,804)
Cash and cash equivalents at the beginning		**2,757,208**	4,636,628	**(63,394)**	1,328,410
Effect of exchange rate changes		**1,427**	1,915	**-**	-
Cash and cash equivalents at the end		**4,623,645**	2,757,208	**(73,441)**	(63,394)
Analysis of cash and cash equivalents					
Favourable balances					
Cash in hand and at Bank	35	**5,250,765**	4,340,269	**9,937**	6,702
Short term investments	34	**8,846,089**	7,724,784		-
Unfavourable balances					
Bank overdrafts	35	**(9,473,209)**	(9,307,845)	**(83,378)**	(70,096)
Cash and cash equivalents		**4,623,645**	2,757,208	**(73,441)**	(63,394)

Figures in brackets indicate deductions.

The accounting policies and notes as set out in pages 100 to 237 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1 CORPORATE AND GROUP INFORMATION

Reporting entity

Softlogic Holdings PLC is a public limited liability company incorporated and domiciled in Sri Lanka and listed on the Colombo Stock Exchange. The registered office and principal place of business of the company is located at No. 14, De Fonseka Place, Colombo 5.

Softlogic Holdings PLC became the holding company of the Group during the financial year 2002/2003.

Consolidated financial statements

The Financial Statements for the year ended 31 March 2025, comprise "the Company" referring to Softlogic Holdings PLC as the holding company and "the Group" referring to the companies that have been consolidated therein.

Approval of financial statements

The financial statements for the year ended 31 March 2025 were authorised for issue by the Board of Directors on 08 December 2025.

Responsibility for financial statements

The responsibility of the Board of Directors in relation to the Financial Statements is set out in the "Statement of Directors' Responsibilities" of the Annual Report.

Statement of compliance

The financial statements which comprise the income statement, statement of comprehensive income, statement of financial position, statement of changes in equity and the statement of cash flows, together with the accounting policies and notes (the "Financial Statements") have been prepared in accordance with Sri Lanka Accounting Standards (hereinafter referred to as SLFRS/LKAS) issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and in compliance with the requirements of the Companies Act No. 7 of 2007.

Principal activities and nature of operations

Holding Company

Softlogic Holdings PLC, the Group's holding company, provides management services, warehouse management facilities, facilitating funding requirements and other value added services to the group companies.

Subsidiaries and associates

The business activities of other companies within the Group are information & communication technology, automobile sales and after sales, consumer electronic retailing, garment manufacturing & fashion retailing, hoteliering, quick service restaurant operations, development of apartments, provision of financial services, life insurance services, stock brokering services, management of Unit Trust, healthcare services, management consultancy and financial advisory services.

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

2 BASIS OF PREPARATION AND SUMMARY OF MATERIAL POLICY INFORMATION

Basis of preparation

The consolidated financial statements have been prepared on an accrual basis and under the historical cost convention except for investment properties, land and buildings, fair value through profit or loss financial assets, derivative financial instruments and fair value through other comprehensive income financial assets, which have been measured at fair value.

Each material class of similar items is presented cumulatively in the financial statements. Items of dissimilar nature or function are presented separately unless they are immaterial as permitted by the Sri Lanka Accounting Standard - LKAS 1 'Presentation of financial statements'.

Presentation and functional currency

The consolidated financial statements are presented in Sri Lankan Rupees (Rs.), the Group's functional and presentation currency, which is the currency of the primary economic environment in which the holding company operates. Each entity in the Group uses this currency of the primary economic environment in which they operate as their functional currency except for entities incorporated outside Sri Lanka and Asiri Port City Hospital (Private) Limited which was established under the Colombo Port City Economic Commission.

All values are rounded to the nearest Sri Lankan Rupees thousand (Rs. '000) except when otherwise indicated.

The following subsidiaries use a functional currency other than the Sri Lankan Rupee (Rs.).

Name of the subsidiary	Country of incorporation	Functional currency
Softlogic Australia (Pty) Ltd	Australia	Australian Dollar (AUD)
Asiri Diagnostic Services (Asia) Pte Ltd	Singapore	Singapore Dollar (SGD)
Asiri Port City Hospital (Pvt) Ltd	Sri Lanka	United States Dollar (USD)

Comparative information

Comparative information including quantitative, narrative and descriptive information as relevant is disclosed in respect of previous period in the financial statements. The presentation and classification of the financial statements of the previous year have been amended, where relevant, for better presentation and to be comparable with those of the current year.

Materiality and aggregation

Each material class of similar items is presented separately in the financial statements. Items of dissimilar nature or function are presented separately unless they are immaterial as permitted by the Sri Lanka Accounting Standard - LKAS 1 on 'Presentation of financial statements'.

Offsetting

Assets and liabilities or income and expenses are not set off unless required or permitted by the Sri Lanka Accounting Standards.

3 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

A summary of material accounting policy information has been disclosed along with relevant individual notes in the subsequent pages.

The accounting policies presented with each note, have been applied consistently by the Group.

Other significant accounting policies not covered with individual notes

The following accounting policies, which have been applied consistently by the Group, are considered significant and are not covered in any other sections.

Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on a current/ non-current classification.

An asset is current when it is:

- expected to be realised or intended to be sold or consumed in the normal operating cycle,
- held primarily for the purpose of trading,
- expected to be realised within twelve months from the reporting date,
- a cash or cash equivalent unless restricted from exchange or use to settle a liability for at least twelve months after the reporting date.

All other assets are classified as non-current.

A liability is current when it is:

- expected to be settled in the normal operating cycle,
- incurred primarily for the purpose of trading,
- due to be settled within twelve months after the reporting date,
- not affected by any unconditional right to defer settlement for at least twelve months after the reporting date.

The Group classifies all other liabilities as non-current.

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

4 FOREIGN CURRENCY TRANSLATION, FOREIGN CURRENCY TRANSACTIONS AND BALANCES

The consolidated financial statements are presented in Sri Lanka Rupees (Rs.), which is the holding company's functional and presentation currency. This functional currency is the currency of the primary economic environment in which virtually all the entities of the Group operate except for entities incorporated outside Sri Lanka and Asiri Port City Hospital (Pvt) Ltd which was established under the Colombo Port City Economic Commission. All foreign exchange transactions are converted to the functional currency, at the rates of exchange prevailing at the time the transactions are effected. Monetary assets and liabilities denominated in foreign currency are retranslated to functional currency equivalents at the spot exchange rate prevailing at the reporting date.

Non-monetary items measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. The gain or loss arising on non-monetary items is subsequently valued at fair value in keeping with the recognition of gains or losses on other fair value items.

Foreign operations

The statement of financial position and income statement of overseas subsidiaries and associates which are deemed to be foreign operations are translated to Sri Lanka Rupees (Rs.) at the rate of exchange prevailing as at the reporting date and at the average annual rate of exchange for the period respectively.

The exchange differences arising on the translation are taken directly to the statement of other comprehensive income. On disposal of a foreign entity, the deferred cumulative amount recognised in the statement of other comprehensive income relating to that particular foreign operation is recognised in the income statement.

The Group treated goodwill and any fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition as assets and liabilities of the parent. Therefore, those assets and liabilities are non-monetary items already expressed in the functional currency of the parent and no further translation differences occur.

The exchange rates applicable during the period were as follows:

	Statement of financial position 31-03-2025	Income statement 31-03-2025
Australian Dollar	186.52	193.92
Singapore Dollar	221.11	222.69
United States Dollar	296.69	297.23
Pound Sterling	383.78	380.38

5 SUMMARY OF SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

In preparing these financial statements of the Group, the management has made judgements, estimates and assumptions that affect the application of Group's accounting policies and the reported amounts of assets, liabilities, income, expenses and its disclosure of contingent liabilities. Judgements and estimates are based on historical experience and other factors, including expectations that are believed to be reasonable under the circumstances. Hence, actual results may differ from these judgements and estimates. Estimates and underlying assumptions are reviewed on an ongoing basis and revisions to accounting estimates are recognised prospectively.

The management considered the following items, where significant judgements, estimates and assumptions have been used in preparing these financials statements.

Going concern

Company and Group's Current Liabilities

For the year ended 31 March 2025, the Company and the Group reported profit/ (loss) after tax of Rs. 585 Mn (2024 – loss of Rs. 9,137 Mn) and loss of Rs. 11,085 Mn (2024 – loss of Rs. 15,200 Mn), respectively. As at that date, current liabilities exceeded current assets by Rs. 14,282 Mn (2024 – Rs. 25,481 Mn) for the Company and Rs. 68,740 Mn (2024 – Rs. 76,957 Mn) for the Group. Accumulated losses stood at Rs. 13,067 Mn (2024 – Rs. 13,723 Mn) for the Company and Rs. 84,284 Mn (2024 – Rs. 69,594 Mn) for the Group, while the Group reported a negative net asset position of Rs. 40,707 Mn (2024 – Rs. 30,199 Mn).

These conditions indicate the existence of material uncertainty that may cast significant doubt on the Company's and Group's ability to continue as a going concern. However, the financial statements have been prepared and presented on a going concern basis. This determination includes a board-approved liquidity/ working capital enhancement plan aimed at reducing financial leverage, continuous financial support of lending institutions and meeting obligations that fall due.

In forming this view, the Board evaluated base case plans, potential downsides, and expected proceeds from the liquidity/ working capital enhancement plan. Based on this assessment, the Board is confident that the Company and Group will continue to operate as a going concern for the foreseeable future.

Key initiatives implemented by the group management to mitigate the net current liability position of Softlogic Holdings PLC

1. Operational improvements recorded for the six-month period from 01 April 2025 to 30 September 2025.

    - The Group achieved the highest historical revenue of Rs. 60,270 Mn for the first six-month period from 01st April 2025 to 30 September 2025, recording a growth of 25% compared to the corresponding period of FY24/25. The overall Gross Profit (GP) margin stood at 34% and further initiatives were implemented by the management to improve the overall GP margin of the Group.
    - Effective cost reduction measures were implemented across the Group and close monitoring of business operations in all business segments witnessed the overall EBITDA margin of 10% during the first six months of FY25/26 compared to 7% EBITDA margin compared to the corresponding period of last year.

- During the first six months of FY25/26, the total losses of the Group reduced by approximately 50%. This is a clear signal to our stakeholders on the turnaround of the Group's business operations.
- The new acquisition of Allianz Life Insurance Lanka Ltd by Softlogic Life Insurance PLC will potentially consolidate its position as the largest Life Insurance Company in the country.
- Removal of restriction on importation of motor vehicles and newly launched Three-Wheeler brand "ATHUL" will positively contribute to the Group's financial performance.
- A new business alliance with "NH Collections" and a significant increase in tourist arrivals will have a positive impact on the leisure sector's performance.
- Special seasonal events and campaigns, adequate inventory for the optimum product mix in retail sector and adequate working capital support from banks to retail sector will improve the sector contribution to the Group.
- Infusion of the balance core capital required for Softlogic Finance PLC resulted the Company to resume all business activities, including accepting new deposits and lending.

2. The shareholders of Softlogic Holdings PLC subscribed to the rights issue and the Company raised Rs. 2,027 Mn during FY24/25. The funds received from the rights issue were utilised to settle the debt of Softlogic Holdings PLC.
3. Management divested non-strategic businesses' assets amounting to Rs. 1,416 Mn (FY23/24 - Rs. 620 Mn) and strategic long-term business assets amounting to Rs. 1,072 Mn to reduce debt in those entities/group.
4. During the FY24/25, Softlogic Life Insurance PLC distributed Rs. 7,424 Mn by way of a share repurchase and dividends. Out of this distribution, the Group received Rs. 3,277 Mn, which was utilized to settle the debt of the Group and for working capital purposes.
5. New offer letters were signed/received for loans amounting to Rs. 42,361 Mn up to 2024/25 and Rs. 5,540 Mn between the year end and up to date of signing of the financial statements. As disclosed, in Note 52.4 to the financial statements, the Group has obtained 6, 12 and 18-month, grace periods in capital enabling the Group to minimise the cash outflows on its financing activities.
6. KMP Recruitment seeks to strengthen the overall management and drive the turnaround of the Group, group technology and group asset management.

Non-completion of the liquidity/ working capital enhancement plan may slow down the Group's ability to turn it around at its fully potential. The going concern basis has been adopted as the directors believe that the Group has realistic plans for the future growth of the business and every expectation of successfully completing the liquidity/ working capital enhancement plan given below.

Liquidity/ working capital enhancement plan	Actions already implemented and planned
1) Renegotiation of debt repayment plans with the lending institutions and restructuring the debts	New offer letters were signed/received for loans amounting to Rs. 42,361 Mn up to 2024/25 and Rs. 5,540 Mn between the year-end date and reporting date. As disclosed in Note 52.4, the Group has obtained 6, 12 and 18-month, grace periods in capital enabling the Group to minimise the cash outflows on its financing activities. Interest rebates have been received for above Rs. 2,004 Mn up to 2024/25. As of the issue date of this report the Group has further submitted loan restructure requests letters amounting to Rs 6,752 Mn to financial institutions that are pending respective Credit Committee approvals. The Group has secured General Financial Support Letters amounting to Rs. 4,778 Mn from such financial institutions where restructure requests letters are pending Credit Committee approvals. In the hospitality sector, the Group is in discussion with one financial institution to take over the debt of another financial institution for a reduced full and final settlement.
2) Raise funding from overseas	Currently the Board is working with a few overseas banks to raise funds.
3) Disposal of some of the identified strategic investments and phase out from certain sectors of the Group	The board has been actively engaged in discussions with potential buyers/investors for the leisure sector and intends to continue their efforts in 2025/2026.
4) Equity infusion- Softlogic Holding PLC	The Board expected to further raise up to Rs. 6,417 Mn by way of Equity by 31 March 2025 as resolved by the Board of Directors of the Company and announced to the Colombo Stock Exchange on 7 March 2024, as follows. a) Shareholders have subscribed to the rights issue and the Company raised Rs 2.027Mn during September 2024 b) To raise up to Rs. 1,277 Mn by issuing warrants attached to the rights shares subscribed exercisable in September 2026. c) To raise remaining equity of up to Rs. 5,140 Mn in a manner to be decided by the Board of Directors of the Company upon completion of aforesaid item No. a) subject to obtaining the regulatory approvals as applicable. The funds raised through the rights issue and issue of warrants attached to rights shares subscribed will be utilised to settle the debt of the Company/Group and for the working capital requirements of the Company/ Group. Mr. Asoka Kariyawasam Pathirage and Samena Ceylon Holdings Limited being major shareholders of the Company have indicated that they will subscribe to their entire entitlement of rights together with the exercise of Warrants. In the event of raising remaining equity of up to Rs. 5,140 Mn is a rights issues, the aforesaid two major shareholders, have further indicated that they will also subscribe for their related full entitlement.

Liquidity/ working capital enhancement plan	Actions already implemented and planned
5) Implementing cost control and rationalisation plans	The Group is implementing cost controls and rationalisations, and improving working capital management across all business segments within the Group. The Group closely monitors actual financial performance across all business segments against the board-approved budget and is satisfied with the latest financial performance reported by the Group.
6) Implementing aggressive marketing strategies to attract and enhance both international and domestic customer foot fall	The Group is also implementing attractive discount schemes, Customer loyalty programs and other promotional activities in Retail and Healthcare sector companies. These initiatives are targeted at improving sales growth and enhancing margins. Management's 12 months cash flow forecast considers the key driver of sales in the next 12 months to be the introduction of an international brand to ODEL PLC, a subsidiary of the Group. Increased revenue from existing brands of the subsidiary collectively amounting to over Rs. 4 Bn.
7) Long term financing for Odel Mall	As detailed in Note 29.2 to the financial statements, Management intends to raise Rs 6,275 Mn funding to complete the construction of the ODEL Mall.

The Board believes that, with the liquidity/ working capital enhancement plan in place, even in a reasonable worst-case scenario, the Group will continue to have adequate financial resources to realise their assets and discharge their liabilities as they fall due. Accordingly, the directors have formed the judgement that it is appropriate to prepare the financial statements on the going concern basis.

Significant accounting judgements, assumptions and estimation

Significant areas of critical judgements, assumptions and estimation uncertainties, in applying accounting policies that have significant effects on the amounts recognised in the financial statements of the Group are detailed in the following notes.

- Valuation of property, plant & equipment
- Recognition of right of use assets
- Valuation of investment property
- Valuation of intangible assets
- Valuation of investment in subsidiaries
- Deferred taxation and taxes
- Employee benefit liability
- Valuation of insurance contract liabilities
- Provisions and contingent liabilities
- Valuation of financial liabilities at fair value through profit or loss
- Valuation of derivative financial instruments
- Provision for expected credit loss of trade receivables and contract assets
- Provision for expected credit loss of loans & advances and lease & higher purchase receivables
- Segregation of work-in-progress - Odel Mall Project

6 CHANGES IN ACCOUNTING STANDARDS

There are no significant changes to the accounting standards for the financial year under review.

7 BASIS OF CONSOLIDATION AND MATERIAL PARTLY OWNED SUBSIDIARIES

ACCOUNTING POLICY

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 March 2025. The financial statements of the subsidiaries are prepared in compliance with the Group's accounting policies unless otherwise stated. Control over an investee is achieved when the Group is exposed or has rights to variable returns from its involvement with the investee and when it has the ability to affect those returns through its power over the investee.

Control over an investee

Specifically, the Group controls an investee if, and only if, the Group has:

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

Subsidiaries that are consolidated have been listed in note 26.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. The financial statements of the subsidiaries are prepared for the same reporting period as the parent Company, which is 12 months ending 31 March, using consistent accounting policies unless otherwise stated.

Transactions eliminated on consolidation

All intra-group assets, liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

Loss of control

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

The total profits and losses for the year of the Company and of its subsidiaries included in consolidation are shown in the consolidated income statement and consolidated statement of comprehensive income and all assets and liabilities of the Company and of its subsidiaries included in consolidation are shown in the consolidated statement of financial position.

Non-controlling interest (NCI)

Non-controlling interests, which represents the portion of profit or loss and net assets not held by the Group, are shown as a component of profit for the year in the consolidated income statement and statement of comprehensive income and as a component of equity in the consolidated statement of financial position separately from equity attributable to the shareholders of the parent.

7.1 Names and financial information of material partly-owned subsidiaries

Financial information of subsidiaries that have material non-controlling interests (NCI) are provided below:

In Rs. '000	Healthcare Service					
	Asiri Hospital Holdings PLC		Asiri Surgical Hospital PLC		Central Hospital Ltd	
	2025	2024 Restated	2025	2024 Restated	2025	2024 Restated
Summarised income statement for the year ended 31 March						
Revenue	**13,389,481**	12,376,923	**6,448,458**	5,983,068	**8,143,503**	7,330,627
Other income	**1,597,690**	133,766	**151,771**	(1,851)	**69,869**	62,027
Operating expenses	**(10,707,978)**	(9,474,287)	**(6,159,325)**	(5,819,277)	**(7,451,612)**	(7,656,085)
Finance income	**237,447**	168,436	**559,759**	766,590	**645,750**	1,014,873
Finance expenses	**(1,588,068)**	(2,809,453)	**(378,336)**	(663,512)	**(434,382)**	(746,849)
Profit before tax	**2,928,572**	395,385	**622,327**	265,018	**973,128**	4,593
Tax expense	**(606,264)**	(141,174)	**(428,831)**	(408,962)	**(303,654)**	(361,687)
Profit/ (loss) for the year	**2,322,308**	254,211	**193,496**	(143,944)	**669,474**	(357,094)
Other comprehensive income	**639,930**	5,277,241	**418,998**	448,825	**323,758**	780,990
Total comprehensive income	**2,962,238**	5,531,452	**612,494**	304,881	**993,232**	423,896
Profit attributable to material NCI	**493,667**	192,845	**291,337**	301,884	**591,420**	607,570
Summarised statement of financial position as at 31 March						
Current assets	**6,247,804**	2,554,989	**6,466,153**	5,337,110	**4,728,293**	2,012,726
Non-current assets	**57,480,397**	57,623,595	**9,278,014**	8,745,505	**12,655,356**	15,318,408
Total assets	**63,728,201**	60,178,584	**15,744,167**	14,082,615	**17,383,649**	17,331,134
Current liabilities	**12,562,870**	9,459,771	**5,823,517**	4,446,228	**6,599,063**	5,858,586
Non-current liabilities	**17,167,258**	17,976,676	**2,534,044**	2,703,738	**1,466,554**	1,749,416
Total liabilities	**29,730,128**	27,436,447	**8,357,561**	7,149,966	**8,065,617**	7,608,002
Effective holding % owned by NCI	**44.35**	44.35	**55.50**	55.50	**44.50**	44.50
Accumulated balance of material NCI	**15,078,777**	14,521,746	**4,099,837**	3,847,874	**4,146,899**	4,327,185
Summarised cash flow information for the year ended 31 March						
Cash flows from/ (used in) operating activities	**1,273,251**	1,759,426	**(340,911)**	(3,861)	**1,278,307**	1,290,501
Cash flows from/ (used in) investing activities	**(2,063,938)**	111,900	**629,940**	843,149	**881,819**	(832,763)
Cash flows from/ (used in) financing activities	**671,090**	(1,905,850)	**(411,524)**	(771,989)	**(2,099,299)**	(401,442)
Net increase/ (decrease) in cash and cash equivalents	**(119,597)**	(34,524)	**(122,495)**	67,299	**60,827**	56,296

During the financial year ended 31 March 2025, the companies within the healthcare sector reassessed the recoverability of their receivables from Softlogic Holdings PLC and its subsidiaries, and adequate impairment losses were recognized in the prior year.

Further, the financial statements were restated in accordance with LKAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors to reflect the voluntary change in accounting policy for investments in subsidiaries, from cost to fair value under SLFRS 9 - Financial Instruments, in compliance with LKAS 27 - Separate Financial Statements.

Therefore, this impairment provisioning and accounting policy change was applied retrospectively by adjusting the opening balance of each affected component of equity in the healthcare sector companies.

This policy decision at healthcare sector does not have any impact on the Group consolidated financial statements.

In Rs. '000	Financial Services			
	Softlogic Finance PLC		Softlogic Life Insurance PLC	
	2025	2024	2025	2024
Summarised income statement for the year ended 31 March				
Revenue	**1,133,205**	2,575,899	**30,842,349**	25,032,614
Other income	**377,021**	143,708	**5,986**	9,269
Operating expenses	**(1,319,381)**	(4,445,206)	**(27,003,930)**	(24,878,366)
Change in insurance contract liabilities	**-**	-	**(6,094,342)**	(3,458,552)
Finance income	**229**	180	**8,908,426**	7,917,742
Finance expenses	**(45,941)**	(51,318)	**(854,204)**	(1,050,123)
Profit/ (loss) before tax	**145,133**	(1,776,737)	**5,804,285**	3,572,584
Tax expense	**-**	-	**(1,658,484)**	(382,203)
Profit/ (loss) for the year	**145,133**	(1,776,737)	**4,145,801**	3,190,381
Other comprehensive income/ (loss)	**331**	(406)	**788,541**	711,307
Total comprehensive income/ (loss)	**145,464**	(1,777,143)	**4,934,342**	3,901,688
Profit/ (loss) attributable to material NCI	**39,185**	(442,841)	**2,641,740**	1,912,411
Dividend paid to NCI	**-**	-	**4,450,067**	842,947
Summarised statement of financial position as at 31 March				
Current assets	**5,743,469**	6,482,779	**20,209,020**	15,257,585
Non-current assets	**2,238,781**	4,808,049	**34,539,665**	36,515,816
Total assets	**7,982,250**	11,290,828	**54,748,685**	51,773,401
Current liabilities	**2,971,234**	6,234,808	**5,273,988**	4,868,024
Non-current liabilities	**2,076,654**	2,267,122	**39,197,503**	34,138,697
Total liabilities	**5,047,888**	8,501,930	**44,471,491**	39,006,721
Effective holding % owned by NCI	**33.22**	24.92	**64.59**	59.94
Accumulated balance of material NCI	**974,935**	695,116	**6,637,635**	7,652,733
Summarised cash flow information for the year ended 31 March				
Cash flows from operating activities	**560,511**	3,609,941	**6,547,591**	2,673,359
Cash flows from/ (used in) investing activities	**(26,314)**	338,559	**4,315,662**	(390,061)
Cash flows used in financing activities	**(640,387)**	(4,095,592)	**(9,298,106)**	(1,772,506)
Net increase/ (decrease) in cash and cash equivalents	**(106,190)**	(147,092)	**1,565,147**	510,792

The above information is based on amounts before intercompany eliminations

8 BUSINESS COMBINATIONS AND ACQUISITION OF NON-CONTROLLING INTEREST

Business combination & goodwill

Business combinations are accounted for using the acquisition method of accounting. The Group measures goodwill at the acquisition date as the fair value of the consideration transferred including the recognised amount of any non-controlling interests in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date.

When the fair value of the consideration transferred including the recognised amount of any non-controlling interests in the acquiree is lower than the fair value of net assets acquired, a gain is recognised immediately in the income statement.

The Group elects on a transaction by transaction basis whether to measure non-controlling interests at fair value, or at their proportionate share of the recognised amount of the identifiable net assets, at the acquisition date. Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through the income statement.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of SLFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the income statement in accordance with SLFRS 9. Other contingent consideration that is not within the scope of SLFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment annually or more frequently if the events or changes in the circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit to which the goodwill relates. Where the recoverable amount of the cash generating unit is less than the carrying amount, an impairment loss is recognised. The impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets pro rata to the carrying amount of each asset in the unit.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

Where goodwill forms part of a cash generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Impairment of goodwill

Goodwill is tested for impairment annually (as at 31 March) and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash generating unit is less than their carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

8.1 Obtaining control of subsidiaries

FY 2024/25

No changes to the Group Structure other than the increase/ decrease in controlling stake in direct and indirect subsidiaries.

FY 2023/24

In September 2023, Softlogic Retail Holdings Ltd, a subsidiary of Softlogic Holdings PLC acquired 100.00% ordinary shares of Footwear Retailer (Pvt) Ltd and it became a subsidiary of the Group.

In Rs. '000 For the year ended 31 March	Note	2024
Property, plant and equipment	21.1	1,977,518
Right of use assets	22.1	171,094
Other non current assets		29,578
Inventories		557,898
Trade and other receivables		38,297
Other current assets		309
Cash in hand and at bank		71,712
Interest bearing borrowings	39.1	(24,375)
Deferred tax liabilities	19.2.2	(528,934)
Employee benefit liabilities	41	(60,147)
Lease liability	22.2	(232,124)
Trade and other payables		(76,025)
Income tax liabilities	19.1.4	(15,517)
Other current liabilities		(95,992)
Bank overdrafts		(13,475)
Net identifiable assets		1,799,817
Gain on bargain purchases		(1,531,814)
		268,003
Total purchase price paid		
Cash consideration		268,003
Cash at bank and in hand acquired		(58,237)
		209,766

9 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial liabilities consist of public deposits, borrowings, lease liabilities, trade & other payables, bank overdrafts and financial guarantee contracts. The main purpose of these financial liabilities is to finance Group's operations. The Group financial assets comprise of loans and advances, rental receivable on lease assets & hire purchase, trade & other receivables, cash and short-term deposits that flow directly from its operations. The Group also holds other financial instruments such as investments in equity instruments.

The Group is exposed to market risk including credit risk, currency risk, interest rate risk & price risk and liquidity risk. Risk management is carried out under policies approved by the Board of Directors of the Group. The Group's overall risk management programme seeks to minimise potential adverse effects on the Group's financial and non-financial performance.

Risk management framework

The Board of Directors of Softlogic Holdings PLC and its Group companies have overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are established to identify, assess and take action of the risks faced by the Group falling within their risk appetite. Risk management policies and systems are reviewed regularly along with the risk register to reflect changes in market conditions and the Group's activities.

The Group through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees clearly understand their roles and obligations.

The Group's Integrated Risk Management Committee (IRMC) is being designated to oversee how management monitors compliance with the Group's risk management policies and procedures, and to review the adequacy of the risk management framework in relation to the risks faced by the Group. The committee will be assisted in its oversight by Group's Risk Management Department and cluster risk units. Internal Audit undertakes regular reviews of risk management practices. The results of this are reported to the Audit Committee, which supports the Risk Management process through their findings and other deliberations.

9.1 Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily for trade receivables and customer lending) and from its investing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

The Group trades only with recognised, creditworthy third parties. It is the Group's policy that all clients who wish to trade on credit terms are subject to credit evaluation procedures. In addition, receivable balances are monitored on an ongoing basis.

The hire purchase and lease portfolio is broad based, accounting for 87,645 contracts (2024 - 91,895 contracts), and the risk of non-payment is mitigated by credit approval processes. There is no concentration risk on any single region, customer or sector in particular; collection of dues from customers are robust with the delinquency rate being better than the financial industry average.

With respect to credit risk arising from other financial assets of the Group, such as cash and cash equivalents, available-for-sale financial investments and short term investments, the Group's exposure to credit risks arises from default of the counterparty. The Group manages its operations to avoid any excessive concentration of counterparty risk.

9.1.1 Credit Risk - Default risk

Default risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur financial loss. It arises from lending, trade finance, treasury and other activities undertaken by the Group. The Group has in place standards, policies and procedures for the control and monitoring of all such risks.

9.1.2 Credit Risk - Concentration risk

The Group seeks to manage its credit concentration risk exposure through diversification of its lending, investing and financing activities to avoid undue concentrations of risks with individuals or groups of customers in specific businesses. It also obtains security when appropriate. The types of collateral obtained include cash margins, mortgages over properties and pledges over equity instruments.

The prospect of an impairment is analysed at each reporting date on an individual basis for major clients. Less significant receivables are grouped into homogeneous groups and assessed for impairment collectively. The calculation is based on actual historical data.

9.1.3 Risk exposure

The tables below show the maximum exposure to credit risk for the various components, shown gross before the effect of mitigation thro

Risk Exposure - Group

In Rs. '000 As at 31 March 2025	Note	Non-current investments	Loans and advances	Rental receivable on leased assets & hire purchases
Government securities	9.1.4	22,555,347	-	-
Corporate debt securities	9.1.5	5,210,895	-	-
Deposits with banks and Unit Trusts	9.1.6	8,603	-	-
Loans to executives	9.1.7	-	-	-
Loans and advances	9.1.8	-	4,007,066	-
Policyholders loans	9.1.9	-	363,534	-
Trade receivables	9.1.10	-	-	-
Other receivables	9.1.11	-	-	-
Reinsurance receivables	9.1.12	-	-	-
Amounts due from related parties	9.1.13	-	-	-
Rental receivable on leased assets & hire purchase	9.1.14	-	-	1,485,516
Cash in hand and at bank	9.1.15	-	-	-
Total credit risk exposure		27,774,845	4,370,600	1,485,516
Financial assets at fair value through profit or loss	9.2.3.1	-	-	-
Financial assets at fair value through OCI	9.2.3.1	3,670,235	-	-
Total equity risk exposure		3,670,235	-	-
Total		31,445,080	4,370,600	1,485,516

In Rs. '000 As at 31 March 2024	Note	Non-current investments	Loans and advances	Rental receivable on leased assets & hire purchases
Government securities	9.1.4	25,900,508	-	-
Corporate debt securities	9.1.5	5,353,585	-	-
Deposits with banks and Unit Trusts	9.1.6	7,531	-	-
Loans to executives	9.1.7	3,604	-	-
Loans and advances	9.1.8	-	3,839,143	-
Policyholders loans	9.1.9	-	328,870	-
Trade receivables	9.1.10	-	-	-
Other receivables	9.1.11	-	-	-
Reinsurance receivables	9.1.12	-	-	-
Amounts due from related parties	9.1.13	-	-	-
Rental receivable on leased assets & hire purchase	9.1.14	-	-	3,998,540
Cash in hand and at bank	9.1.15	-	-	-
Total credit risk exposure		31,265,228	4,168,013	3,998,540
Financial assets at fair value through profit or loss	9.2.3.1	-	-	-
Financial assets at fair value through OCI	9.2.3.1	2,587,405	-	-
Total equity risk exposure		2,587,405	-	-
Total		33,852,633	4,168,013	3,998,540

ough the use of collateral arrangements.

Cash in hand and at bank	Trade and other receivables	Short term investments	Amounts due from related parties	Total	% of allocation
-	-	4,857,717	-	**27,413,064**	**43.93**
-	-	3,318,585	-	**8,529,480**	**13.67**
-	-	5,131,343	-	**5,139,946**	**8.24**
-	55,972	-	-	**55,972**	**0.09**
-	-	-	-	**4,007,066**	**6.42**
-	-	-	-	**363,534**	**0.58**
-	6,891,630	-	-	**6,891,630**	**11.04**
-	2,667,800	-	-	**2,667,800**	**4.27**
-	502,753	-	-	**502,753**	**0.81**
-	-	-	102,825	**102,825**	**0.16**
-	-	-	-	**1,485,516**	**2.38**
5,250,765	-	-	-	**5,250,765**	**8.41**
5,250,765	10,118,155	13,307,645	102,825	**62,410,351**	**100.00**
-	-	18,319	-	**18,319**	**0.50**
-	-	-	-	**3,670,235**	**99.50**
-	-	18,319	-	**3,688,554**	**100.00**
5,250,765	10,118,155	13,325,964	102,825	**66,098,905**	

Cash in hand and at bank	Trade and other receivables	Short term investments	Amounts due from related parties	Total	% of allocation
-	-	1,446,743	-	**27,347,251**	**43.04**
-	-	3,109,895	-	**8,463,480**	**13.32**
-	-	5,650,228	-	**5,657,759**	**8.90**
-	33,881	-	-	**37,485**	**0.06**
-	-	-	-	**3,839,143**	**6.04**
-	-	-	-	**328,870**	**0.52**
-	7,491,863	-	-	**7,491,863**	**11.79**
-	1,343,271	-	-	**1,343,271**	**2.11**
-	590,744	-	-	**590,744**	**0.93**
-	-	-	100,643	**100,643**	**0.17**
-	-	-	-	**3,998,540**	**6.29**
4,340,269	-	-	-	**4,340,269**	**6.83**
4,340,269	9,459,759	10,206,866	100,643	**63,539,318**	**100.00**
-	-	93,329	-	**93,329**	**0.86**
-	-	-	-	**2,587,405**	**99.14**
-	-	93,329	-	**2,680,734**	**100.00**
4,340,269	9,459,759	10,300,195	100,643	**66,220,052**	

Risk Exposure - Company

In Rs. '000 As at 31 March 2025	Note	Non-current investments	Cash in hand and at banks	Trade and other receivable	Short term investments	Amounts due from related parties	Total	% of allocation
Corporate debt securities	9.1.5	-	-	-	-	-	**-**	**-**
Loans to executives	9.1.7	-	-	14,059	-	-	**14,059**	**0.07**
Trade receivables	9.1.10	-	-	1,615,147	-	-	**1,615,147**	**8.29**
Other receivables	9.1.11	-	-	31,055	-	-	**31,055**	**0.16**
Amounts due from related parties	9.1.13	-	-	-	-	17,812,418	**17,812,418**	**91.43**
Cash in hand and at bank	9.1.15	-	9,937	-	-	-	**9,937**	**0.05**
Total credit risk exposure		-	9,937	1,660,261	-	17,812,418	**19,482,616**	**100.00**
Financial assets at fair value through profit or loss	9.2.3.1	-	-	-	17,663	-	**17,663**	**54.95**
Financial assets at fair value through OCI	9.2.3.1	-	-	-	14,479	-	**14,479**	**45.05**
Total equity risk exposure		-	-	-	32,142	-	**32,142**	**100.00**
Total		-	9,937	1,660,261	32,142	17,812,418	**19,514,758**	

Risk Exposure - Company

In Rs. '000 As at 31 March 2024	Note	Non-current investments	Cash in hand and at banks	Trade and other receivable	Short term investments	Amounts due from related parties	Total	% of allocation
Corporate debt securities	9.1.5.	-	-	-	-	-	**-**	**-**
Loans to executives	9.1.7	-	-	10,815	-	-	**10,815**	**0.08**
Trade receivables	9.1.10	-	-	836,874	-	-	**836,874**	**5.96**
Other receivables	9.1.11	-	-	37,612	-		**37,612**	**0.27**
Amounts due from related parties	9.1.13	-	-	-	-	13,148,847	**13,148,847**	**93.64**
Cash in hand and at bank	9.1.15	-	6,702	-	-	-	**6,702**	**0.05**
Total credit risk exposure		-	6,702	885,301	-	13,148,847	**14,040,850**	**100.00**
Financial assets at fair value through profit or loss	9.2.3.1	-	-	-	13,768	-	**13,768**	**14.84**
Financial assets at fair value through OCI	9.2.3.1	-	-	-	79,000	-	**79,000**	**85.16**
Total equity risk exposure		-	-	-	92,768	-	**92,768**	**100.00**
Total		-	6,702	885,301	92,768	13,148,847	**14,133,618**	

9.1.4 Government securities

As at 31 March 2025 as shown in the table above, 43.93% (2024 - 43.04%) of Group debt securities comprise investments in government securities which consist of treasury bonds, bills and reverse repo investments. Government securities are usually considered to as risk free due to the sovereign nature of the instrument.

9.1.5 Corporate debt securities

As at 31 March 2025, corporate debt securities comprise 90.56% (2024 - 91.43%) of the total investments for the Group were rated "BBB" or better.

As at 31 March	GROUP			
	2025		2024	
	Rs. '000	Rating % of total	Rs. '000	Rating % of total
Fitch/ LANKA rating				
AAA	**-**	**-**	369,422	4.37
AA	**517,565**	**6.07**	553,869	6.54
AA-	**421,577**	**4.94**	25,843	0.31
A+	**-**	**-**	514,080	6.07
A	**4,673,520**	**54.79**	2,427,237	28.68
A-	**28,424**	**0.33**	207,578	2.45
BBB+	**2,083,487**	**24.43**	1,665,542	19.68
BBB	**-**	**-**	1,974,920	23.33
BBB-	**-**	**-**	103,137	1.22
B+	**-**	**-**	9,485	0.11
Not rated	**804,907**	**9.44**	612,367	7.24
Total	**8,529,480**	**100.00**	8,463,480	100.00

9.1.6 Deposits with banks and Unit Trusts

Deposits with banks consist mainly of fixed and call deposits.

As at 31 March 2025, 100.00% (2024 - 99.38%) of the fixed and call deposits were rated "A-" or better for the Group.

As at 31 March	GROUP			
	2025		2024	
	Rs. '000	Rating % of total	Rs. '000	Rating % of total
Fitch rating				
AA-	**22,703**	**0.44**	91,432	1.62
A	**38,929**	**0.76**	917,971	16.22
A-	**1,009,656**	**19.64**	27,831	0.49
BBB-	**-**	**-**	7,176	0.13
BB	**182**	**-**	182	-
Unit trust	**4,068,445**	**79.16**	4,613,136	81.54
Not rated	**31**	**-**	31	-
Total	**5,139,946**	**100.00**	5,657,759	100.00

9.1.7 Loans to executives

The loans to executives portfolio consists largely of short term distress loans granted to executive staff. The respective business units have taken necessary powers of attorney/promissory notes as collateral for the loans granted.

9.1.8 Loans and advances

As a part of the overall risk management strategy, the Boards of Directors of the respective companies in the Financial Services cluster, have delegated responsibility for the oversight of credit risk to its Board Credit & Recoveries Committee and Credit Risk Committee. Company Credit Risk Monitoring Unit reporting to Risk Committee through the Chief Risk Officer who is responsible for management of the Company's credit risk, including:

- Formulating credit policies in consultation with business units, covering collateral requirements, credit assessment, risk grading and reporting.
- Establishing the authorisation structure for the approval and renewal of credit facilities. Authorisation limits are allocated to business unit Credit Officers. Larger facilities require approval by Heads of Credit, Board Credit & Recoveries Committee or the board of directors as appropriate.
- Reviewing and assessing credit risk. Heads of Credit assesses all credit exposures in excess of designated limits, prior to facilities being committed to customers by the business unit concerned. Renewals and reviews of facilities are subject to the same review process.
- Limiting concentrations of exposure to counterparties, geographies and industries (for loans and advances), and by issuer.
- Reviewing compliance of business units with agreed exposure limits, including those for selected industries, country risk and product types. Regular reports on the credit quality of local portfolios are provided to Heads of Credit who may require appropriate corrective action to be taken.
- Providing advice, guidance and specialist skills to business units to promote best practice throughout the Company in the management of credit risk.
- Regular audits of business units and Company credit processes are undertaken by Internal Audit.

The table below shows the maximum exposure to credit risk for components of the statement of financial position. The maximum exposure is shown gross, before the effect of mitigation through the use of collateral agreements.

Loans and advances excluding loans to life policyholder

In Rs. '000	Note	Consumer loan receivables	Factoring receivables	Gold loan receivables	Other loan receivables	Personal loan receivables	Revolving loan receivables	SME loan receivables	Group	
As at 31 March									2025	2024
Assets at amortised cost										
Individually impaired										
- gross amount		-	97,185	-	2,813,098	523,911	830,603	544,683	**4,809,480**	3,238,807
- unearned income		-	-	-	(524,706)	(234)	-	(623)	**(525,563)**	(603,648)
Gross carrying amount		-	97,185	-	2,288,392	523,677	830,603	544,060	**4,283,917**	2,635,159
- allowance for impairment	9.1.8.2	-	(97,185)	-	(1,586,982)	(499,472)	(652,369)	(252,037)	**(3,088,045)**	(2,177,254)
Net carrying amount		-	-	-	701,410	24,205	178,234	292,023	**1,195,872**	457,905
For the rest of portfolio where collective impairment is applicable										
- gross amount		8,980	20,526	1,830,579	1,219,968	88,711	3,064	403,605	**3,575,433**	5,235,642
- unearned income		-	-	-	(14,020)	(13,336)	-	(511)	**(27,867)**	(70,462)
Gross carrying amount	9.1.8.1	8,980	20,526	1,830,579	1,205,948	75,375	3,064	403,094	**3,547,566**	5,165,180
- allowance for impairment	9.1.8.2	(8,980)	(5,973)	(5)	(563,295)	(7,407)	(1,314)	(149,398)	**(736,372)**	(1,783,942)
Net carrying amount		-	14,553	1,830,574	642,653	67,968	1,750	253,696	**2,811,194**	3,381,238
Total net carrying amount		-	14,553	1,830,574	1,344,063	92,173	179,984	545,719	**4,007,066**	3,839,143

9.1.8.1 Age analysis of facilities considered for collective impairment

In Rs. '000	Consumer loan receivables	Factoring receivables	Gold loan receivables	Other loan receivables	Personal loan receivables	Revolving loan receivables	SME loan receivables	Total	
As at 31 March								2025	2024
Category									
Stage 1 facilities	-	86	1,432,708	246,180	40,698	-	-	**1,719,672**	1,516,432
Stage 2 facilities	-	-	376,100	1,362	3,768	-	-	**381,230**	315,411
Stage 3 facilities	8,980	20,440	21,771	958,406	30,909	3,064	403,094	**1,446,664**	3,333,337
Total	8,980	20,526	1,830,579	1,205,948	75,375	3,064	403,094	**3,547,566**	5,165,180

9.1.8.2 Movement in impairment allowance for loans advances

In Rs. '000	Movement in specific impairment allowance		Movement in collective impairment allowance		Movement in impairment allowance	
As at 31 March	2025	2024	2025	2024	2025	2024
At the beginning of the year	**2,177,254**	1,678,376	**1,783,942**	1,773,228	**3,961,196**	3,451,604
Net impairment charge for the year	**91,121**	498,878	**(227,900)**	10,714	**(136,779)**	509,592
Transfer during the year	**819,670**	-	**(819,670)**	-	**-**	-
At the end of the year	**3,088,045**	2,177,254	**736,372**	1,783,942	**3,824,417**	3,961,196

9.1.8.3 Maximum exposure to credit risk

The table below shows the maximum exposure to credit risk for the components of statement of financial position. The maximum exposure is shown gross, before the effect of mitigation through the use of collateral agreements.

As at 31 March In Rs. '000	2025		2024	
	Maximum exposure to credit risk	Net exposure	Maximum exposure to credit risk	Net exposure
Loans and receivables	**8,478,768**	**4,100,922**	7,801,350	2,474,062

9.1.9 Loans to life policyholders

Softlogic Life Insurance PLC issued loans to life policyholders of the company considering the surrender value of their life policies as collateral. As at the reporting date, the value of policy loans granted amounted to Rs. 363.53 Mn (2024 – Rs. 328.87 Mn) and their related surrender value is more than carrying value.

9.1.10 Trade receivables

Customer credit risk is managed by each business unit according to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of the customer is assessed based on a credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and outstanding of major customers are, where feasible, covered by bank guarantees or other forms of credit insurance.

In Rs. '000	GROUP						COMPANY	
As at 31 March	2025			2024			2025	2024
	Non hire purchase debtors	Hire purchase debtors	Total	Non hire purchase debtors	Hire purchase debtors	Total	Total	Total
Trade receivable settlement profile								
Current/ 0 - 30 days	**3,766,346**	**83,726**	**3,850,072**	3,972,533	90,581	4,063,114	**136,177**	5,697
31 - 60 days	**1,504,088**	**2,165**	**1,506,253**	1,125,193	5,608	1,130,801	**57,172**	66,249
61 - 90 days	**783,583**	**1,462**	**785,045**	814,725	1,016	815,741	**107,841**	8,519
91 - 120 days	**256,679**	**1,520**	**258,199**	746,252	664	746,916	**8,371**	99,635
> 121 days	**498,815**	**11,733**	**510,548**	449,956	339,346	789,302	**1,305,586**	656,775
Impaired	**1,416,322**	**1,717,343**	**3,133,665**	1,111,320	1,506,495	2,617,815	**64,212**	272,142
Gross amount	**8,225,833**	**1,817,949**	**10,043,782**	8,219,979	1,943,710	10,163,689	**1,679,359**	1,109,017
Less : Unearned income	**-**	**(19,556)**	**(19,556)**	-	(39,008)	(39,008)	**-**	-
Gross carrying value	**8,225,833**	**1,798,393**	**10,024,226**	8,219,979	1,904,702	10,124,681	**1,679,359**	1,109,017
Less : Impairment provision								
Individually assessed impairment provision	**(102,590)**	**-**	**(102,590)**	(44,471)	-	(44,471)	**(64,212)**	(272,142)
Collectively assessed impairment provision	**(1,312,663)**	**(1,717,343)**	**(3,030,006)**	(1,081,852)	(1,506,495)	(2,588,347)	**-**	-
Total	**6,810,580**	**81,050**	**6,891,630**	7,093,656	398,207	7,491,863	**1,615,147**	836,875

The requirement for impairment is analysed at each reporting date on an individual basis for major clients. Less significant receivables are grouped into homogeneous groups and assessed for impairment collectively. The calculation is based on actual historical data.

9.1.11 Other receivables

The Group's other receivables consist mainly of dues receivables from foreign suppliers. At each reporting period end the management assesses the recoverability of these receivable balances and make necessary provisioning for the doubtful balances.

9.1.12 Reinsurance receivable

As a part of overall risk management strategy, the Group cedes insurance risk through proportional, non-proportional and specific risk reinsurance treaties. While these mitigate insurance risk, the recoverables from reinsurers and receivable arising from ceded reinsurance expose the company to credit risk. Following are the steps taken to manage reinsurance risk:

- Policy guidelines are approved by the Board of Directors annually, in line with the guidelines issued by the Insurance Regulatory Commission of Sri Lanka.
- Counterparties' limits are set each year and are subjected to regular reviews with management assessing the creditworthiness of reinsurers to update the reinsurance strategy and ascertain the allowance for impairment of reinsurance assets.
- Outstanding reinsurance receivables are reviewed monthly to ensure that all dues are collected or set off against payables.
- Close professional relationships are maintained with reinsurers.
- No cover is issued without confirmation of reinsurance, except for non-reinsurance business.

As at the reporting date reinsurance receivables amounted to Rs. 502.75 Mn (2024 - Rs. 590.74 Mn). This consists mainly of reinsurance receivables on paid claims amounting to Rs. 395.80 Mn (2024 - Rs. 472.62 Mn) and the reinsurance share of claim reserve (receivables on outstanding claims) of Rs. 106.95 Mn (2024 - Rs. 118.12 Mn) as at 31 March 2025.

9.1.13 Amounts due from related parties

The Group's dues from related parties consists mainly of dues from associate companies and receivables from KMPs.

The Company balance consists mainly of balances due from affiliate companies.

9.1.14 Rental receivable on lease assets & hire purchase

As a part of the overall risk management strategy, the Boards of Directors of the respective companies in the Financial Services cluster, have delegated responsibility for the oversight of credit risk to its Board Credit & Recoveries Committee and Credit Risk Committee. Company Credit Risk Monitoring Unit reporting to Risk Committee through the Chief Risk Officer who is responsible for management of the Company's credit risk, including:

- Formulating credit policies in consultation with business units, covering collateral requirements, credit assessment, risk grading and reporting.
- Establishing the authorisation structure for the approval and renewal of credit facilities. Authorisation limits are allocated to business unit Credit Officers. Larger facilities require approval by Heads of Credit, Board Credit & Recoveries Committee or the board of directors as appropriate.
- Reviewing and assessing credit risk. Heads of Credit assesses all credit exposures in excess of designated limits, prior to facilities being committed to customers by the business unit concerned. Renewals and reviews of facilities are subject to the same review process.
- Limiting concentrations of exposure to counterparties, geographies and industries (for loans and advances), and by issuer.
- Reviewing compliance of business units with agreed exposure limits, including those for selected industries, country risk and product types. Regular reports on the credit quality of local portfolios are provided to Heads of Credit who may require appropriate corrective action to be taken.
- Providing advice, guidance and specialist skills to business units to promote best practice throughout the Company in the management of credit risk.
- Regular audits of business units and Company credit processes are undertaken by Internal Audit.

The table below shows the maximum exposure to credit risk for the components of the statement of financial position. This is shown gross, before the effect of mitigation through the use of collateral agreements.

In Rs. '000	Note	Rental receivable on lease assets	Rental receivable on hire purchase	Total	Rental receivable on lease assets	Rental receivable on hire purchase	Total
As at 31 March				2025			2024
Assets at amortised cost							
Individually impaired							
- gross amount		260,125	-	**260,125**	456,017	-	456,017
- unearned income		(19,152)	-	**(19,152)**	(64,687)	-	(64,687)
Gross carrying amount		240,973	-	**240,973**	391,330	-	391,330
- allowance for impairment	9.1.14.2	(207,914)	-	**(207,914)**	(304,397)	-	(304,397)
Net carrying amount		33,059	-	**33,059**	86,933	-	86,933
For the rest of portfolio, where collective impairment applies							
- gross amount		1,719,578	77,187	**1,796,765**	4,921,358	78,295	4,999,653
- unearned income		(194,555)	-	**(194,555)**	(879,761)	-	(879,761)
Gross carrying amount	9.1.14.1	1,525,023	77,187	**1,602,210**	4,041,597	78,295	4,119,892
- allowance for impairment	9.1.14.2	(102,242)	(47,511)	**(149,753)**	(161,222)	(47,063)	(208,285)
Net carrying amount		1,422,781	29,676	**1,452,457**	3,880,375	31,232	3,911,607
Total Net carrying amount		1,455,840	29,676	**1,485,516**	3,967,308	31,232	3,998,540

9.1.14.1 Age analysis of facilities considered for collective impairment

In Rs. '000	Rental receivable on lease assets	Rental receivable on hire purchase	Total	Rental receivable on lease assets	Rental receivable on hire purchase	Total
As at 31 March			2025			2024
Category						
Stage 1 facilities	649,765	-	**649,765**	1,578,924	-	1,578,924
Stage 2 facilities	215,518	-	**215,518**	1,164,219	-	1,164,219
Stage 3 facilities	659,740	77,187	**736,927**	1,298,454	78,295	1,376,749
Total	1,525,023	77,187	**1,602,210**	4,041,597	78,295	4,119,892

9.1.14.2 Movement in impairment allowance

In Rs. '000	Movement in specific impairment allowance		Movement in collective impairment allowance		Total movement in impairment allowance	
As at 31 March	2025	2024	2025	2024	2025	2024
At the beginning of the year	**304,397**	233,311	**208,285**	410,398	**512,682**	643,709
Net impairment charge for the year	**(96,483)**	71,086	**(58,532)**	(202,113)	**(155,015)**	(131,027)
At the end of the year	**207,914**	304,397	**149,753**	208,285	**357,667**	512,682

Maximum exposure to credit risk

The table below shows the maximum exposure to credit risk for the components of statement of financial position. The maximum exposure is shown gross, before the effect of mitigation through the use of collateral agreements.

As at 31 March In Rs. '000	2025		2024	
	Maximum exposure to credit risk	Net exposure	Maximum exposure to credit risk	Net exposure
Lease and hire purchase receivables	**2,056,890**	**1,485,515**	4,511,222	3,998,540

9.1.15 Cash in hand and at bank

Deposits with banks consist mainly of fixed and call deposits. Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed annually, and may be updated during the year subject to appropriate approval. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through the counterparty's failure to make payments. The Group's maximum exposure to credit risk for the components of the statement of financial position are the carrying amounts as shown.

9.2 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will adversely deviate because of changes in market movements.

Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments are affected by market risk which include: borrowings, trade payables, short term investments and equity investments.

9.2.1 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to changes in market interest rates relates significantly to the Group's long-term debt obligations.

9.2.1.1 Exposure to interest rate risk

The interest rate profile of the Group's interest bearing financial instruments reported are as follows:

In Rs. '000	GROUP		COMPANY	
	Nominal amount		Nominal amount	
As at 31 March	2025	2024	2025	2024
Fixed rate instrument				
Financial assets	**38,236,205**	46,467,083	**17,284,549**	13,881,255
Financial liabilities	**(67,277,357)**	(66,136,926)	**(18,567,108)**	(21,269,688)
	(29,041,152)	(19,669,843)	**(1,282,559)**	(7,388,433)
Variable rate instruments				
Financial assets	**13,953,164**	7,511,566	**22,925**	3,357,670
Financial liabilities	**(59,845,653)**	(63,120,190)	**(24,568,682)**	(24,404,770)
	(45,892,489)	(55,608,624)	**(24,545,757)**	(21,047,100)

9.2.1.2 Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings that may be affected. Provided all other variables are held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

In Rs. '000	Nominal amount		Nominal amount	
	Rupee borrowings	Other currencies	GROUP	COMPANY
2025	**+ 100 b.p**	**+ 50 b.p**	**(366,966)**	**(245,458)**
	- 100 b.p	**- 50 b.p**	**366,966**	**245,458**
2024	+ 200 b.p	+ 100 b.p	(772,233)	(236,645)
	- 200 b.p	- 100 b.p	772,233	236,645

The spread of basis points used for the interest rate sensitivity analysis is based on the currently observable market environment.

9.2.2 Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of adverse fluctuations in foreign exchange rates. The Group's exposure to the risk of fluctuations in foreign exchange rates relates primarily to the Group's operating activities and foreign currency borrowings.

Management has set up a policy that requires the company and its subsidiaries to manage their foreign exchange risk within the limits of maximum exposure.

9.2.2.1 Foreign currency sensitivity

The following table demonstrates the sensitivity to possible changes in the USD/RS exchange rate, provided that all other variables are held constant.

The Group's exposure to foreign currencies other than USD is not material.

In Rs. '000	Increase in exchange rate USD	Effect on profit before tax	Effect on equity
2025	**+ 5%**	**(347,087)**	**(405,614)**
	- 5%	**347,087**	**405,614**
2024	+ 5%	(242,370)	(524,415)
	- 5%	242,370	524,415

The Group manages its foreign currency risk using a balanced approach involving forward contracts on exposures expected to occur within a maximum 24 month period.

Where the nature of the hedging is not economic, it is the Group's policy to negotiate with counterparties or banks to obtain most advantage position for the Group.

9.2.2.2 Foreign exchange risk in operating activities

The exposure is mainly from foreign currency obligations arising out of operating activities where fluctuation of foreign exchange rate may occur during a credit period of 3 - 6 months.

9.2.3 Equity price risk

9.2.3.1 Listed equity investments

The Group holds listed and unlisted equity securities which are susceptible to market-price risk arising from uncertainties about future values of these securities.

The Group manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Periodic reports on equity investment portfolios are submitted to the senior management of individual business segments. The respective Boards of Directors review and approve all equity investment decisions.

Group

As at 31 March	Financial assets at fair value through profit or loss				Financial assets at fair value through OCI			
	2025		2024		2025		2024	
	Rs. '000	%	Rs. '000	%	Rs. '000	%	Rs. '000	%
Banks	**9,840**	**53.71**	85,517	91.63	**3,611,202**	**100.00**	2,557,301	99.99
Capital goods	**142**	**0.78**	122	0.13	**126**	**-**	104	0.01
Consumer Services	**18**	**0.10**	18	0.02	**-**	**-**	-	-
Energy	**8,026**	**43.81**	7,379	7.91	**-**	**-**	-	-
Insurance	**205**	**1.12**	205	0.22	**-**	**-**	-	-
Materials	**88**	**0.48**	88	0.09	**-**	**-**	-	-
	18,319	**100.00**	93,329	100.00	**3,611,328**	**100.00**	2,557,405	100.00

Company

As at 31 March	Financial assets at fair value through profit or loss			
	2025		2024	
	Rs. '000	%	Rs. '000	%
Banks	**9,637**	**54.56**	85,389	92.05
Energy	**8,026**	**45.44**	7,379	7.95
	17,663	**100.00**	92,768	100.00

9.2.3.2 Unquoted equity investments

Investments in unquoted securities are made with the board approval.

9.2.3.3 Sensitivity analysis

The following table demonstrate the sensitivity of cumulative changes in fair value to reasonably possible changes in equity prices provided all other variables are held constant. The effect of a decrease in equity prices is expected to be equal and opposite to the effect of the increase shown.

This table consider only quoted equity shares classified as short term and long term financial assets.

In Rs. '000		GROUP		COMPANY	
	Change in equity price	Effect on profit before tax	Effect on equity	Effect on profit before tax	Effect on equity
2025					
Quoted equity investments listed on the Colombo Stock Exchange	**+ 10%**	**1,832**	**361,133**	**1,766**	**-**
	- 10%	**(1,832)**	**(361,133)**	**(1,766)**	**-**
2024					
Quoted equity investments listed on the Colombo Stock Exchange	+ 10%	1,433	263,640	1,377	7,900
	- 10%	(1,433)	(263,640)	(1,377)	(7,900)

9.3 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, debentures, finance leases and hire purchase contracts that will always have sufficient liquidity to meet its liabilities when due under normal and stressed conditions. The Group assessed the concentration of risk with respect to refinancing its debt and concluded that it was normalising in most of the sectors. Access to sources of funding is sufficient and debt maturing within 12 months can be rolled over with existing lenders.

9.3.1 Net current debt

In Rs. '000	GROUP		COMPANY	
As at 31 March	2025	2024	2025	2024
Short term investments	**13,325,964**	10,300,195	**17,663**	92,768
Cash in hand and at bank	**5,250,765**	4,340,269	**9,937**	6,702
Total liquid assets	**18,576,729**	14,640,464	**27,600**	99,470
Other current financial liabilities	**40,042,820**	46,381,548	**20,287,220**	24,931,767
Current portion of interest bearing borrowings	**21,609,262**	25,388,578	**3,745,548**	10,314,172
Current portion of lease liability	**1,466,036**	1,821,314	**2,610**	36,595
Bank overdrafts	**9,473,209**	9,307,845	**83,378**	70,096
Total current liabilities	**72,591,327**	82,899,285	**24,118,756**	35,352,630
Net current debt	**54,014,598**	68,258,821	**24,091,156**	35,253,160
Adjustments for;				
Unutilised approved banking facilities	**3,586,929**	3,422,950	**-**	242
	50,427,669	64,835,871	**24,091,156**	35,252,918

Further the Group will utilise excess liquidity through operating cycle, restructuring of short term financial commitments, funds available through commercial papers and revolving loan facilities as positive cash flows to manage the liquidity position of the Group.

As at reporting date, liquid assets amounted to Rs. 16,631.19 Mn (2024 - Rs. 12,176.04 Mn) comprises liquid assets portfolio of Softlogic Finance PLC and Softlogic Life Insurance PLC.

9.3.2 Liquidity risk management

An optional combination of positive and negative cash flows along with investment returns and contractual obligation maturing is collated through an intra-day cash reporting system for all business segments. High value contractual outflows are processed through various control filters. The Group is in the process of building a "Liquidity Dashboard" with the implementation of its ERP program. This would help further accelerate the review and identification of debt maturities relating to net liquidity position on a daily basis and thus enable proactive funding mobilisation and reinvestment of cash surpluses, and re-scheduling maturity profiles to destress cash flows and align them with actual investment tenors. This would engender optimal liquidity positioning, reduce borrowing cost and enhance reinvestment income.

9.3.3 Maturity analysis

The table below summarises the maturity profile of the Group's financial liabilities at 31 March 2025 based on contractual undiscounted payments.

In Rs. '000	Within 1 year	Between 1-2 years	Between 2-3 years	Between 3-4 years	Between 4-5 years	More than 5 years	Total
Interest bearing loans and borrowings	27,370,851	14,806,040	10,663,825	9,687,809	9,568,122	14,494,982	**86,591,629**
Lease liability	2,455,846	2,310,612	1,822,563	1,324,177	1,035,772	4,545,841	**13,494,811**
Other non-current financial liabilities	-	7,370,675	629,000			-	**7,999,675**
Trade and other payables	28,625,446	-	-	-	-	-	**28,625,446**
Amounts due to related parties	3,361	-	-	-	-	-	**3,361**
Other current financial liabilities	40,042,820	-	-	-	-	-	**40,042,820**
Public deposits	2,380,533	485,342	1,258,098	62,201	87,213	-	**4,273,387**
Bank overdrafts	9,473,209	-	-	-	-	-	**9,473,209**
	110,352,066	24,972,669	14,373,486	11,074,187	10,691,107	19,040,823	**190,504,338**

The table below summarises the maturity profile of the company's financial liabilities at 31 March 2025 based on contractual undiscounted payments.

In Rs. '000	Within 1 year	Between 1-2 years	Between 2-3 years	Between 3-4 years	Between 4-5 years	More than 5 years	Total
Interest bearing loans and borrowings	4,892,756	4,803,313	3,682,569	3,685,952	3,704,898	3,531,490	**24,300,978**
Lease liability	2,610	3,483	-	-	-	-	**6,093**
Other non-current financial liabilities	-	1,795,972	-	-	-	-	**1,795,972**
Trade and other payables	6,080,476	-	-	-	-	-	**6,080,476**
Amounts due to related parties	239,927	-	-	-	-	-	**239,927**
Other current financial liabilities	20,287,220	-	-	-	-	-	**20,287,220**
Bank overdrafts	83,378	-	-	-	-	-	**83,378**
	31,586,367	6,602,768	3,682,569	3,685,952	3,704,898	3,531,490	**52,794,044**
Contractual undiscounted cashflows - Financial Guarantees	25,959,182	2,436,528	2,627,471	2,782,051	2,694,555	6,040,853	**42,540,640**

The table below summarises the maturity profile of the Group's financial liabilities at 31 March 2024 based on contractual undiscounted payments.

In Rs. '000	Within 1 year	Between 1-2 years	Between 2-3 years	Between 3-4 years	Between 4-5 years	More than 5 years	Total
Interest bearing loans and borrowings	28,361,834	16,335,725	10,177,577	8,308,894	7,616,865	16,022,327	86,823,222
Lease liability	2,999,208	2,431,003	1,612,679	1,277,259	1,009,449	4,704,006	14,033,604
Other non-current financial liabilities	-	-	752,885	-	-	-	752,885
Trade and other payables	24,115,829	-	-	-	-	-	24,115,829
Amounts due to related parties	28,919	-	-	-	-	-	28,919
Other current financial liabilities	46,381,548	-	-	-	-	-	46,381,548
Public deposits	5,969,412	1,002,308	484,148	1,277,994	69,672	-	8,803,534
Bank overdrafts	9,307,845	-	-	-	-	-	9,307,845
	117,164,595	19,769,036	13,027,289	10,864,147	8,695,986	20,726,333	190,247,386

The table below summarises the maturity profile of the company's financial liabilities at 31 March 2024 based on contractual undiscounted payments.

In Rs. '000	Within 1 year	Between 1-2 years	Between 2-3 years	Between 3-4 years	Between 4-5 years	More than 5 years	Total
Interest bearing loans and borrowings	11,200,369	3,662,370	2,781,450	2,555,667	2,462,605	3,349,855	26,012,316
Lease liability	56,458	55,280	52,760	51,760	50,792	119,415	386,465
Trade and other payables	3,308,925	-	-	-	-	-	3,308,925
Amounts due to related parties	211,769	-	-	-	-	-	211,769
Other current financial liabilities	24,931,767	-	-	-	-	-	24,931,767
Bank overdrafts	70,096	-	-	-	-	-	70,096
	39,779,384	3,717,650	2,834,210	2,607,427	2,513,397	3,469,270	54,921,338

9.3.4 Capital management

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

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return of capital to shareholders or issue new shares.

No changes were made in the objectives, policies or processes for managing capital during the year ended 31 March 2025.

The Group monitors capital using a gearing ratio for the company and subsidiaries, net debt divided by total capital plus net debt, which is monitored closely by senior management. Net debt of the Group includes, all interest bearing loans and borrowings less cash and cash equivalents.

In Rs. '000	GROUP		COMPANY	
As at 31 March	2025	2024	2025	2024
Net debt	**125,698,490**	127,186,891	**42,626,809**	45,882,757
Equity	**(40,706,948)**	(30,199,931)	**63,719,338**	43,808,614
Capital and total net debt	**84,991,542**	96,986,960	**106,346,147**	89,691,371
Gearing ratio - (X)	**1.48**	1.31	**0.40**	0.51

10 FAIR VALUE MEASUREMENT AND RELATED FAIR VALUE DISCLOSURE

Fair value measurement

Fair value related disclosures for financial instruments and non- financial assets that are measured at fair value are disclosed in this note. Apart from this note, additional fair value related disclosures, including the valuation methods, significant estimates and assumptions are also provided in:

	Note
Property, plant and equipment under revaluation model	21
Investment properties	23
Investment in subsidiaries	25
Investment in unquoted equity shares	26
Financial instruments	11

ACCOUNTING POLICY

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the assumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

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

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

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

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

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

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the Financial Statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group determines the policies and procedures for both recurring fair value measurement, such as investment properties and unquoted equity instruments, and for non-recurring measurement, such as assets held-for-sale in discontinued operations.

External valuers are involved for valuation of significant assets, such as land and building and investment properties, and significant liabilities, such as insurance contracts. Selection criteria for external valuers include market knowledge, reputation, independence and whether professional standards are maintained. The Group decides, after discussions with the external valuers, which valuation techniques and inputs to use for each case.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

10.1 Financial assets and liabilities by fair value hierarchy - Group

The Group held the following financial instruments carried at fair value in the statement of financial position:

Financial assets

In Rs. '000	Level 1		Level 2		Level 3	
As at 31 March	2025	2024	2025	2024	2025	2024
Financial assets						
Financial assets at fair value through OCI						
Quoted equity instruments	**3,611,328**	2,557,405	**-**	-	**-**	-
Unquoted equity instruments	**-**	-	**-**	-	**58,906**	30,000
Debt instruments	**-**	-	**-**	-	**-**	773,466
Government securities	**6,710,895**	3,358,493	**3,050,346**	-	**-**	-
Financial assets at fair value through P&L						
Quoted equity instruments	**18,320**	93,329	**-**	-	**-**	-
Government securities	**429,691**	-	**-**	-	**898,668**	-
Unit Trust	**-**	-	**4,061,436**	4,233,852	**-**	-
Total	**10,770,234**	6,009,227	**7,111,782**	4,233,852	**957,574**	803,466

The fair value of all the listed equity instruments as at 31 March 2025 based on the closing traded prices that existed as of 31 March 2025.

Non financial assets

In Rs. '000	Level 1		Level 2		Level 3	
As at 31 March	2025	2024	2025	2024	2025	2024
Non financial assets measured at fair value						
Land and buildings	**-**	-	**-**	-	**32,606,186**	32,345,170
Buildings on leasehold land	**-**	-	**-**	-	**13,500,955**	13,388,387
Investment property	**-**	-	**-**	-	**1,520,400**	2,288,637
Total	**-**	-	**-**	-	**47,627,541**	48,022,194

In determining the fair value of non financial assets measured at fair value, highest and best use of the property has been considered including the current condition of the properties, future usability and associated redevelopment requirements. Also, the valuers have made reference to market evidence of transaction prices for similar properties, with appropriate adjustments for size and location. The appraised fair values are rounded within the range of values.

10.2 Financial assets and liabilities by fair value hierarchy - Company

The Company held the following financial instruments carried at fair value in the statement of financial position:

Financial assets

In Rs. '000	Level 1		Level 2		Level 3	
As at 31 March	2025	2024	2025	2024	2025	2024
Financial assets						
Financial assets at fair value through P&L						
Quoted equity instruments	**17,663**	92,768	**-**	-	**-**	-
Financial assets at fair value through OCI						
Quoted equity instruments	**-**	-	**-**	-	**41,760,338**	44,912,930
Unquoted equity instruments	**-**	-	**-**	-	**68,223,692**	39,848,875
Total	**17,663**	92,768	**-**	-	**109,984,030**	84,761,805

Non financial assets

In Rs. '000	Level 1		Level 2		Level 3	
As at 31 March	2025	2024	2025	2024	2025	2024
Non financial assets measured at fair value						
Investment property	**-**	-	**-**	-	**1,149,800**	1,053,200
Total	**-**	-	**-**	-	**1,149,800**	1,053,200

In determining the fair value of non financial assets measured at fair value, highest and best use of the property has been considered including the current condition of the properties, future usability and associated redevelopment requirements. Also, the valuers have made reference to market evidence of transaction prices for similar properties, with appropriate adjustments for size and location. The appraised fair values are rounded within the range of values.

11 FINANCIAL INSTRUMENTS

11.1 Financial assets

ACCOUNTING POLICY

Initial recognition and subsequent measurement

Initial recognition and measurement

Financial assets within the scope of SLFRS 9 are classified as amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. This assessment is referred to as the Solely Payment of Principal and Interest (SPPI) test and is performed at an instrument level. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price.

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

The Group's financial assets include cash and short-term deposits, trade and other receivables, loans and other receivables, quoted and unquoted financial instruments and derivative financial instruments.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification. For the purpose of subsequent measurement financial assets are classified in four categories.

- Financial assets at amortised cost
- Financial assets at fair value through OCI with recycling of cumulative gains and losses
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition
- Financial assets at fair value through profit or loss

Debt instruments

Financial assets at amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payment of principal and interest are measured at amortised cost. The Group measures financial assets at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows: and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding.

The Group's financial assets at amortised cost includes trade receivables and short term investments.

Financial assets at fair value through OCI

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payment of principal and interest, are measured at fair value through other comprehensive income (FVOCI). The Group measures debt instruments at fair value through OCI if both of the following conditions are met:

- the financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling: and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding.

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 profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(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 the income statement.

Equity instruments

Financial assets designated at fair value through OCI

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

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

Financial assets at fair value through profit or loss

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

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

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

Derecognition

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

Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses 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 Group applies the simplified approach permitted by SLFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

11.2 Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

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

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by SLFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the income statement.

Loans and borrowings

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in income statement when the liabilities are derecognised as well as through the EIR amortisation process.

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

Derecognition

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

Off-setting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Derivative financial instruments and hedge accounting - Initial recognition and subsequent measurement The Group uses derivative financial instruments, such as forward currency contracts, interest rate swaps and forward commodity contracts, to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as forward currency contracts, interest rate swaps and forward commodity contracts, to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the statement of other comprehensive income (OCI) . The gain or loss in relation to ineffective portion is recognised immediately in the income statement.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss. When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast

transaction is ultimately recognised in the income statement. When the forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement.

Fair value of financial instruments

Where the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible.

Where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors that could affect the reported fair value of financial instruments, are further explained in note 11.

Derivative financial instruments

Initial recognition and subsequent measurement

The Group uses derivative financial instruments such as forward currency contracts, interest rate swaps and forward commodity contracts to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to the income statement.

Derivative financial instruments and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives either as,

- hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge)
- hedges of a particular risk associated with a recognised asset or liability or a highly probable forecast transaction (cash flow hedge)
- hedges of a net investment in a foreign operation (net investment hedge).

The Group documents at the inception of the transaction the relationship between hedging instruments and the hedged items, as well as its risk management objectives and strategies for undertaking various hedging transactions. The company also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

The fair values of various derivative instruments used for hedging purposes are disclosed in note 39.5. Movements on the hedging reserve on the other comprehensive income statement (OCI) are shown in the same note. The fair value of a hedging derivative is classified as a non-current asset or liability when the remaining hedged item is more than 12 months and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

Financial instruments

Financial assets and liabilities in the tables below are split into categories in accordance with SLFRS 9 - Financial Instruments.

Financial assets by category - Group

In Rs. '000	Financial assets at amortised cost		Financial assets at fair value through OCI		Financial assets fair value through profit or loss		Total	
As at 31 March	2025	2024	2025	2024	2025	2024	2025	2024
Financial instruments in non-current assets								
Non-current financial assets	**17,823,727**	27,570,332	**12,990,710**	5,611,630	**1,056,672**	1,107,734	**31,871,109**	34,289,696
Rental receivable on lease assets and hire purchase	**1,049,363**	3,590,305	**-**	-	**-**	-	**1,049,363**	3,590,305
Financial instruments in current assets								
Trade and other receivables	**10,118,155**	9,459,759	**-**	-	**-**	-	**10,118,155**	9,459,759
Loans and advances	**3,944,571**	3,730,950	**-**	-	**-**	-	**3,944,571**	3,730,950
Rental receivable on lease assets and hire purchase	**436,153**	408,235	**-**	-	**-**	-	**436,153**	408,235
Amounts due from related parties	**102,825**	100,643	**-**	-	**-**	-	**102,825**	100,643
Short term investments	**8,533,756**	5,973,015	**440,639**	79,000	**4,351,569**	4,248,180	**13,325,964**	10,300,195
Cash in hand and at bank	**5,250,765**	4,340,269	**-**	-	**-**	-	**5,250,765**	4,340,269
Total	**47,259,315**	55,173,508	**13,431,349**	5,690,630	**5,408,241**	5,355,914	**66,098,905**	66,220,052

Financial liabilities by category - Group

In Rs. '000	Financial liabilities measured at amortised cost		Total	
As at 31 March	2025	2024	2025	2024
Financial instruments in non-current liabilities				
Interest bearing borrowings	**44,345,812**	43,007,411	**44,345,812**	43,007,411
Lease liability	**6,641,441**	5,620,464	**6,641,441**	5,620,464
Public deposits	**1,892,855**	2,188,492	**1,892,855**	2,188,492
Other non-current financial liabilities	**7,999,675**	752,885	**7,999,675**	752,885
Financial instruments in current liabilities				
Trade and other payables	**28,625,446**	24,115,829	**28,625,446**	24,115,829
Amounts due to related parties	**3,361**	28,919	**3,361**	28,919
Other current financial liabilities	**40,042,820**	46,381,548	**40,042,820**	46,381,548
Current portion of interest bearing borrowings	**21,609,262**	25,388,578	**21,609,262**	25,388,578
Current portion of lease liability	**1,466,036**	1,821,314	**1,466,036**	1,821,314
Public deposits	**2,380,177**	5,292,880	**2,380,177**	5,292,880
Bank overdrafts	**9,473,209**	9,307,845	**9,473,209**	9,307,845
Total	**164,480,094**	163,906,165	**164,480,094**	163,906,165

Financial instruments

Financial assets and liabilities in the tables below are split into categories in accordance with SLFRS 9 - Financial Instruments.

Financial assets by category - Company

In Rs. '000	Financial assets at amortised cost		Financial assets at fair value through OCI		Financial assets fair value through profit or loss		Total	
As at 31 March	2025	2024	2025	2024	2025	2024	2025	2024
Financial instruments in non-current assets								
Non-current financial assets	**14,479**	-	**-**	-	**-**	-	**14,479**	-
Financial instruments in current assets								
Trade and other receivables	**1,660,261**	885,301	**-**	-	**-**	-	**1,660,261**	885,301
Amounts due from related parties	**17,812,418**	13,148,847	**-**	-	**-**	-	**17,812,418**	13,148,847
Short term investments	**-**	-	**-**	79,000	**17,663**	13,768	**17,663**	92,768
Cash in hand and at bank	**9,937**	6,702	**-**	-	**-**	-	**9,937**	6,702
Total	**19,497,095**	14,040,850	**-**	79,000	**17,663**	13,768	**19,514,758**	14,133,618

Financial liabilities by category - Company

In Rs. '000	Financial liabilities measured at amortised cost		Total	
As at 31 March	2025	2024	2025	2024
Financial instruments in non-current liabilities				
Interest bearing borrowings	**16,720,649**	10,367,289	**16,720,649**	10,367,289
Lease liability	**1,369**	169,540	**1,369**	169,540
Other non-current financial liabilities	**1,795,972**	-	**1,795,972**	-
Financial instruments in current liabilities				
Trade and other payables	**6,080,476**	3,308,925	**6,080,476**	3,308,925
Amounts due to related parties	**239,927**	211,769	**239,927**	211,769
Other current financial liabilities	**20,287,220**	24,931,767	**20,287,220**	24,931,767
Current portion of interest bearing borrowings	**3,745,548**	10,314,172	**3,745,548**	10,314,172
Current portion of lease liability	**2,610**	36,595	**2,610**	36,595
Bank overdrafts	**83,378**	70,096	**83,378**	70,096
Total	**48,957,149**	49,410,153	**48,957,149**	49,410,153

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

- Fair value of quoted equities, debentures and bonds is based on price quotations in an active market at the reporting date.
- The fair value of unquoted instruments, loans from banks and other financial liabilities, obligations under finance leases, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.
- Fair value of unquoted ordinary shares has been estimated using a Discounted Cash Flow (DCF) model. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, the discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments.
- Approximately 75.23% of loans and advances, rental receivable on lease assets and hire purchase have a remaining maturity of less than one year. Therefore, fair value of the lending portfolio approximates to the carrying value at the reporting date. All loans and advances are granted with fixed interest rate terms.

12. SRI LANKA ACCOUNTING STANDARDS (SLFRS) ISSUED BUT NOT YET EFFECTIVE

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

SLFRS - 17 Insurance Contracts

SLFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, SLFRS 17 will replace SLFRS 4 Insurance Contracts (SLFRS 4) that was issued in 2005. SLFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of SLFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in SLFRS 4, which are largely based on grandfathering previous local accounting policies, SLFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of SLFRS 17 is the general model, supplemented by:

- a specific adaptation for contracts with direct participation features (the variable fee approach)
- a simplified approach (the premium allocation approach) mainly for short-duration contracts

The Group has an implementation program underway to implement SLFRS 17. The program is responsible for setting accounting policies and developing application methodologies, establishing appropriate processes and controls, sourcing appropriate date and implementing actuarial and finance system changes.

The Group is intended to adopt the SLFRS 17 financial statements on its mandatory effective date, which is currently expected to be 2026.

Summary of the requirements	Possible impact to the Financial Statements
SLFRS 17 supersedes SLFRS 4 Insurance contracts (which permitted insurers to continue to use the statutory basis of accounting for insurance assets and liabilities) with new measurement model for all insurance contracts. SLFRS 17 requires liabilities for insurance contracts to be recognised as the present value of future cash flows, incorporating an explicit risk adjustment, which is updated at each reporting date to reflect current conditions, and a contractual service margin (CSM) that is equal and opposite to any day - one gain arising on initial recognition in other words it is considered as the amount of deferred profit. Losses are recognised directly to the Income Statement. For the measurement purposes, contracts are grouped together into contracts of similar risk profitability profile and issue year, with further divisions for contracts that are managed separately. Revenue is recognised as services are provided, not when premiums are received. The standard mandates a clear separation of insurance, investment, and deposit components. Profit for insurance contracts under SLFRS 17 is represented by the recognition of the service provided to policyholders in the period (release of CSM), realise from non-economic risk (realise of risk adjustment) and investment profit. The CSM is released as profit over the coverage period of the insurance contract, reflecting the delivery of services to the policyholder. SLFRS 17 requires, the CSM to be calculated as if the standards had applied retrospectively. If this is not practical, an entity is required to choose either a modified retrospective approach or determine the CSM by reference to the fair value of the liabilities at transition date. The approach for determining the CSM will have a significant impact on both shareholders' equity and on the amount of profit on in - force business in future reporting periods.	SLFRS 17 is expected to have a substantial change in the presentation of the Financial Statements and disclosures, as the requirements of the new standard are complex and requires a fundamental change to accounting for insurance contracts as well as the application of significant judgement and new estimation techniques. The effect of changes required to the Company's accounting policies as a result of implementing these standards are currently uncertain, but these changes can be expected to, among other things, alter the timing of profit recognition. The Company has an implementation programme underway to implement SLFRS 17. The programme is responsible for setting accounting policies and developing application methodologies, establishing appropriate processes and controls, sourcing appropriate date and implementing actuarial and finance system changes. Accordingly, the Group has completed a substantial progress in phase 2 in line with the new effective date of the standard with the technical and system consultant. Hence, the system implementation is in progress and the technical positions are being finalised. Further, the Group intends to reassess the classification and measurement of financial assets under SLFRS 9 to ensure alignment with the new insurance contract measurement model. This reassessment will consider changes in the business model, contractual cash flow characteristics, and risk management strategies. Additionally, the Group intends to evaluate the accounting policy choices available under SLFRS 9 for presenting changes in fair value of financial assets either in profit or loss or other comprehensive income (OCI). In this respect, for assets backing insurance contract liabilities under SLFRS 17, the Group intends to align its classification approach to minimise accounting mismatches. The option to recognise fair value changes in OCI will be considered where it better reflects the economic relationship with insurance liabilities measured under the fair value approach.

LKAS 21 Lack of Exchangeability

The amendments are not expected to have a material impact on the Group financial statement.

13 REVENUE

ACCOUNTING POLICY

Continuing operations

Revenue recognition

Revenue from contracts with customers

Under SLFRS 15 - Revenue from contracts with customers; Revenue from contracts with customers is recognised when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

Sale of goods

Under SLFRS 15 - Revenue from contracts with customers; Revenue from the sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of goods.

Rendering of services

Under SLFRS 15 - Revenue from contracts with customers; Revenue from service performance obligation over time or at a point in time. For each performance obligation satisfied over time, the Group recognises the revenue over time by measuring the progress towards complete satisfaction of that performance obligation because the customer simultaneously receives and consumes the benefits provided by the Group.

The Group has several operating segments which are described in Note 49 to these financial statements.

Performance obligations

The Group's uses following specific criteria in recognising the revenue.

Financial Services

Life insurance business - Gross Written Premiums (GWP)

Gross written premiums comprise the total premiums received/receivable for the whole period of cover provided by contracts entered into during the accounting period. Gross written premium is generally recognised in full at the inception of the policy.

Gross recurring premiums on life insurance contracts are recognised as revenue when payable by the policyholder (policies within the 30 day grace period are considered as due). Premiums received in advance are not recorded as revenue and recorded as a liability until the premium is due unless the relevant policy conditions require such premiums to be recognised as income. Benefits and expenses are provided against such revenue to recognise profits over the estimated life of the policies. For single premium business, revenue is recognised on the date on which the policy is effective.

Income from leases, hire purchases, loans and advances

Under both SLFRS 9 and LKAS 39, interest income and interest expense is recorded using the effective interest rate (EIR) method for all financial instruments measured at amortised cost. Interest income on interest bearing financial assets measured at FVOCI under SLFRS 9, similarly to interest bearing financial assets classified as available for sale or held to maturity under LKAS 39 is also recorded by using the EIR method. The EIR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset or financial liability.

When a financial asset becomes credit-impaired and is, therefore, regarded as 'Stage 3', the Group calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial assets cures and is no longer credit-impaired, the Group reverts to calculating interest income on a gross basis.

Interest income on overdue rentals

Overdue charges of leasing, loans and hire purchases have been accounted when the receipt is established.

Healthcare Services

Healthcare sector revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be measured, regardless of when the payment is being made after considering discounts, offers given to the customers, consultations, and services provided under packages.

Retail Sector

Retail sector revenue is recognised upon satisfaction of a performance obligation. The revenue recognition occurs at a point in time when control of the asset is transferred to the customer, which is generally upon delivery of the goods. The output method will provide a faithful depiction in recognising revenue.

Contract Balances

Contract assets

Contract assets are the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer, with rights that are conditional on some criteria other than the passage of time. Upon satisfaction of the conditions, the amounts recognised as contract assets are reclassified to trade receivables.

Contract liabilities

Contract liabilities are the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or the amount is due) from the customer. Contract liabilities include long-term advances received to deliver goods and services, short-term advances received to render certain services.

In Rs. '000	GROUP		COMPANY	
For the year ended 31 March	2025	2024	2025	2024
Sale of goods	**36,449,683**	39,229,047	**-**	-
Rendering of services	**35,128,126**	33,001,820	**1,824,860**	1,000,041
Total revenue from contracts with customers	**71,577,809**	72,230,867	**1,824,860**	1,000,041
Revenue from insurance contracts	**30,842,349**	25,032,614	**-**	-
Interest income on lease and hire purchase receivables	**582,707**	1,091,493	**-**	-
Interest income	**619,280**	1,484,197	**-**	-
	103,622,145	99,839,171	**1,824,860**	1,000,041

13.1 Business segment analysis

In Rs. '000	GROUP	
For the year ended 31 March	2025	2024
Automobiles	**408,850**	378,307
Financial Services	**32,413,264**	27,838,841
Healthcare Services	**31,022,450**	28,571,487
Information Technology	**6,086,456**	7,179,449
Leisure	**2,962,289**	3,129,378
Other	**8,349**	7,316
Retail	**30,720,487**	32,734,393
	103,622,145	99,839,171

14. DIVIDEND INCOME

ACCOUNTING POLICY

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

In Rs. '000	COMPANY	
For the year ended 31 March	2025	2024
Dividend income from investments in subsidiaries and equity accounted investees	**963,901**	26,060
	963,901	26,060

15. OTHER OPERATING INCOME

ACCOUNTING POLICY

Gains and losses

Net gains and losses of a revenue nature arising from the disposal of property, plant and equipment and other non-current assets, including investments, are accounted for in the income statement, after deducting from the proceeds on disposal, the carrying amount of such assets and the related selling expenses.

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

Fee and commission income

Fee and commission income from services includes mainly documentation and processing fees for the service provided in processing loan facilities for customers.

Other income

Other income is recognised on an accrual basis.

In Rs. '000	GROUP		COMPANY	
For the year ended 31 March	2025	2024	2025	2024
Commission income	**20,847**	47,094	**-**	-
Fees received	**54,934**	80,900	**-**	-
Write back of the suspense account	**-**	125,456	**-**	-
Other laboratory income	**69,311**	56,318	**-**	-
Profit/ (loss) on sale of property, plant and equipment and derecognition gain/ (loss) on right of use assets and liabilities	**(49,231)**	89,304	**-**	12,331
Sundry income	**1,136,956**	1,173,667	**29,774**	31,027
Gain on bargain purchase	**-**	1,531,814	**-**	-
	1,232,817	3,104,553	**29,774**	43,358

16. FINANCE INCOME

ACCOUNTING POLICY

Finance income comprises interest income on funds invested, dividend income, fair value gains on financial assets at fair value through profit or loss and gains on the re-measurement to fair value of any pre-existing interest in an acquiree recognised in the income statement.

Interest income is recorded as it accrues using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period where appropriate, to the net carrying amount of the financial asset. Interest income is included in finance income on the income statement.

In Rs. '000	GROUP		COMPANY	
For the year ended 31 March	2025	2024	2025	2024
Interest income	**164,461**	285,613	**1,802**	10,201
Interest income from related party	**-**	-	**2,640,072**	2,864,878
Dividend income on				
- financial assets at fair value through OCI	**159,181**	65,121	**-**	-
- financial assets at fair value through P&L	**266**	183	**-**	-
Net change in fair value of financial instruments at fair value through P&L	**2,531,149**	908,608	**-**	-
Exchange gain on foreign currency financial instruments	**151,064**	188,725	**-**	-
Finance income on other financial instruments	**6,115,659**	6,835,529	**327,885**	300,919
	9,121,780	8,283,779	**2,969,759**	3,175,998

17. FINANCE COSTS

ACCOUNTING POLICY

finance costs comprise interest expenses on borrowings, unwinding of the discount on provisions, fair value losses on financial assets at fair value through profit or loss and impairment losses recognised on financial assets (other than trade receivables).

Interest expense is recorded as it accrues using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments through the expected life of the financial instrument or a shorter period where appropriate, to the net carrying amount of the financial liability.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds.

In Rs. '000	GROUP		COMPANY	
For the year ended 31 March	2025	2024	2025	2024
Interest expense on borrowings	**9,506,456**	15,085,359	**2,013,610**	3,753,022
Finance cost on other financial instruments	**-**	4,119,151	**665,845**	801,054
Interest expense on intercompany borrowings	**-**	-	**2,652,189**	3,446,592
Change in fair value on financial assets at fair value through P&L	**(2,559)**	-	**-**	-
Exchange loss on foreign currency loan conversion	**668,025**	263,810	**-**	-
Finance cost on lease liability	**1,159,037**	1,169,328	**16,428**	24,684
Other finance expenses	**4,782,409**	386,725	**211,706**	44,190
	16,113,368	21,024,373	**5,559,778**	8,069,542

18. PROFIT/ (LOSS) BEFORE TAX

ACCOUNTING POLICY

Expenditure recognition

Expenses are recognised in the income statement on the basis of a direct association between the cost incurred and the earning of specific items of income. All expenditure incurred in the running of the business and in maintaining the property, plant and equipment in a state of efficiency has been charged to the income statement.

For the purpose of presentation of the income statement, the "function of expenses" method has been adopted, on the basis that it presents fairly the elements of the Company and Group's performance.

Profit/ (loss) before tax is stated after charging all expenses including the following:

In Rs. '000	GROUP		COMPANY	
For the year ended 31 March	2025	2024	2025	2024
Remuneration to Executive and Non-Executive Directors	**684,225**	579,744	**65,163**	65,628
Auditors' remuneration				
- Audit	**80,781**	56,424	**8,782**	4,713
- Non audit	**41,437**	11,855	**304**	-
Cost of defined employee benefit				
- Defined benefit plan cost	**479,008**	533,503	**27,944**	39,567
- Defined contribution plan cost - EPF/ETF	**1,365,685**	1,291,099	**53,300**	48,906
Staff expenses	**14,630,693**	13,915,256	**433,785**	382,735
Depreciation of property, plant and equipment	**3,713,252**	3,920,397	**21,450**	29,268
Amortisation/ impairment of intangible assets	**289,542**	293,448	**1,031**	1,365
Amortisation of rights of use assets	**2,119,930**	2,218,358	**41,088**	49,805
Donations	**2,081**	1,831	**-**	-
Provisions for/ (reversal) of impaired receivables	**525,324**	100,199	**(1,355,165)**	4,105,722
Provision/ (reversal) for impairment of inventories	**39,591**	578,243	**-**	281
Loss/ (profit) on sale of property, plant and equipment and derecognition gain on right of use assets	**49,231**	(89,304)	**1,032**	(12,331)
Impairment and derecognition of property, plant and equipment	**7,808**	500	**-**	-
Provision for/ (reversal of) impairment of investments	**(646,601)**	(518,898)	**-**	-
Provision/ (reversal) for guarantee contract	**(77,790)**	87,027	**(77,790)**	87,027
Write-back of suspense balance	**-**	(125,456)	**-**	-

19 TAXATION

19.1 Income tax

ACCOUNTING POLICY

Current tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

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

Management has used its judgment on the application of tax laws including transfer pricing regulations involving identification of associated undertakings, estimation of the respective arm's length prices and selection of appropriate pricing mechanisms.

19.1.1 Tax expense

In Rs. '000		GROUP		COMPANY	
For the year ended 31 March	Note	2025	2024	2025	2024
Current income tax					
Current tax charge		**3,114,474**	2,891,339	**-**	-
Under provision of income tax of previous years		**131,208**	120,625	**-**	-
Written-off of tax receivables		**46,275**	-	**-**	-
Withholding tax on dividends		**840,585**	129,758	**-**	-
Total income tax expense	19.1.3	**4,132,542**	3,141,722	**-**	-
Deferred income tax					
Relating to origination and reversal of temporary differences	19.2.1	**(533,995)**	(567,993)	**31,861**	(14,329)
		3,598,547	2,573,729	**31,861**	(14,329)

19.1.2 Reconciliation between current tax charge and the accounting profit

In Rs. '000	GROUP		COMPANY	
For the year ended 31 March	2025	2024	2025	2024
Profit/ (loss) before tax	**(7,486,631)**	(12,626,459)	**616,494**	(9,150,893)
Dividend income from Group companies	**5,775,414**	735,297	**(963,901)**	(26,060)
Share of results of equity accounted investees	**(16,758)**	(10,043)	**-**	-
Other consolidation adjustments	**(4,914,256)**	(3,062,210)	**-**	-
Profit/ (loss) after adjustment	**(6,642,231)**	(14,963,415)	**(347,407)**	(9,176,953)
Profits not liable for income tax	**(3,832,979)**	(1,116,261)	**-**	-
Resident dividend	**(5,934,814)**	(800,600)	**-**	-
Adjusted accounting loss chargeable to income taxes	**(16,410,024)**	(16,880,276)	**(347,407)**	(9,176,953)
Deductible expenses	**(6,882,277)**	(9,225,727)	**(185,099)**	(114,305)
Non deductible expenses	**20,663,240**	15,063,621	**(1,015,749)**	4,556,511
Current year tax losses not utilised	**16,230,135**	24,793,302	**-**	-
Set off against tax losses	**(2,887,302)**	(3,525,053)	**(1,802)**	-
Taxable income/ (loss)	**10,713,772**	10,225,867	**(1,550,057)**	(4,734,747)

19.1.3 Reconciliation between tax expense and the product of accounting profit

In Rs. '000 For the year ended 31 March	GROUP 2025	 2024	COMPANY 2025	 2024
Tax effect on chargeable profits	**1,820,596**	1,930,428	**-**	-
Tax effect on deductible expenses	**2,191,156**	1,747,388	**-**	-
Tax effect on non deductible expenses	**(897,278)**	(786,477)	**-**	-
Under provision for previous years	**131,208**	120,625	**-**	-
Other income based taxes				
Withholding on dividends	**840,585**	129,758	**-**	-
Other tax expenses				
Written-off of tax receivables	**46,275**	-	**-**	-
Total income tax expense	**4,132,542**	3,141,722	**-**	-
Income tax charged at				
Standard rate	**2,932,019**	2,716,540	**-**	-
Other concessionary rates	**182,455**	174,799	**-**	-
Under provision for previous year	**131,208**	120,625	**-**	-
	3,245,682	3,011,964	**-**	-
Other income based taxes				
Withholding on dividends	**840,585**	129,758	**-**	-
Charge for the year	**4,086,267**	3,141,722	**-**	-
Other tax expenses				
Written-off of tax receivables	**46,275**	-	**-**	-
Total income tax expense	**4,132,542**	3,141,722	**-**	-

Entities operating in Sri Lanka of the Group have used the new tax rate introduced by the Inland Revenue (Amendment) Act No. 45 of 2022 certified on 19 December 2022, (with retrospective effect from 01 October 2022) for income and deferred taxation. Accordingly, income tax rates of 30% has been used for profits of all segments except for the Central Hospital Ltd and Asiri Hospital Galle (Pvt) Ltd.

Group tax expense is based on the taxable profit of individual companies within the Group. At present the tax laws of Sri Lanka do not provide for Group taxation.

19.1.4 Income tax liabilities

In Rs. '000 As at 31 March	GROUP 2025	 2024
At the beginning of the year	**2,959,644**	1,871,190
Acquisition of subsidiary	**-**	15,517
Charge for the year	**4,086,267**	3,141,722
Taxation on PAR bonus	**182,135**	155,349
Impairment of tax receivables	**46,275**	-
Payments and set off against refunds	**(3,650,197)**	(2,224,134)
At the end of the year	**3,624,124**	2,959,644

19.2 Deferred tax

ACCOUNTING POLICY

Deferred tax is provided, using the liability method, on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries and associates, except where the timing of the reversal of the temporary differences can be controlled, and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor the taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

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

Deferred tax relating to items recognised outside the income statement is recognised outside the income statement, either in other comprehensive income or directly in equity.

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

No deferred tax asset or liability has been recognised in the companies enjoying Board of Investment (BOI) Tax Holidays' if no qualifying assets or liabilities continue beyond the BOI tax holiday period.

19.2.1 Deferred tax charge / (release)

In Rs. '000	GROUP		COMPANY	
For the year ended 31 March	2025	2024	2025	2024
Income statement				
Deferred tax expense arising from;				
Accelerated depreciation for tax purposes	**246,385**	(164,675)	**360**	(7,049)
Revaluation of investment property to fair value	**(225,765)**	10,834	**29,320**	(607)
Employee benefit liabilities	**(59,059)**	(68,531)	**(3,232)**	(6,673)
Benefit arising from tax losses	**(688,258)**	211,574	**-**	-
Others	**192,702**	(557,195)	**5,413**	-
	(533,995)	(567,993)	**31,861**	(14,329)
Other comprehensive income				
Deferred tax expense arising from;				
Revaluation of land and building to fair value	**241,187**	276,233	**-**	-
Actuarial gains/ (loss) on employee benefit liabilities	**(10,841)**	(48,064)	**2,160**	767
Net change in fair value of investment in subsidiaries	**-**	-	**8,402,512**	(1,245,618)
Others	**8,160**	-	**-**	-
	238,506	228,169	**8,404,672**	(1,244,851)

Deferred tax has been computed at 30% for all standard rate companies (including listed companies), at 15% for Central Hospital Ltd and at 20% for Asiri Hospital Galle (Pvt) Ltd.

19.2.2 Deferred tax liability

Group

In Rs. '000	Assets		Liabilities	
As at 31 March	2025	2024	2025	2024
At the beginning of the year	**3,386,539**	2,737,200	**7,856,963**	6,997,084
Acquisition of subsidiary	**-**	-	**-**	528,934
Charge and release	**321,750**	670,768	**117,802**	330,945
Effect of movements in exchange rates	**(9,565)**	(21,429)	**-**	-
At the end of the year	**3,698,724**	3,386,539	**7,974,765**	7,856,963

The closing deferred tax asset balance relates to the following:

In Rs. '000	Assets		Liabilities	
As at 31 March	2025	2024	2025	2024
Revaluation of building to fair value	**-**	-	**8,695,597**	8,454,410
Revaluation of investment property to fair value	**(39,795)**	(31,920)	**40,110**	273,750
Accelerated depreciation for tax purposes	**(503,317)**	(339,573)	**1,791,695**	1,709,054
Employee benefit liabilities	**156,937**	141,370	**(387,491)**	(343,999)
Losses available for offset against future taxable income	**1,951,020**	1,315,300	**(2,027,331)**	(1,974,793)
Provision for bad debts	**915,010**	750,061	**(22,124)**	(36,024)
Unclaimed impairment provisions	**670,326**	1,051,734	**(40,636)**	(43,233)
Others	**548,543**	499,567	**(75,055)**	(182,202)
	3,698,724	3,386,539	**7,974,765**	7,856,963

19.2.3 Deferred tax liability

Company

In Rs. '000	Liability	
As at 31 March	2025	2024
At the beginning of the year	**6,080,191**	7,339,371
Charge and release	**8,436,533**	(1,259,180)
At the end of the year	**14,516,724**	6,080,191

The closing deferred tax liability balance of the company relates to the following:

In Rs. '000	Liability	
As at 31 March	2025	2024
Revaluation of investment property to fair value	**313,794**	284,474
Accelerated depreciation for tax purposes	**8,012**	7,651
Employee benefit liabilities	**(45,595)**	(44,523)
Net change in fair value of investment in subsidiaries	**14,240,487**	5,837,976
Others	**26**	(5,387)
	14,516,724	6,080,191

19.3 Sales tax

Revenues, expenses, assets and liabilities are recognised net of the amount of sales tax except:

- where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- where receivables and payables are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Accounting judgements, estimates and assumptions

The Group is subject to income tax and other taxes including VAT. Significant judgment was required to determine the total provision for current, deferred and other taxes due to the uncertainties that exist with respect to the interpretation of applicability of tax laws at the time of the preparation of these financial statements.

Uncertainties also exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the wide range of business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and assumptions made or future changes to such assumptions may require future adjustments to tax income and expense already recorded. Where the final tax outcome of such matters is different from the amounts that were initially recorded, such differences will impact the income and deferred tax amounts in the period in which the determination is made.

The Group has tax losses in subsidiaries that have a history of losses that do not expire and may not be used to offset other tax liabilities, where the subsidiaries have no avenues available that could partly support the recognition of these losses as deferred tax assets.

19.4 Applicable rates of income tax

The tax liability of resident companies are computed at the standard rate of 30% except for the following companies which enjoy full or partial exemptions and concessions.

Exemptions/ concessions granted under the Board of Investment Law/ Inland Revenue Act

Company	Basis	Exemption or concessions	Period concessions
Central Hospital Ltd	Providing healthcare services	15%	Open ended
Asiri Hospital Galle (Pvt) Ltd	Providing healthcare services	20%	Open ended
Softlogic City Hotels (Pvt) Ltd	Construction of tourist hotel	Exempt	7 Years from 1st year of profit or 2 years from the commencement of operation whichever is earlier (from FY 2018/19 onwards)

Income tax rates of off-shore subsidiaries

Company	Country of incorporation	Rate
Softlogic Australia (Pty) Ltd	Australia	30%

19.5 Tax losses carried forward

In Rs. '000	GROUP		COMPANY	
As at 31 March	2025	2024	2025	2024
Tax losses brought forward	**72,014,724**	58,462,568	**12,299,055**	7,679,702
Adjustments on finalisation of liability	**(2,464,989)**	(6,581,773)	**(218,062)**	(89,334)
Tax losses arising during the year	**16,230,135**	25,005,865	**1,550,057**	4,708,687
Exempt tax losses not allowed to carry forward	**(1,465,199)**	(1,346,883)	**-**	-
Utilisation of tax losses	**(2,887,302)**	(3,525,053)	**-**	-
	81,427,369	72,014,724	**13,631,050**	12,299,055

The Group has tax losses amounting to Rs. 65,752.21 Mn (2023 - Rs. 58,661.10 Mn) available to offset against future taxable profits but not utilised for recognition of theses losses as deferred tax assets.

As per the Gazette Notification No. 2064/53 issued by the Department of Inland Revenue in relation to the transitional provisions, any unclaimed loss as at 31 March 2018 is deemed to be a loss incurred for the year of assessment commencing on or after 01 April 2018 and shall be carried forward up to 6 years.

20 LOSS PER SHARE (LPS)

ACCOUNTING POLICY

Basic LPS is calculated by dividing the loss for the year attributable to ordinary equity holders of the parent by the weighted number of ordinary shares outstanding during the year.

20.1 Basic loss per share

In Rs. '000 For the year ended 31 March	Note	GROUP 2025	 2024
Losses attributable to equity holders of the parent - continuing operations		**(15,051,608)**	(18,600,924)
Weighted average number of ordinary shares in issue	20.1	**1,345,132,145**	1,192,543,209
Basic loss per share - continuing operations (Rs.)		**(11.19)**	(15.60)

20.2 Amount used as denominator

For the year ended 31 March	GROUP 2025	 2024
Ordinary shares at the beginning of the year	**1,192,543,209**	1,192,543,209
Shares issued during the year	**202,714,770**	-
Adjusted weighted average number of ordinary shares	**1,345,132,145**	1,192,543,209

21. PROPERTY, PLANT AND EQUIPMENT

ACCOUNTING POLICY

Basis of recognition

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

Basis of measurement

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment loss. Such cost includes the cost of replacing component parts of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group derecognises the replaced part, and recognises the new part with its own associated useful life and depreciation. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the income statement as incurred.

Land and buildings are measured at fair value less accumulated depreciation on buildings and impairment is charged subsequent to the date of the revaluation.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

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

Accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation reserve relating

to the particular asset being sold is transferred to retained earnings. Where land and buildings are subsequently revalued, the entire class of such assets is revalued at fair value on the date of revaluation. Revaluation of land and buildings is done with sufficient frequency to ensure that the fair value of the properties does not differ materially from its carrying amount, and is undertaken by professionally qualified valuers.

Derecognition

An item of property, plant and equipment is derecognised upon replacement, disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset is included in the income statement in the year the asset is derecognised.

Depreciation

Depreciation is calculated by using a straight-line method on the cost or valuation of all property, plant and equipment, other than freehold land, in order to write off such amounts over the estimated useful economic life of such assets.

Assets	Years
Buildings	40 - 75
Buildings on leasehold land	40 - 60 or over the period of lease
Plant and machinery	4 - 10
Computer equipment, furniture & fittings	2 - 10
Motor vehicles	4 - 8

The useful life and residual values of assets are reviewed, and adjusted if required, at the end of each financial year.

Capital work-in-progress

Capital work in progress consists of the cost of assets, labour and other direct costs associated with property, plant and equipment being constructed by the Group. Once the assets become operational, the related costs are transferred from construction in progress to the appropriate asset category and are depreciated together with the related asset.

Impairment of property, plant and equipment

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses are recognised in the income statement, except that impairment losses in respect of property, plant and equipment previously revalued are recognised against the revaluation reserve through the statement of comprehensive income to the extent that they reverse a previous revaluation surplus.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the income statement unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

21.1 Group

In Rs. '000	Land and buildings	Buildings on leasehold land	Plant and machinery	Computer, equipment, furniture and fittings	Motor vehicles	Capital work-in-progress	Total	
As at 31 March							2025	2024
Freehold assets								
Cost or Valuation								
At the beginning of the year	31,995,137	21,530,467	13,137,272	17,272,664	713,853	1,024,205	**85,673,598**	82,002,155
Acquisition of subsidiary	-	-	-	-	-	-	**-**	2,434,610
Additions	39,287	208,343	1,290,786	557,068	42,400	316,920	**2,454,804**	2,166,983
Disposals	(105,776)	(231,363)	(50,507)	(131,755)	(25,222)	-	**(544,623)**	(1,928,859)
Transfers*	(274,294)	(231,377)	(15,193)	74,032	18,269	(166,316)	**(594,879)**	(556,738)
Impairment/ derecognition	-	-	(189)	(124)	-	(99)	**(412)**	(5,541)
Revaluations	1,358,448	(273,944)	-	-	-	-	**1,084,504**	1,562,256
Effect of movements in exchange rates	-	(60)	-	(524)	-	-	**(584)**	(1,268)
At the end of the year	33,012,802	21,002,066	14,362,169	17,771,361	749,300	1,174,710	**88,072,408**	85,673,598
Total value of assets	33,012,802	21,002,066	14,362,169	17,771,361	749,300	1,174,710	**88,072,408**	85,673,598
Freehold assets								
Accumulated depreciation								
At the beginning of the year	376,395	3,277,493	7,938,367	12,623,071	586,283	-	**24,801,609**	21,917,068
Acquisition of subsidiary	-	-	-	-	-	-	**-**	457,092
Charge for the year	409,658	890,063	1,082,427	1,292,607	38,497	-	**3,713,252**	3,920,397
Disposals	(105,143)	(154,785)	(42,164)	(117,791)	(6,023)	-	**(425,906)**	(911,910)
Transfers*	(274,294)	(349,518)	(17,591)	-	8,974	-	**(632,429)**	(575,028)
Impairment/ derecognition	-	5,737	1,048	611	-	-	**7,396**	(5,041)
Effect of movements in exchange rates	-	(44)	-	(446)	-	-	**(490)**	(969)
At the end of the year	406,616	3,668,946	8,962,087	13,798,052	627,731	-	**27,463,432**	24,801,609
Total accumulated depreciation	406,616	3,668,946	8,962,087	13,798,052	627,731	-	**27,463,432**	24,801,609
Carrying value								
As at 31 March 2025	32,606,186	17,333,120	5,400,082	3,973,309	121,569	1,174,710	**60,608,976**	
As at 31 March 2024	31,618,742	18,252,974	5,198,905	4,649,593	127,570	1,024,205		60,871,989

* Transfers include the accumulated depreciation amounting to Rs. 623.81 Mn (2024 - Rs. 606.26 Mn) as at revaluation date that was eliminated against the gross carrying amount of the revalued assets.

21.2 Company

In Rs. '000	Plant and machinery	Furniture and fittings	Computer and office Equipment,	Motor vehicles	Total	
As at 31 March					2025	2024
Freehold assets						
Cost						
At the beginning of the year	5,959	54,724	74,858	175,071	**310,612**	316,851
Additions	-	-	2,242	-	**2,242**	8,435
Transfers	-	-	-	18,269	**18,269**	-
Disposals	(3,403)	(511)	(2,920)	-	**(6,834)**	(14,674)
At the end of the year	2,556	54,213	74,180	193,340	**324,289**	310,612
Total value of assets	2,556	54,213	74,180	193,340	**324,289**	310,612
Freehold assets						
Accumulated depreciation						
At the beginning of the year	1,489	41,435	59,969	146,638	**249,531**	233,407
Charge for the year	541	3,844	6,871	10,192	**21,448**	29,268
Transfers	-	-	-	8,975	**8,975**	-
Disposals	(1,074)	(182)	(1,256)	-	**(2,512)**	(13,144)
At the end of the year	956	45,097	65,584	165,805	**277,442**	249,531
Total accumulated depreciation	956	45,097	65,584	165,805	**277,442**	249,531
Carrying value						
As at 31 March 2025	1,600	9,116	8,596	27,535	**46,847**	
As at 31 March 2024	4,470	13,289	14,889	28,433		61,081

21.3 Revaluation of land and buildings

Accounting judgements, estimates and assumptions

The Group uses the revaluation model of measurement of land and buildings. The Group engaged independent expert valuers, to determine the fair value of its land and buildings. Fair value is determined by reference to market-based evidence of transaction prices for similar properties.

Valuations are based on open market prices, adjusted for any difference in the nature, location or condition of the specific property. The valuation techniques used are appropriate in the circumstances, for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. The date of the most recent revaluation was on 31 March 2025 except revaluation of land and building of Softlogic Life Insurance PLC, Softlogic Properties (Pvt) Ltd, Softlogic City Hotels (Pvt) Ltd and Footwear Retailers (Pvt) Ltd.

The changes in fair value are recognised in other comprehensive income and in the statement of equity. As a result of the valuations of land and buildings the surplus arising from the change in fair value was Rs. 1,084.50 Mn (2024 - Rs. 1,571.55 Mn) which has been credited to the revaluation reserve. Further during the reporting period, deficit arising from the change in fair value of revalued land and buildings were Nil (2024 - Rs. 9.30 Mn) which has been debited to income statement.

Details of Group's land and buildings stated at valuations are indicated below:

GROUP

Company	Property	Method of valuation	Extent	No of buildings	Capitalising rate	Range of estimates for significant unobservable inputs				Correlation to fair value
						Per perch value - Rs. Mn.		Per square foot value - Rs.		
						2025	2024	2025	2024	
Property valuations by Mr. G W G Abeygunawardene (Chartered Valuation Surveyor)										
Land of										
Softlogic Holdings PLC	14, De Fonseka Place, Colombo 05	OMV	22.45 P	-	-	**21.50**	19.22	**-**	-	Positive
Softlogic Properties (Pvt) Ltd	24, Dharmapala Mw., Kollupitiya, Colombo 03	OMV	2 R 11.68 P	-	-	**22.00**	24.00	**-**	-	Positive
Suzuki Motors Lanka Ltd	371, New Nuge Road, Peliyagoda	OMV	28.39 P	-	-	**3.95**	3.85	**-**	-	Positive
Property valuations by Mr. G W G Abeygunawardene (Chartered Valuation Surveyor)										
Building of										
Softlogic Information Technologies (Pvt) Ltd	14, De Fonseka Place, Colombo 05	DCC/ IM	-	building	-	**-**	-	**7,000 - 14,000**	7,350 - 14,650	Positive
Suzuki Motors Lanka Ltd	371, New Nuge Road, Peliyagoda	DCC	-	1 building	9.85%	**-**	-	**4,850 - 7,300**	4,950 - 7,400	Positive
Softlogic City Hotels (Pvt) Ltd	24, Dharmapala Mw., Kollupitiya, Colombo 03	DCC	-	1 building	-	**-**	-	**26,000**	23,500	Positive
Future Automobiles (Pvt) Ltd	1124/5, Parliament Rd., Battaramulla	DCC/ IM	-	2 buildings	-	**-**	-	**3,850 - 10,750**	3,950 - 10,850	Positive
Property valuations by Mr. S Sivaskantha (Chartered Valuer)										
Building of										
Asiri Surgical Hospital PLC	21, Kirimandala Mw., Colombo 05	IM	-	3 buildings	7.50%	**-**	-	**11,000 - 22,000**	10,000 - 20,000	Positive
	AOI Cancer Care Centre	IM	-	1 building	8.00%	**-**	-	**33,750**	22,500	Positive
Asiri Hospital Holdings PLC	907, Peradeniya Road, Kandy	IM	-	1 building	8.00%	**-**	-	**25,000**	22,500	Positive
Ceysand Resorts Ltd	Centara Ceysands Resort & Spa, Bentota	IM	-	19 buildings	8.50%	**-**	-	**946 - 33,400**	6,500 - 20,000	Positive
Footwear Retailer (Pvt) Ltd	250/32, Ground floor, Liberty Plaza Complex, Kollupitiya	IM	-	1 Condominum Unit	-	**-**	-	**823 (rent per Sq. Ft.**	185 - 530 (rent per Sq. Ft.)	Positive
Property valuations by Mr. G W G Abeygunawardene (Chartered Valuation Surveyor)										
Land and building of										
Softlogic Holdings PLC	262, Gagarama Road, Piliyandala	OMV/ DCC	1 A 2 R 21 P	6 buildings	-	**1.55**	1.45	**950 - 7,000**	980 - 7,150	Positive
Odel PLC	29 A, Jayatilake Mw., Panadura	OMV/ DCC/ IM	1 R 2.16 P	1 building	-	**4.85**	4.70	**5,550 - 8,000**	5,750 - 8,250	Positive
	18 & 20, Sama Mw., Boralesgomuwa	OMV/ DCC	20.0 P	2 building	-	**2.98**	2.85	**6,250 - 6,800**	6,500 - 6,900	Positive

Company	Property	Method of valuation	Extent	No of buildings	Capitalising rate	Range of estimates for significant unobservable inputs				Correlation to fair value
						Per perch value - Rs. Mn.		Per square foot value - Rs.		
						2025	2024	2025	2024	
Odel Properties (Pvt) Ltd	475/32, Kotte Road, Rajagiriya	OMV/ DCC/ IM	1 R 7.42 P	1 building	-	**11.25**	10.75	**6,500 - 9,500**	6,750 - 9,750	Positive
Property valuations by Mr. S Sivaskantha (Chartered Valuer)										
Land and building of										
Asiri Hospital Holdings PLC	181,Kirula Road, Colombo 05	IM	1 A 2 R 13.98 P	4 buildings	7.50%	**15.75**	14.00	**8,600 - 23,750**	8,000 - 22,000	Positive
Central Hospital Ltd	114, Norris Canal Road, Colombo 10	IM	1 A 21.03 P	1 building	7.50%	**15.50**	14.50	**7,000 - 18,500**	6,500 - 17,000	Positive
Asiri Hospital Matara (Pvt) Ltd	26, Esplande Road, Uyanwatta, Matara	IM	1 A 2 R 1.5 P	5 buildings	8.50%	**2.25**	2.00	**2,250 - 19,250**	2,000 - 17,500	Positive
Asiri Hospital Galle (Pvt) Ltd	59, Wackwella Road, Galle	IM	3 R 33.20 P	6 buildings	8.50%	**8.50**	7.50	**7,750 - 16,500**	7,000 - 15,000	Positive
Footwear Retailer (Pvt) Ltd	100, General Sir John Kotalawala Road, Ratmalana	OMV/ DCC	4 A 2R 11.50 P	3 buildings	-	**2.10**	1.30 - 2.28**	**8,000 - 10,000**	730 - 5,300**	Positive
	23A, Janapriya Mawatha, Panadura	OMV/ DCC	4 P	1 building	-	**5.50**	5.20**	**5,000 - 8,500**	4,500 - 4,850**	Positive
	15, Matara Road, Tangalla	OMV/ DCC	2.90 P	1 building	-	**3.75**	3.20**	**8,000**	4,000 - 4,850**	Positive
Property valuations by Mr. A Senevirathne (Chartered Valuation Surveyor)										
Land and building of										
Softlogic Life Insurance PLC	283, R A De Mel Mw., Kollupitiya, Colombo 03	OMV/ IM	8.0 P	1 building		**15.00**	15.00	**15,000**	15,000	Positive

** previous valuation was carried out by Mr. G W G Abeygunawardene (Chartered Valuation Surveyor)

Summary description of valuation methodologies:

The valuer has used valuation techniques such as market values and discounted cash flow methods where there was lack of comparable market data available based on the nature of the property.

Open Market Value method (OMV)

Open market value method uses prices and other relevant information generated by market transactions involving identical or comparable assets, liabilities or a group of assets and liabilities, such as a business.

Direct Capital Comparison method (DCC)

This method may be adopted when the rental value is not available from the property concerned, but there are evidence of sale price of properties as a whole. In such cases, the capitalised value of the property is fixed by direct comparison with the capitalised value of similar property in the locality.

Income method (IM)

The investment method is used to value properties which are let to produce an income for the investor. Conventionally, investment value is a product of rent and yield. Each of these elements is derived using comparison techniques.

Residual method (RM)

The residual method is based on the concept that the value of a property with development potential is derived from the value of the property after development minus the cost of undertaking that development, including a profit for the developer.

21.4 Land and buildings

In Rs. '000 As at 31 March	GROUP 2025	 2024
At cost	**3,832,165**	4,138,159
At valuation	**46,107,141**	45,733,557
	49,939,306	49,871,716

Land and buildings carried at cost mainly comprises buildings on leasehold lands owned by Group's Retail sector companies including Odel PLC, Softlogic Brands (Pvt) Ltd, Softlogic Supermarkets (Pvt) Ltd and Softlogic Restaurants (Pvt) Ltd.

21.5 Carrying value

In Rs. '000 As at 31 March	GROUP 2025	 2024	COMPANY 2025	 2024
At cost	**14,501,835**	15,138,432	**46,847**	61,081
At valuation	**46,107,141**	45,733,557	**-**	-
	60,608,976	60,871,989	**46,847**	61,081

21.6 The carrying amount of revalued land and buildings if they were carried at cost less depreciation, would be as follows:

In Rs. '000 As at 31 March	Land and buildings	Buildings on leasehold land	GROUP 2025	 2024
Cost	14,541,906	9,088,949	**23,630,855**	23,583,112
Accumulated depreciation	(2,551,698)	(1,858,536)	**(4,410,234)**	(3,995,194)
Carrying value	11,990,208	7,230,413	**19,220,621**	19,587,918

21.7 Property, plant and equipment pledged as securities

Group land and buildings with a carrying value of Rs. 23,095.18 Mn (2024 - Rs. 22,966.49 Mn) have been pledged as security for term loans obtained, details of which are disclosed in note 53.

21.8 Fully depreciated but still in use

Group property, plant and equipment with a cost of Rs. 15,336.11 Mn (2024 - Rs. 11,373.76 Mn) have been fully depreciated and continue to be in use by the Group. The cost of fully depreciated assets in the Company amounts to Rs. 173.64 Mn (2024 - Rs. 107.67 Mn).

21.9 Permanent fall in value of property, plant and equipment

There is no permanent fall in the value of property, plant and equipment which requires a provision for impairment other than the details disclosed under note 18 and note 22.1 to the financial statements.

21.10 Title restriction on property, plant and equipment

There were no restrictions that existed on the title to the property, plant and equipment of the Group/ Company as at the reporting date. There were no restrictions that existed on the title to the property, plant and equipment of the Group/ Company as at the reporting date.

22 RIGHT OF USE ASSETS

ACCOUNTING POLICY

Set out below are the accounting policies of the Group upon adoption of SLFRS 16, which have been applied from the date of initial application:

Right of use assets

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

Lease liabilities

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

Short-term leases and leases of low-value assets

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

Expenses relating to short term leases and leases of low value assets amounting to Rs. 390.19 Mn (2024 - Rs. 663.65 Mn) has recognised in income statement.

22.1 Right of use assets

GROUP

In Rs. '000 As at 31 March	Leasehold properties	Motor vehicles	Total 2025	Total 2024
Cost				
At the beginning of the year	15,170,986	59,083	**15,230,069**	13,883,171
Acquisition of subsidiary	-	-	**-**	328,336
Additions	3,084,135	-	**3,084,135**	1,627,385
Disposals	-	(7,850)	**(7,850)**	-
Transfers	-	(18,269)	**(18,269)**	(2,456)
Derecognition	(1,112,678)	-	**(1,112,678)**	(601,207)
Exchange difference	(2,303)	(1,096)	**(3,399)**	(5,160)
At the end of the year	17,140,140	31,868	**17,172,008**	15,230,069
Accumulated amortisation				
At the beginning of the year	7,919,187	32,879	**7,952,066**	6,090,397
Acquisition of subsidiary	-	-	**-**	157,242
Amortisation expense	2,111,516	8,414	**2,119,930**	2,218,358
Disposals	-	(6,803)	**(6,803)**	-
Transfers	-	(14,105)	**(14,105)**	(31,228)
Derecognition	(740,562)	-	**(740,562)**	(478,136)
Exchange difference	(1,777)	(577)	**(2,354)**	(4,567)
At the end of the year	9,288,364	19,808	**9,308,172**	7,952,066
Carrying value				
As at 31 March 2025	7,851,776	12,060	**7,863,836**	
As at 31 March 2024	7,251,799	26,204		7,278,003

COMPANY

In Rs. '000 As at 31 March	Leasehold properties	Motor vehicles	Total 2025	Total 2024
Cost				
At the beginning of the year	309,897	18,269	**328,166**	303,335
Additions	27,429	-	**27,429**	24,831
Transfers	-	(18,269)	**(18,269)**	-
Disposals	(309,897)	-	**(309,897)**	-
At the end of the year	27,429	-	**27,429**	328,166
Accumulated amortisation				
At the beginning of the year	128,392	8,781	**137,173**	87,368
Amortisation expense	40,893	194	**41,087**	49,805
Transfers	-	(8,975)	**(8,975)**	-
Disposals	(145,922)	-	**(145,922)**	-
At the end of the year	23,363	-	**23,363**	137,173
Carrying value				
As at 31 March 2025	4,066	-	**4,066**	
As at 31 March 2024	181,505	9,488		190,993

22.2 Lease liabilities

Set out below are the carrying amounts of lease liabilities and the movements for the period ended 31 March 2025 and 31 March 2024.

In Rs. '000	GROUP		COMPANY	
As at 31 March	2025	2024	2025	2024
At the beginning of the year	**7,441,778**	7,492,009	**206,135**	223,331
Acquisition of subsidiary	**-**	232,124	**-**	-
Additions	**3,001,445**	1,599,838	**27,411**	24,831
Derecognition	**(624,902)**	(105,838)	**(193,447)**	-
Interest expense	**1,159,037**	1,182,390	**16,428**	24,684
Payments	**(2,870,141)**	(2,958,972)	**(52,548)**	(66,711)
Exchange difference	**260**	227	**-**	-
At the end of the year	**8,107,477**	7,441,778	**3,979**	206,135
Repayable within one year	**1,466,036**	1,821,314	**2,610**	36,595
Repayable after one year	**6,641,441**	5,620,464	**1,369**	169,540
	8,107,477	7,441,778	**3,979**	206,135

22.3 Amounts recognised in income statement relating to right of use assets

Following are the amounts recognised in the income statement

In Rs. '000	GROUP		COMPANY	
For the year ended 31 March	2025	2024	2025	2024
Amounts recognised in income statement				
Amortisation of right of use assets	**2,119,930**	2,218,358	**41,087**	49,805
Interest expense on lease liabilities	**1,159,037**	1,169,328	**16,428**	24,684

23. INVESTMENT PROPERTIES

ACCOUNTING POLICY

Properties held to earn rental income and properties held for capital appreciation have been classified as investment property.

Investment properties are measured initially at cost, including transaction costs. The carrying value of an investment property includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met, and excludes the costs of day-to-day servicing of the investment property. Subsequent to initial recognition, the investment properties are stated at fair values, which reflect market conditions at the reporting date.

Gains or losses arising from changes in fair value are included in the income statement in the year in which they arise. Fair values are evaluated at frequent intervals by an accredited external, independent valuer.

Investment properties are derecognised when disposed, or permanently withdrawn from use because no future economic benefits are expected. Any gains or losses on derecognition or disposal are recognised in the income statement in the year of derecognition or disposal.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner occupied property or inventory (WIP), the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner occupied property becomes an investment property or inventory (WIP), the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use. Where Group companies occupy a significant portion of the investment property of a subsidiary, such investment properties are treated as property, plant and equipment in the consolidated financial statements, and accounted using the Group accounting policy for property, plant and equipment.

In Rs. '000	GROUP		COMPANY	
As at 31 March	2025	2024	2025	2024
At the beginning of the year	**2,288,637**	2,252,523	**1,053,200**	1,057,150
Change in fair value during the year	**(768,237)**	36,114	**90,401**	8,853
Additions during the year	**-**	-	**6,199**	-
Disposals during the year	**-**	-	**-**	(12,803)
At the end of the year	**1,520,400**	2,288,637	**1,149,800**	1,053,200

23.1 Amounts recognised in income statement relating to investment properties

Following are the amounts recognised in the income statement.

In Rs. '000	GROUP		COMPANY	
For the year ended 31 March	2025	2024	2025	2024
Amounts recognised in income statement				
Revenue	**-**	-	**140,216**	161,334
Direct operating expenses	**-**	-	**65,593**	101,749

23.2 Accounting judgements, estimates and assumptions

The fair value of investment properties is ascertained by independent valuations carried out by Chartered Valuation Surveyors, who have recent experience in valuing properties of similar category in similar location. Investment property is appraised by the independent valuers in accordance with LKAS 40, SLFRS 13 and the 8th edition of International Valuation Standards published by the International Valuation Standards Committee (IVSC). In determining the fair value, the current condition of the properties, future usability and associated re-development requirements have been considered. Also, the valuers have made reference to market evidence of transaction prices for similar properties, with appropriate adjustments for size and location. The appraised fair values are rounded within a range of values. The date of the most recent revaluation was on 31 March 2025.

Consequently, as at the reporting date, the value reflected represents the best estimate based on the market conditions that prevailed, which in valuers' considered opinion, meets the requirements in SLFRS-13 Fair Value Measurement.

Changes in fair value of lands and buildings which are recognised as investment properties are recognised in the income statement. The valuer has used the open market approach in determining the fair value of the land. Further details on fair value of investment properties are disclosed in the below note.

Valuation details of investment properties - Group

Company	Property	Method of valuation	Extent	Range of estimates for significant unobservable inputs		Correlation to fair value
				Per perch value - Rs. Mn		
				2025	2024	
Property valuations by Mr. G W G Abeygunawardene (Chartered Valuation Surveyor)						
Land of						
Softlogic Retail (Pvt) Ltd	Dekatana, Gampaha	OMV	20 A 2 R 27 P	**0.06**	0.06	Positive
Odel Lanka (Pvt) Ltd	271 & 271F, Kaduwela Road, Thalangama & 197/C, Kalapaluwawa Road, Thalangama	OMV	1 A 2 R 25.7 P	**5.14**	8.30	Positive
Softlogic Communications (Pvt) Ltd	Kahandamodara Road, Kahaduwa, Ranna	OMV	44.7 P	**0.09**	0.09	Positive

Company	Property	Method of valuation	Extent	Range of estimates for significant unobservable inputs Per perch value - Rs. Mn 2025	2024	Correlation to fair value
	Matara - Hambanthota Road, Ranna, Thangalla	OMV	27.7 P	**0.13**	0.13	Positive
	Udaya Mw., Heiyanthuduwa, Biyagama	OMV	14 P	**0.38**	0.38	Positive
	Bogamuwa Village, Agunakolapalassa	OMV	2 R 2.18 P	**0.04**	0.04	Positive

Company	Property	Method of valuation	Extent	No of buildings	Range of estimates for significant unobservable inputs Per perch value - Rs. Mn. 2025	2024	Per square foot value - Rs. 2025	2024	Correlation to fair value
Property valuations by Mr. R A R M N Rajakaruna (Chartered Valuation Surveyor)									
Land and building of									
Softlogic Finance PLC	Udawela Village, Rambukwella East Gramaniadari Division Kandy	OMV/ DCC	22 A 1 R 25.4 P	8 buildings	**0.02**	0.02	**4,000 - 6,000**	1,000 - 5,000	Positive
Property valuations by Mr. G W G Abeygunawardene (Chartered Valuation Surveyor)									
Land and building of									
Softlogic Communications (Pvt) Ltd	Jayabima Road, Panagoda	OMV	15.58 P	2 buildings	**0.75**	0.75	**5,250 - 5,500**	5,250 - 5,500	Positive

Valuation details of investment properties - Company

Company	Property	Method of valuation	Extent	No of buildings	Range of estimates for significant unobservable inputs Per perch value - Rs. Mn. 2025	2024	Per square foot value - Rs. 2025	2024	Correlation to fair value
Property valuations by Mr. R A R M N Rajakaruna (Chartered Valuation Surveyor)									
Land and building of									
Softlogic Holdings PLC	14, De Fonseka Place, Colombo 05	OMV	22.45 P	-	**21.50**	19.22	**-**	-	Positive
Land and building of									
Softlogic Holdings PLC	262, Gagarama Road, Piliyandala	IM	1 A 2 R 21 P	6 buildings	**1.55**	1.45	**950 - 7,000**	890 - 7,150	Positive

Summary description of valuation methodologies are disclosed under property, plant and equipment and note no. 21.3 to the financial statements.

24 INTANGIBLE ASSETS

ACCOUNTING POLICY

Basis of recognition

An intangible asset is recognised if it is probable that future economic benefits associated with the asset will flow to the Group and the cost of the asset can be reliably measured.

Basis of measurement

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value as at the date of acquisition.

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Internally generated intangible assets, excluding capitalised development costs, are not capitalised, and expenditure is charged against income in the year in which the expenditure is incurred.

Useful economic lives, amortisation and impairment

The useful lives of intangible assets are assessed as either finite or infinite. Intangible assets with finite lives are amortised over their useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year-end and such changes are treated as accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the income statement.

Intangible assets with infinite useful lives are not amortised but tested for impairment annually, or more frequently when an indication of impairment exists either individually or at the cash generating unit level. The useful life of an intangible asset with an infinite life is reviewed annually to determine whether infinite life assessment continues to be supportable. If not, the change in the useful life assessment from infinite to finite is made on a prospective basis.

Goodwill

Goodwill is initially measured at the acquisition date as the fair value of the consideration transferred including the recognised amount of any non-controlling interests in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

Lease rights

Lease rights acquired as part of a business combination, are capitalised if they meet the definition of an intangible asset and the recognition criteria are satisfied. Leased rights are amortised on a straight-line basis over their estimated useful life.

Present Value of acquired In-force Business (PVIB)

The present value of future profits on a portfolio of long term life insurance contracts as at the acquisition date is recognised as an intangible asset based on a valuation carried out by an independent actuary. Subsequent to initial recognition, the intangible asset is carried at cost less accumulated amortisation and accumulated impairment losses.

The PVIB is amortised over the average useful life of the related contracts in the portfolio. The amortisation charge and any impairment losses would be recognised in the consolidated income statement as an expense.

Purchased software

Purchased software is recognised as an intangible asset and is amortised on a straight line basis over its useful life.

Software licenses

Software license costs are recognised as an intangible asset and amortised over the period of the related license.

Brand name

Brands acquired as part of a business combination, are capitalised as Brands if they meet the definition of an intangible asset and are tested for impairment annually or more frequently if events or changes in the circumstances indicate that the carrying value may be impaired.

A summary of the policies applied to the Group's intangible assets is as follows:

Intangible	Useful life	Acquired/ internally generated	Impairment testing
Goodwill	Infinite	Acquired	annually or when an indication of impairment exists
Lease rights	Over the remaining lease period	Acquired	when an indication of impairment exists
Purchased software	3 - 5 years	Acquired	when an indication of impairment arises
Present Value of acquired In-force Business (PVIB)	16 years	Acquired	when an indication of impairment exists
Brand name	Infinite	Acquired	annually or when an indication of impairment exists

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

In Rs. '000	Goodwill	Lease right	PVIB	Brand name	Others*	GROUP Total		COMPANY Computer Software	
As at 31 March						2025	2024	2025	2024
Cost / carrying value									
At the beginning of the year	4,763,210	892,406	1,980,620	1,509,085	1,794,455	**10,939,776**	10,891,360	**6,028**	6,028
Additions	-	-	-	-	46,529	**46,529**	56,103	**1,751**	-
Impairment/ derecognition	-	-	-	-	(4,626)	**(4,626)**	(880)	**(4,226)**	-
Exchange translation difference	-	-	-	-	(7,720)	**(7,720)**	(6,807)	**-**	-
At the end of the year	4,763,210	892,406	1,980,620	1,509,085	1,828,638	**10,973,959**	10,939,776	**3,553**	6,028
Accumulated amortisation and impairment									
At the beginning of the year	-	290,482	1,557,677	-	1,150,754	**2,998,913**	2,710,899	**6,028**	4,663
Amortisation	-	22,484	123,789	-	137,539	**283,812**	292,568	**1,031**	1,365
Impairment/ derecognition	-	-	-	-	1,104	**1,104**	-	**(4,226)**	-
Exchange translation difference	-	-	-	-	(2,328)	**(2,328)**	(4,554)	**-**	-
At the end of the year	-	312,966	1,681,466	-	1,287,069	**3,281,501**	2,998,913	**2,833**	6,028
Carrying value									
As at 31 March 2025	4,763,210	579,440	299,154	1,509,085	541,569	**7,692,458**		**720**	
As at 31 March 2024	4,763,210	601,924	422,943	1,509,085	643,701		7,940,863		-

** Other intangible assets include purchased software and software licenses, other license fee and franchise fee paid on acquiring operational rights.*

Goodwill and brand names

Goodwill and brand names acquired through business combinations have been allocated to six cash generating units (CGU's) for impairment testing as follows:

In Rs. '000	Goodwill		Brand name	
As at 31 March	2025	2024	2025	2024
Information Technology	**14,087**	14,087	**-**	-
Retail	**1,358,790**	1,358,790	**998,180**	998,180
Leisure	**182,207**	182,207	**4,169**	4,169
Financial Services	**817,742**	817,742	**-**	-
Healthcare Services	**2,358,921**	2,358,921	**506,736**	506,736
Others	**31,463**	31,463	**-**	-
	4,763,210	4,763,210	**1,509,085**	1,509,085

Present Value of acquired In-force Business (PVIB)

Upon acquiring a controlling stake in Softlogic Life Insurance PLC (previously known as Asian Alliance Insurance PLC), the Group recognised in the consolidated financial statements intangible assets representing the present value of future profits on SLI's portfolio of long term life insurance contracts at the acquisition date, known as the present value of acquired in-force business (PVIB). PVIB recognised at the acquisition date is being amortised over the life of the business acquired and reviewed annually for any impairment in value.

24.1 Accounting judgements, estimates and assumptions

Impairment of goodwill

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use (VIU). The fair value less costs to sell calculation is based on available data from an active market in an arm's length transaction of similar assets, or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes.

The recoverable amount of all CGUs have been determined based on the higher of fair value less costs to sell and its Value in Use (VIU) calculation. VIU is determined by discounting the future cash flows generated from continuing use of the unit. The recoverability of quoted entities determined based on share price existed as at reporting date. The key assumptions used are given below:

Business growth

Volume growth has been budgeted on a reasonable and realistic basis by taking into account the growth rates of one to five years immediately subsequent to the budgeted year, based on industry growth rates. Cash flows beyond a five year period are extrapolated using zero growth rate.

Inflation

Budgeted cost inflation is the inflation rate, based on projected economic conditions.

Discount rate

The discount rate used is the risk free rate increased by an appropriate risk premium.

Margin

Budgeted gross margins are the gross margins achieved in the year preceding, adjusted for projected market conditions and business plans.

25 INVESTMENT IN SUBSIDIARIES

ACCOUNTING POLICY

Investments in subsidiaries are initially recognised at cost in the financial statements of the Company. Any transaction cost relating to acquisition of investment in subsidiaries is immediately recognised in the income statement. Following initial recognition, investments in subsidiaries are accounted in accordance with SLFRS 9 - Financial Instruments.

In Rs. '000	Note	COMPANY	
As at 31 March		2025	2024
Fair value of quoted investments	26.1	**41,760,338**	44,912,930
Fair value of unquoted investments	26.2	**68,223,692**	39,848,875
		109,984,030	84,761,805

25.1 Group quoted investments

In Rs. '000	GROUP		COMPANY			
As at 31 March	No of shares	Effective holding %	No of shares	Holding %	2025	2024
Financial assets at FVOCI						
Asiri Hospital Holdings PLC	641,981,927	55.59	627,025,050	55.12	**38,363,275**	38,794,801
Asiri Surgical Hospital PLC	422,555,413	44.45	-	-	**-**	-
Odel PLC	531,841,736	98.79	-	-	**-**	-
Softlogic Capital PLC	677,652,893	69.35	677,652,893	69.35	**3,362,438**	6,060,547
Softlogic Finance PLC	932,047,406	66.78	5,657,598	1.15	**22,795**	44,573
Softlogic Life Insurance PLC	161,515,308	35.41	148,121	0.05	**11,830**	13,009
					41,760,338	44,912,930

Group quoted investments

In Rs. '000	GROUP		COMPANY	
As at 31 March	2025	2024	2025	2024
Market Value				
Asiri Hospital Holdings PLC	**16,563,134**	16,049,548	**16,177,246**	15,675,626
Asiri Surgical Hospital PLC	**4,986,154**	4,901,643	**-**	-
Odel PLC	**5,690,707**	3,456,971	**-**	-
Softlogic Capital PLC	**3,727,091**	5,140,532	**3,727,091**	5,140,532
Softlogic Finance PLC	**5,033,056**	3,344,193	**30,551**	32,248
Softlogic Life Insurance PLC	**11,693,708**	12,831,419	**10,724**	11,604
	47,693,850	45,724,306	**19,945,612**	20,860,010

25.2 Group unquoted investments

In Rs. '000	GROUP		COMPANY			
As at 31 March	Number of shares	Effective holding %	Number of shares	Holding %	2025	2024
Financial assets at FVOCI						
Asiri A O I Cancer Centre (Pvt) Ltd	2,700,000	22.22	-	-	-	-
Asiri Academy of Health Sciences (Pvt) Ltd	1	55.59	-	-	-	-
Asiri Central Hospitals Ltd	10,342,335	52.61	-	-	-	-
Asiri Diagnostic Services (Asia) Pte Ltd	1	55.59	-	-	-	-
Asiri Diagnostics Services (Pvt) Ltd	273,221	36.99	-	-	-	-
Asiri Hospital Galle (Pvt) Ltd	44,000,002	55.59	-	-	-	-
Asiri Hospital Matara (Pvt) Ltd	25,999,999	55.59	-	-	-	-
Asiri Laboratories (Pvt) Ltd	100,000	55.59	-	-	-	-
Asiri Port City Hospital (Pvt) Ltd	1	55.59	-	-	-	-
Central Hospital Ltd	214,539,804	55.44	-	-	-	-
Ceysand Resorts Ltd - Voting Shares	17,087,669	99.90	-	-	-	-
- Non Voting Shares	134,250	96.58	-	-	-	-
Cotton Collection (Pvt) Ltd	5,100,100	97.72	-	-	-	-
Dai-Nishi Securities (Pvt) Ltd	49,999,998	99.99	-	-	-	-
Footwear Retailer (Pvt) Ltd	34,646,875	100.00				
Future Automobiles (Pvt) Ltd	19,300,000	100.00	19,300,000	100.00	**523,426**	98,248
Odel Apparel Holdings (Pvt) Ltd	1	98.79	-	-	-	-
Odel Apparel Lanka (Pvt) Ltd	1	98.79	-	-	-	-
Odel Apparels (Pvt) Ltd	2	98.79	-	-	-	-
Odel Information Technology Services (Pvt) Ltd	1	98.79	-	-	-	-
Odel Lanka (Pvt) Ltd	27,000,002	98.79	-	-	-	-
Odel Properties (Pvt) Ltd	1,081,002	98.79	-	-	-	-
Odel Properties One (Pvt) Ltd	311,331,100	98.79	-	-	-	-
Odel Restaurants (Pvt) Ltd	100,000	98.79	-	-	-	-
Silk Route Foods (Pvt) Ltd	5,100	51.00	-	-	-	-
SML Holdings (Pvt) Ltd	149,999	99.99	-	-	-	-
Softlogic Australia (Pty) Ltd - Ordinary Shares	1,900,002	100.00	1,900,002	100.00	**10,786**	9,868
- Preference Shares	256,578	100.00	256,578	100.00	**31,687**	31,687
S R One (Pvt) Ltd	1,000,001	69.35	-	-	-	-
SCAP One (Pvt) Ltd	158,910,940	69.35	-	-	-	-
Softlogic Asset Management (Pvt) Ltd	5,000,002	69.35	-	-	-	-
Softlogic Automobiles (Pvt) Ltd	5,000,000	100.00	5,000,000	100.00	**359,098**	178,329
Softlogic B P O Services (Pvt) Ltd	5,100,000	100.00	5,100,000	100.00	**62,493**	107,084
Softlogic Brands (Pvt) Ltd	716,368	98.79	-	-	-	-
Softlogic City Hotels (Pvt) Ltd	230,569,836	100.00	-	-	-	-
Softlogic Communication Services (Pvt) Ltd	100	100.00	-	-	-	-
Softlogic Communications (Pvt) Ltd	10,442,153	100.00	-	-	-	-
Softlogic Computers (Pvt) Ltd	200,000	100.00	-	-	-	-
Softlogic Corporate Services (Pvt) Ltd	2,725,002	100.00	2,725,002	100.00	**105,187**	97,649
Softlogic Destination Management (Pvt) Ltd	100,000	100.00	100,000	100.00	-	-
Softlogic Healthcare Holdings (Pvt) Ltd	100,000	100.00	100,000	100.00	-	-
Softlogic Healthy Concepts (Pvt) Ltd	1,230,001	60.00	-	-	-	-

In Rs. '000	GROUP		COMPANY			
As at 31 March	Number of shares	Effective holding %	Number of shares	Holding %	2025	2024
Softlogic Information Technologies (Pvt) Ltd	436,496	100.00	-	-	**-**	-
Softlogic International (Pvt) Ltd	669,808	100.00	-	-	**-**	-
Softlogic IT Holdings (Pvt) Ltd	543,789,636	100.00	543,789,636	100.00	**6,514,577**	5,366,935
Softlogic JSM Entertainment (Pvt) Ltd	1	100.00	-	-	**-**	-
Softlogic Mobile Distribution (Pvt) Ltd	1,000,000	100.00	-	-	**-**	-
Softlogic Pharmaceuticals (Pvt) Ltd	2,500,000	100.00	-	-	**-**	-
Softlogic Properties (Pvt) Ltd	483,821,208	100.00	483,821,208	100.00	**2,449,706**	2,260,816
Softlogic Restaurants (Pvt) Ltd	154,500,000	100.00	-	-	**-**	-
Softlogic Retail (Pvt) Ltd	489,345,616	99.99	-	-	**-**	-
Softlogic Retail Holdings (Pvt) Ltd	1,371,812,380	100.00	1,371,812,380	100.00	**58,166,732**	31,698,259
Softlogic Retail One (Pvt) Ltd	100,000	100.00	100,000	100.00	**-**	-
Softlogic Rewards (Pvt)Ltd	100,000	100.00	100,000	100.00	**-**	-
Softlogic Solar (Pvt) Ltd	100	100.00	100	100.00	**-**	-
Softlogic Stockbrokers (Pvt) Ltd	23,500,000	55.55	-	-	**-**	-
Softlogic Supermarkets (Pvt) Ltd	132,100,000	100.00	-	-	**-**	-
Suzuki Motors Lanka Ltd	13,959,994	99.99	-	-	**-**	-
					68,223,692	39,848,875

Accounting judgements, estimates and assumptions

Impairment of investment in subsidiaries

The Company measures the investment in subsidiaries at fair value at each balance sheet date using Discounted Cash Flow methodology (DCF), residual income, appraisal value and Net Assets methodology.

Changes in fair value of quoted and unquoted investment in subsidiaries are recognised in the Statement of Other Comprehensive Income statement. The management has used either Discounted Cash Flow Methodology (DCF) or Net Assets Methodology approach in determining the fair value of each entity. Further details on fair value of quoted and unquoted investments are disclosed in the below note.

Investment made in	Valuation methodology used	Terminal Growth		Discount Rate		Correlation to fair value
		2025	2024	2025	2024	
Asiri Hospital Holdings PLC	DCF based on proportionate fair valuation of assets and liabilities of Asiri Hospital Holdings PLC	**5.00%**	4.00%	**13.42% - 15.85%**	15.87% - 16.67%	Positive
Softlogic Capital PLC	NAV based on proportionate fair valuation of assets and liabilities of Softlogic Capital PLC	**5.00%**	4.00%	**15.44% - 15.60%**	13.00% - 15.50%	Positive
Future Automobiles (Pvt) Ltd	DCF Methodology	**5.00%**	5.00%	**18.14%**	14.84%	Positive
Softlogic Automobiles (Pvt) Ltd	DCF Methodology	**5.00%**	5.00%	**15.74%**	15.11%	Positive
Softlogic IT Holdings (Pvt) Ltd	NAV based on proportionate fair valuation of assets and liabilities of Softlogic IT Holdings (Pvt) Ltd	**5.00%**	3.50%	**22.40% - 15.62%**	19.23% - 19.90%	Positive

Investment made in	Valuation methodology used	Terminal Growth		Discount Rate		Correlation to fair value
		2025	2024	2025	2024	
Softlogic Properties (Pvt) Ltd	NAV based on the share of fair value attributable to Softlogic Properties (Pvt) Ltd investments in its subsidiary companies	**5.00%**	5.00%	**11.63% - 12.07%**	14.53% - 15.64%	Positive
Softlogic Retail Holdings (Pvt) Ltd	NAV based on proportionate fair valuation of assets and liabilities of Softlogic Retail Holdings (Pvt) Ltd	**5.00%**	2.00% - 5.00%	**11.52% - 20.00%**	11.02% - 22.01%	Positive
Softlogic Australia (Pty) Ltd	Net Asset Basis	**-**	-	**-**	-	-
Softlogic B P O Services (Pvt) Ltd	Net Asset Basis	**-**	-	**-**	-	-
Softlogic Corporate Services (Pvt) Ltd	Net Asset Basis	**-**	-	**-**	-	-
Softlogic Destination Management (Pvt) Ltd	Net Asset Basis	**-**	-	**-**	-	-
Softlogic Healthcare Holdings (Pvt) Ltd	Net Asset Basis	**-**	-	**-**	-	-
Softlogic Retail One (Pvt) Ltd	Net Asset Basis	**-**	-	**-**	-	-
Softlogic Rewards (Pvt)Ltd	Net Asset Basis	**-**	-	**-**	-	-
Softlogic Solar (Pvt) Ltd	Net Asset Basis	**-**	-	**-**	-	-

Investment made in	Valuation methodology used	Terminal Growth		Discount Rate		Correlation to fair value
		2025	2024	2025	2024	
Softlogic Finance PLC	Residual Income	**0.60**	0.60	**18.72%**	18.51%	Positive

Investment made in	Valuation methodology used	Risk Discount Rate		Correlation to fair value
		2025	2024	
Softlogic Life Insurance PLC	Appraisal value	**17.00%**	18.00%	Positive

26 INVESTMENTS IN EQUITY ACCOUNTED INVESTEES

ACCOUNTING POLICY

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

Associate companies of the Group which have been accounted for under the equity method of accounting are:

Name of the company	Country of incorporation	Effective holding %
Gerry's Softlogic (Pvt) Ltd	Pakistan	-
Nextage (Pvt) Ltd	Sri Lanka	50.00
Sabre Travel Network Lanka (Pvt) Ltd	Sri Lanka	40.00
Softlogic Manufacturing (Pvt) Ltd	Sri Lanka	20.00

The considerations assessed in determining significant influence a similar to those in determining control over subsidiaries.

The Group's investments in its associates are accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment individually.

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

The aggregate of the Group's shares of profit or loss of associates is shown on the face of the income statement outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate.

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

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

The accounting policies of associate companies conform to those of the Group.

The equity method of accounting has been applied for associates using their financial statements for the corresponding financial period or a matching 12 month period. In the case of associates whose reporting date is different to Group's reporting date, adjustments are made for significant transactions or events up to 31 March.

In Rs. '000	Note	GROUP		COMPANY	
As at 31 March		2025	2024	2025	2024
Investments in equity accounted investees	26.1	**13,170**	20,013	**9,750**	9,750
		13,170	20,013	**9,750**	9,750

26.1 Group investments in equity accounted investees

In Rs. '000	Note	GROUP		COMPANY	
As at 31 March		2025	2024	2025	2024
Investments in associates					
Unquoted					
Gerry's Softlogic (Pvt) Ltd		**-**	-	**2,700**	2,700
Nextage (Pvt) Ltd		**-**	-	**1,250**	1,250
Jendo Innovations (Pvt) Ltd		**-**	26,893	**-**	30,000
Sabre Travel Network Lanka (Pvt) Ltd		**20,013**	37,190	**9,750**	9,750
Softlogic Manufacturing (Pvt) Ltd		**-**	-	**-**	-
		20,013	64,083	**13,700**	43,700
Less : impairment of investment in equity accounted investees		**-**	(23,048)	**(3,950)**	(33,950)
		20,013	41,035	**9,750**	9,750
Share of profit accruing to the group	26.2	**16,759**	10,043	**-**	-
Share of OCI accruing to the group	26.2	**398**	(1,065)	**-**	-
Share of associate companies dividend of equity accounted investees		**(24,000)**	(30,000)	**-**	-
		13,170	20,013	**9,750**	9,750

26.2 Summarised financial information of equity accounted investees

In Rs. '000	Equity accounted investees	
As at 31 March	2025	2024
Group share of:		
Revenue	**85,024**	82,230
Operating expenses	**(73,247)**	(72,187)
Other income	**4,982**	-
Profit for the year	**16,759**	10,043
Group share of:		
Share of other comprehensive income/ (loss) of equity accounted investees	**398**	(1,065)
Net share of other comprehensive income/ (loss) for the year	**398**	(1,065)
Group share of:		
Total assets	**43,494**	72,608
Total liability	**(24,407)**	(46,678)
Net assets	**19,087**	25,930
Deferred tax on undistributable profits	**(5,917)**	(5,917)
Goodwill	**-**	-
	13,170	20,013
Contingent liabilities	**Nil**	Nil
Capital commitments	**Nil**	Nil
Adjustment on losses exceeding interest in equity accounted investees	**6,078**	7,843

27. NON - CURRENT FINANCIAL ASSETS

In Rs. '000 As at 31 March	Note	GROUP 2025	 2024	COMPANY 2025	 2024
Other quoted equity investments	27.1	**3,611,328**	2,557,405	**-**	-
Other unquoted equity investments	27.2	**58,907**	30,000	**14,479**	-
Other non equity investments	27.3	**28,200,874**	31,702,291	**-**	-
		31,871,109	34,289,696	**14,479**	-

27.1 Other quoted equity investments

In Rs. '000 As at 31 March	Number of shares	GROUP 2025	 2024
ACL Cables PLC	1,232	**126**	104
Cargills Bank PLC	26,600,000	**218,120**	268,600
National Development Bank PLC	31,711,045	**3,393,082**	2,287,166
Seylan Bank PLC - Non Voting Shares	-	**-**	1,535
		3,611,328	2,557,405

27.2 Other unquoted equity investments

In Rs. '000 As at 31 March	Number of shares	GROUP 2025	 2024	Number of shares	Company 2025	 2024
Digital Health (Pvt) Ltd	3,000,000	**44,428**	30,000	-	**-**	-
Jendo Innovations (Pvt) Ltd	9,868,429	**14,479**	-	9,868,429	**14,479**	-
		58,907	30,000		**14,479**	-

27.3 Other non equity investments

In Rs. '000 As at 31 March	Note	GROUP 2025	 2024
Debentures		**5,210,895**	5,353,585
Fixed deposits		**8,572**	7,500
Government securities		**22,555,347**	25,900,508
Loans and advances	32	**426,029**	437,063
Loans to executives		**-**	3,604
Placement with banks and financial institutions		**31**	31
		28,200,874	31,702,291

28 RENTAL RECEIVABLE ON LEASE ASSETS AND HIRE PURCHASE

ACCOUNTING POLICY

Initial recognition and measurement

When the Group is the lessor in a lease agreement that transfers substantially all of the risks and rewards incidental to ownership of the asset to the lessee, the arrangement is classified as a finance lease and a receivable equal to the net investment in the lease is recognised. Amounts receivable under finance leases are included under "Rentals receivable on leased assets". Leasing balances are stated in the statement of financial position after deduction of initial rentals received, unearned lease income and the provision for impairment losses.

28.1 Receivable from one to five years

In Rs. '000	GROUP					
As at 31 March	2025			2024		
	Rental receivable on lease assets	Rental receivable on hire purchase	Total	Rental receivable on lease assets	Rental receivable on hire purchase	Total
Rental receivables	**1,438,387**	**-**	**1,438,387**	4,842,345	-	4,842,345
Unearned income	**(201,308)**	**-**	**(201,308)**	(931,281)	-	(931,281)
Impairment	**(187,716)**	**-**	**(187,716)**	(320,759)	-	(320,759)
	1,049,363	**-**	**1,049,363**	3,590,305	-	3,590,305

28.2 Receivable within one year

In Rs. '000	GROUP					
As at 31 March	2025			2024		
	Rental receivable on lease assets	Rental receivable on hire purchase	Total	Rental receivable on lease assets	Rental receivable on hire purchase	Total
Rental receivables	**541,316**	**77,187**	**618,503**	535,030	78,295	613,325
Unearned income	**(12,399)**	**-**	**(12,399)**	(13,167)	-	(13,167)
Impairment	**(122,440)**	**(47,511)**	**(169,951)**	(144,860)	(47,063)	(191,923)
	406,477	**29,676**	**436,153**	377,003	31,232	408,235
Total rental receivables	**1,455,840**	**29,676**	**1,485,516**	3,967,308	31,232	3,998,540

28.3 Accounting judgements, estimates and assumptions

Impairment of rental receivables

For rental receivables on lease assets and hire purchases, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

28.3.1Analysis of rental receivable on lease assets and hire purchase on maximum exposure to credit risk

In Rs. '000 As at 31 March	Stage 1	Stage 2	Stage 3	Total 2025
Gross rental receivables - subject to collective impairment	649,765	215,519	977,899	**1,843,183**
Allowance for expected credit losses (ECL)	(3,693)	(4,564)	(349,410)	**(357,667)**
	646,072	210,955	628,489	**1,485,516**

In Rs. '000 As at 31 March	Stage 1	Stage 2	Stage 3	Total 2024
Gross rental receivables - subject to collective impairment	1,542,249	1,158,243	1,810,730	4,511,222
Allowance for expected credit losses (ECL)	(6,926)	(26,413)	(479,343)	(512,682)
	1,535,323	1,131,830	1,331,387	3,998,540

28.3.2 Movement in allowance for expected credit losses (ECL)

In Rs. '000 As at 31 March	Stage 1	Stage 2	Stage 3	Total 2025
Balance as at 01 April 2024	6,926	26,413	479,343	**512,682**
Charge to income statement	(3,233)	(21,849)	(129,933)	**(155,015)**
	3,693	4,564	349,410	**357,667**

In Rs. '000 As at 31 March	Stage 1	Stage 2	Stage 3	Total 2024
Balance as at 01 April 2023	19,569	75,555	548,585	643,709
Charge to income statement	(12,643)	(49,142)	(69,242)	(131,027)
	6,926	26,413	479,343	512,682

29 OTHER NON-CURRENT ASSETS

In Rs. '000 As at 31 March	Note	GROUP 2025	 2024
Rent advances		**799,371**	874,976
Work-in-progress - Odel Mall project	29.1	**17,786,836**	15,501,899
		18,586,207	16,376,875

29.1 Work-in-progress - Odel Mall project

Odel Properties One (Pvt) Ltd, a fully own subsidiary of Odel PLC is engaged in the development and construction of an integrated complex with an approximate area of 595,000 sq. ft., comprising of retail and associate facilities, offices, cinemas and a car park.

Work-in-progress - Odel Mall project includes advances paid to contractors, directly attributable cost incurred on the project and borrowing cost capitalised. The amount of borrowing costs capitalised during the year ended 31 March 2025 was Rs. 893.83 Mn (2024 – Rs. 1,039.76 Mn).

Reconciliation of work-in-progress - Odel Mall project

In Rs. '000 As at 31 March	GROUP 2025	 2024
At the beginning of the year	**15,501,899**	14,942,242
Additions during the period	**1,025,935**	1,327,090
Transfer of apartment inventory in WIP	**2,152,831**	-
Impairment during the period	**(893,829)**	(767,433)
At the end of the year	**17,786,836**	15,501,899

29.2 Current status of Odel Mall project

Following a comprehensive evaluation of the project's financial and operational feasibility, management has decided to rationalise and reduce the scope of the Odel Mall development. The originally planned apartment component will no longer proceed. Instead, the space allocated for apartments will be repurposed and developed as rentable office space

This strategic revision reflects management's assessment of prevailing market conditions, projected returns, and long-term sustainability of the project. Converting the area into office space is considered the most viable option, offering a more predictable revenue stream, lower development risk, and enhanced alignment with the current commercial property demand profile. The refined scope also allows the project to be completed more efficiently while optimising capital deployment and improving the Group's future cash flow position.

29.3 Future funding

The revised funding plan is expected to be supported through advances from the sale of office space, supplemented by external equity. The Company has also sought a restructuring of the existing syndicated loan and accrued interest, and the consortium of banks led by Hatton National Bank PLC has responded positively and is evaluating restructuring options. This restructuring is expected to ease near term cash flow pressures and align debt service commitments with the updated project timeline. Based on the revised funding plan, the Management intends to raise Rs 6,275 Mn funding by way of sale of office space and equity to complete the construction of the ODEL Mall.

29.4 Accounting judgements, estimates and assumptions

Impairment of work-in-progress - Odel Mall project

The construction of the Odel Mall Project has been significantly impacted by changes in the economic and political environment in Sri Lanka over recent years. These challenges led to the temporary suspension of construction work occasionally from late 2022, during 2023 and 2024.

As a result of these events, the Company identified an indication of impairment for the work in progress on the Odel Mall project. In compliance with LKAS 36 – Impairment of Assets, an impairment assessment was conducted, and the Company recognised an impairment loss in the financial year ended 31 March 2025.

29.4.1 Impairment losses recognised in the Income Statement

The impairment loss recognised in relation to the work in progress for the Odel Mall Project amounted to Rs. 893.83 Mn (2024 - Rs. 767.43 Mn).

29.5 Other non-current assets pledged as securities

Group other non-current assets with a carrying value of Rs. 5,400.00 Mn have been pledged as security for term loans obtained, details of which are disclosed in Note 53.

29.6 Revaluation of land component in other non-current assets

Accounting judgements, estimates and assumptions

The Group uses the revaluation model of measurement of land included under other non-current assets. The Group engaged independent expert valuers, to determine the fair value of its land. Fair value is determined by reference to market-based evidence of transaction prices for similar properties.

Details of Group's land included under other non-current assets stated at valuations are indicated below:

Company	Property	Method of valuation	Extent	Range of estimates for significant unobservable inputs Per perch value - Rs. Mn. 2025	2024	Correlation to fair value
Property valuations by Mr. G W G Abeygunawardene (Chartered Valuation Surveyor)						
Odel PLC	Dr. C W W. Kannangara Mw., Colombo 07	OMV/ DCC	1A1R12.58P	**20.50 - 22.00**	20.50 - 22.00	Positive

30. INVENTORIES

ACCOUNTING POLICY

Inventories are valued at the lower of cost and net realisable value.

Net realisable value is the estimated selling price less estimated costs of completion and the estimated costs necessary to make the sale.

The cost of inventories is:

- Manufactured finished goods - cost of direct materials and direct labour and an appropriate proportion of fixed overheads based on normal operating capacity
- Purchased finished goods - at actual cost on first-in first-out basis or weighted average cost
- Apartment inventory and apartment inventory in WIP - actual cost
- Other stock - actual cost

In Rs. '000 As at 31 March	Note	GROUP 2025	2024
Finished goods		**5,704,942**	5,664,886
Apartment inventory		**-**	329,068
Other stocks		**3,986,807**	3,766,216
		9,691,749	9,760,170
Less - provision for write-down of inventories	30.1	**(1,259,129)**	(1,277,634)
		8,432,620	8,482,536

30.1 Movement in provision for write-down of inventories

In Rs. '000 As at 31 March	GROUP 2025	2024
At the beginning of the year	**1,277,634**	764,364
Acquisition of subsidiary	**-**	26,278
Provision for write-down of inventories	**39,591**	578,243
Written off during the year	**(58,096)**	(91,251)
At the end of the year	**1,259,129**	1,277,634

31 TRADE AND OTHER RECEIVABLES

ACCOUNTING POLICY

Trade and other receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Other financial receivables are recognised as other receivables. 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 and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Reinsurance receivables

The Group cedes insurance risk in the normal course of business for all of its businesses. Reinsurance receivables represent balances due from reinsurance companies. Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provision or settled claims associated with the reinsurer's policies and are in accordance with the related reinsurance contract.

In Rs. '000	Note	GROUP		COMPANY	
As at 31 March		2025	2024	2025	2024
Trade receivables	31.1	**6,891,630**	7,491,863	**1,615,147**	836,874
Reinsurance receivables		**502,753**	590,744	**-**	-
Loans to executives		**55,972**	33,881	**14,059**	10,815
Other receivables	31.2	**2,667,800**	1,343,271	**31,055**	37,612
		10,118,155	9,459,759	**1,660,261**	885,301

31.1 Trade receivables

In Rs. '000	Note	Gross	Unearned income	GROUP		COMPANY	
As at 31 March				2025	2024	2025	2024
Hire purchase debtors		1,817,949	(19,556)	**1,798,393**	1,904,702	**-**	-
Trade receivables		8,225,833	-	**8,225,833**	8,219,979	**1,679,359**	1,109,016
		10,043,782	(19,556)	**10,024,226**	10,124,681	**1,679,359**	1,109,016
Less - provision for impairment of trade receivables	31.3.1			**(3,132,596)**	(2,632,818)	**(64,212)**	(272,142)
		10,043,782	(19,556)	**6,891,630**	7,491,863	**1,615,147**	836,874

31.2 Other receivables

In Rs. '000	GROUP		COMPANY	
As at 31 March	2025	2024	2025	2024
Other receivables	**2,715,914**	1,391,385	**79,169**	85,726
Less - provision for impairment of other receivables	**(48,114)**	(48,114)	**(48,114)**	(48,114)
	2,667,800	1,343,271	**31,055**	37,612

31.3 Accounting judgements, estimates and assumptions

Impairment of receivables

The Group assesses the evidence of impairment of receivables at both an individual asset and at a collective level. All individually significant receivables are individually assessed for impairment by considering objective evidence i.e. significant financial difficulties or default in payments of a customer. Those found not to be impaired are then collectively assessed for any impairment that has been incurred but not yet individually identified. Receivables that are not individually significant are collectively assessed for impairment. Collective assessment is carried out by grouping together receivables with similar risk characteristics.

In assessing collective impairment, the Group uses historical information on the probability of default, the timing of recoveries, and the amount of loss incurred, and makes an adjustment if current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested historical trends.

31.3.1 Movement in provision for trade receivables

In Rs. '000	GROUP		COMPANY	
As at 31 March	2025	2024	2025	2024
At the beginning of the year	**2,632,818**	2,510,782	**272,142**	334,557
Acquisition of subsidiary	**-**	43,886	**-**	-
Provision for impairment of trade receivables	**525,324**	100,199	**(207,930)**	(62,415)
Written offs during the year	**(25,546)**	(22,049)	**-**	-
At the end of the year	**3,132,596**	2,632,818	**64,212**	272,142

32 LOANS AND ADVANCES

ACCOUNTING POLICY

Initial recognition and measurement

Loans and advances are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs.

Policyholders loans are granted up to 90% of the surrender value of a life insurance policy at a rate equivalent to the market rate.

Subsequent measurement

Loans and advances are initially recognised at fair value, which is the cash consideration to originate or purchase the loan including any transaction costs and measured subsequently at amortised cost using the EIR, less allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees and costs that are an integral part of the EIR. The amortisation is included in 'interest income' in the income statement. The losses arising from impairment are recognised in 'impairment charge for loans and advances' in the income statement.

In Rs. '000	Gross	Unearned income	GROUP	
As at 31 March			2025	2024
Consumer loan receivables	8,980	-	**8,980**	10,938
Factoring receivables	117,711	-	**117,711**	88,806
Gold loan receivables	1,830,579	-	**1,830,579**	1,366,110
Other loan receivables	4,033,066	(538,726)	**3,494,340**	3,970,765
Personal loan receivables	612,622	(13,570)	**599,052**	669,210
Revolving loan receivables	833,667	-	**833,667**	669,310
SME loan receivables	948,288	(1,134)	**947,154**	1,025,200
Gross loan receivable	8,384,913	(553,430)	**7,831,483**	7,800,339
Less - Allowance for impairment			**(3,824,417)**	(3,961,196)
	8,384,913	(553,430)	**4,007,066**	3,839,143
Policyholders loans	363,534	-	**363,534**	328,870
	8,748,447	(553,430)	**4,370,600**	4,168,013
Loans and advances				
Receivable within one year			**3,944,571**	3,730,950
Receivable after one year (Note - 27.3)			**426,029**	437,063
			4,370,600	4,168,013

32.1 Accounting judgements, estimates and assumptions

32.1.1 Impairment of loans and advances

Analysis of loan receivables on maximum exposure to credit risk

In Rs. '000 As at 31 March	Stage 1	Stage 2	Stage 3	Total 2025
Gross loan receivables				
- subject to collective impairment (excluding policyholders loans)				
Consumer loan receivables	-	-	8,980	**8,980**
Factoring receivables	86	-	117,625	**117,711**
Gold loan receivables	1,432,708	376,100	21,771	**1,830,579**
Other loan receivables	152,324	1,362	3,340,654	**3,494,340**
Personal loan receivables	40,698	3,768	554,586	**599,052**
Revolving loan receivables	-	-	833,667	**833,667**
SME loan receivables	-	-	947,154	**947,154**
Gross loan receivable	1,625,816	381,230	5,824,437	**7,831,483**
Less - Allowance for expected credit losses (ECL)	(782)	(219)	(3,823,416)	**(3,824,417)**
	1,625,034	381,011	2,001,021	**4,007,066**

In Rs. '000 As at 31 March	Stage 1	Stage 2	Stage 3	Total 2024
Gross loan receivables				
- subject to collective impairment (excluding policyholders loans)				
Consumer loan receivables	45	7	10,886	10,938
Factoring receivables	13,015	-	75,791	88,806
Gold loan receivables	881,926	452,379	31,805	1,366,110
Other loan receivables	351,326	11,090	3,608,349	3,970,765
Personal loan receivables	102,040	10,822	556,348	669,210
Revolving loan receivables	-	-	669,310	669,310
SME loan receivables	-	-	1,025,200	1,025,200
Gross loan receivable	1,348,352	474,298	5,977,689	7,800,339
Less - Allowance for expected credit losses (ECL)	(3,968)	(2,340)	(3,954,888)	(3,961,196)
	1,344,384	471,958	2,022,801	3,839,143

32.2 Overview of the expected credit loss (ECL) principles

Movement in allowance for expected credit losses (ECL)

In Rs. '000 As at 31 March	Stage 1	Stage 2	Stage 3	Total 2025
Balance as at 01 April 2024	3,968	2,340	3,954,888	3,961,196
Charge/ (reversal) to income statement	(3,186)	(2,121)	(131,472)	(136,779)
	782	219	3,823,416	3,824,417

In Rs. '000 As at 31 March	Stage 1	Stage 2	Stage 3	Total 2024
Balance as at 01 April 2023	15,485	19,682	3,416,437	3,451,604
Charge/ (reversal) to income statement	(11,517)	(17,342)	538,451	509,592
	3,968	2,340	3,954,888	3,961,196

The Group established a policy to perform as assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL).

The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both LTECLs and 12mECLs are calculated on either an individual basis or collective basis, depending on the nature of the underlying portfolio of financial instruments.

Based on the above process, the Company groups its loans into Stage 1, Stage 2, Stage 3 and POCI, as described below.

Stage 1 When loans are first recognised, the Group recognises an allowance based on 12mECLs. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2.

Stage 2 When a loan has shown a significant increase in credit risk since origination, the Group records an allowance for the LTECLs. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3.

Stage 3 Loans considered credit-impaired. The Group records an allowance for the LTECLs.

POCI Purchased or originated credit impaired (POCI) assets are financial assets that are credit impaired on initial recognition. POCI assets are recorded at fair value at original recognition and interest income is subsequently recognised based on a credit-adjusted EIR. ECLs are only recognised or released to the extent that there is a subsequent change in the expected credit losses.

For financial assets for which the Company has no reasonable expectations of recovering either the entire outstanding amount, or a proportion thereof, the gross carrying amount of the financial asset is reduced. This is considered a partial derecognition of the financial asset.

The Calculation of Expected Credit Loss (ECL)

The Group calculates ECLs based on a four probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

The mechanics of the ECL calculations are outlined below and the key elements are as follows.

Probability of Default (PD)

The probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

Exposure at Default (EAD)

The Exposure at Default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected draw downs on committed facilities, and accrued interest from missed payments.

Loss Given Default (LGD)

The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

The mechanism of the ECL method are summarised below.

Stage 1 The 12mECL is calculated as the portion of LTECLs that represent the ECLs result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Group calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation of the original EIR.

Stage 2 When a loan has shown a significant increase in credit risk since origination, the Group records an allowance for the LTECLs. The mechanics are similar to those explained above, including the use of multiple scenarios, but PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.

Stage 3 For loans considered credit-impaired, the Group recognises the lifetime expected credit losses for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.

Loan Commitments

When estimating LTECLs for undrawn loan commitments, the Group estimates the expected portion of the loan commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan is drawn down, based on a probability weighting of the four scenarios. The expected cash shortfalls are discounted at an approximation to the expected EIR on the loan.

For factoring receivables and revolving loans that include both a loan and an undrawn commitment. ECLs are calculated and presented with the loan.

Financial Guarantee contracts

The Group's liability under each guarantee is measured at the higher of the initially recognised fair value less cumulative amortisation recognised in the income statement, and the ECL provision. For this purpose, the Group estimates ECLs based on the present value of the expected payments to reimburse the holder for a credit loss that it incurs. The shortfalls are discounted by the risk-adjusted interest rate relevant to the exposure. The calculation is made using a probability - weighting of the four scenarios. The ECLs related to financial guarantee contracts are recognised within provisions.

33 OTHER CURRENT ASSETS

ACCOUNTING POLICY

The Group classifies all non-financial current assets under other current assets. Other current assets comprise mainly advances, deposits, prepayments and tax refunds and receivables.

Advances and deposits are carried at historical value less a provision for impairment. Prepayments are amortised over the period during which they are utilised and are carried at historical value less amortisation and impairments if any.

In Rs. '000	Note	GROUP		COMPANY	
As at 31 March		2025	2024	2025	2024
Prepayments, advances & non-cash receivables		**2,284,320**	2,396,380	**301,556**	154,084
Advances paid on Odel Mall construction	33.1	**435,875**	435,875	**-**	-
Tax refunds & receivables		**851,285**	756,178	**58,987**	58,403
Other receivables		**851,387**	591,659	**-**	-
Apartment inventory in WIP	33.2	**-**	2,152,831	**-**	-
		4,422,867	6,332,923	**360,543**	212,487

33.1 Advances paid on Odell Mall construction have been paid to Access Engineering PLC and China State Engineering Corporation for piling, diaphragm wall and construction of the shopping mall.

33.2 Apartment inventory in WIP included transfer of ODEL mall project's construction cost and the deemed cost of the land on proportionate basis applicable to apartments has now been transferred to other non-current assets due to the reduction in construction scope to remove the apartment component and the conversion of this area into rentable office space.

34 SHORT TERM INVESTMENTS

In Rs. '000	Note	GROUP		COMPANY	
As at 31 March		2025	2024	2025	2024
Quoted equities at market value	34.1	**18,319**	93,329	**17,663**	92,768
Other investments (more than 3 months and less than 1 year)	34.3	**4,461,556**	2,482,082	**-**	-
		4,479,875	2,575,411	**17,663**	92,768
Other investments (less than 3 months)					
Commercial papers		**795,709**	1,004,562	**-**	-
Fixed deposits		**539,363**	458,675	**-**	-
Government securities		**3,442,821**	1,424,700	**-**	-
Investment in Unit Trust		**4,068,196**	4,612,887	**-**	-
Investment in securitised borrowings		**-**	223,960	**-**	-
		8,846,089	7,724,784	**-**	-
		13,325,964	10,300,195	**17,663**	92,768

34.1 Quoted equities at market value

In Rs. '000	GROUP			COMPANY		
As at 31 March	Number of shares	2025	2024	Number of shares	2025	2024
ACL Cables PLC	528	**64**	44	-	**-**	-
Cargills Bank PLC	-	**-**	79,000	-	**-**	79,000
Ceylinco Insurance PLC	89	**205**	205	-	**-**	-
DFCC Bank PLC	296	**22**	22	-	**-**	-
John Keells Holdings PLC	334	**22**	22	-	**-**	-
Lanka IOC PLC	63,200	**8,026**	7,379	63,200	**8,026**	7,379
Lanka Tiles PLC	997	**52**	52	-	**-**	-
National Development Bank PLC	1,655	**181**	106	-	**-**	-
Renuka City Hotel PLC	50	**18**	18	-	**-**	-
Richard Pieris and Company PLC	210	**4**	4	-	**-**	-
Richard Pieris Exports PLC	200	**88**	88	-	**-**	-
Sampath Bank PLC	57,709	**7,069**	4,617	57,709	**7,069**	4,617
Seylan Bank PLC	170	**12**	8	170	**12**	8
Seylan Bank PLC - Non Voting Shares	48,127	**2,556**	1,764	48,127	**2,556**	1,764
		18,319	93,329		**17,663**	92,768

34.2 Other investments

In Rs. '000 As at 31 March	GROUP 2025	 2024
More than 3 months and less than 1 year		
Debentures maturing within a year	**1,117,341**	1,591,253
Fixed deposits	**523,535**	578,417
Government securities	**1,414,896**	22,043
Investment in securitised papers	**1,405,535**	290,120
Investment in Unit Trust	**249**	249
	4,461,556	2,482,082

35 CASH AND CASH EQUIVALENTS

In Rs. '000 As at 31 March	GROUP 2025	 2024	COMPANY 2025	 2024
Favourable balances				
Cash in hand and at bank	**5,250,765**	4,340,269	**9,937**	6,702
	5,250,765	4,340,269	**9,937**	6,702
Unfavourable balances				
Bank overdrafts	**9,473,209**	9,307,845	**83,378**	70,096
	9,473,209	9,307,845	**83,378**	70,096

36 STATED CAPITAL

As at 31 March	2025 Number of shares	 Value of shares Rs. '000	2024 Number of shares	 Value of shares Rs. '000
Fully Paid Ordinary Shares				
At the end of the year	**1,395,257,979**	**14,146,383**	1,192,543,209	12,119,235
	1,395,257,979	**14,146,383**	1,192,543,209	12,119,235

37 OTHER COMPONENTS OF EQUITY

In Rs. '000 As at 31 March	Note	GROUP 2025	 2024	COMPANY 2025	 2024
Restricted regulatory reserve	37.1	**309,613**	309,613	**-**	-
Revaluation reserve	37.2	**13,714,486**	13,397,639	**-**	-
Foreign currency translation reserve	37.3	**(127,943)**	(130,448)	**-**	-
Fair value reserve of financial assets at FVOCI	37.4	**(661,775)**	(1,183,528)	**62,640,387**	45,412,911
Statutory reserve fund	37.5	**263,436**	263,436	**-**	-
Other reserves	37.6	**(1,207,775)**	(1,636,236)	**-**	-
Cash flow hedge reserve	37.7	**(2,377,502)**	(3,100,577)	**-**	-
Non distributable regulatory loss allowance reserve	37.8	**705,310**	1,280,511	**-**	-
		10,617,850	9,200,410	**62,640,387**	45,412,911

37.1 Restricted regulatory reserve reflects the equity holders share of one-off surplus attributable to policyholder non-participating fund to shareholder fund. This reserve has been made as per the direction No. 16 dated 20 March 2018 issued by the 'Insurance Regulatory Commission of Sri Lanka (IRCSL) on 'Identification and Treatment of one-off surplus'.

37.2 Revaluation reserve consists of the net surplus on the revaluation of property.

37.3 Foreign currency translation reserve comprises the net exchange movement arising on the currency translation of foreign operations and net equity investments of other currency denominated associates into Sri Lankan Rupees (Rs.).

37.4 Fair value reserve of financial assets at FVOCI includes changes on fair value of financial instruments designated as financial assets at FVOCI.

37.5 Statutory reserve fund reflects the profit transfer made by Softlogic Finance PLC in compliance with the Central Bank direction No. 01 of 2003.

37.6 Other reserve is used to recognise goodwill or gains from purchases on subsequent acquisitions of further equity interests in subsidiaries and gains or losses arising from partial and deemed acquisitions/disposals in its subsidiaries.

37.7 Cash flow hedge reserve reflects the effective portion of the gain or loss on the hedging instrument.

37.8 As per section 7.1.3 of Central Bank, Finance Business Act Direction No. 01 of 2020, the Company shall maintain a non-distributable regulatory loss allowance reserve (RLAR) through an appropriation of its retained earnings, where the loss allowance for expected credit loss falls below the regulatory provision. Accordingly, the company has created a RLAR and the amount of the RLAR as of 31 March 2025 was to Rs. 970.07 Mn (2024 - Rs. 1,736.24 Mn).

38 INSURANCE CONTRACT LIABILITIES

ACCOUNTING POLICY

The Directors agree to the long term insurance business provisions on the recommendation of the actuary following valuation of the life insurance business. The actuarial valuation takes into account all liabilities including contingent liabilities and is based on assumptions recommended by the Appointed Actuary.

In Rs. '000 As at 31 March	Note	GROUP 2025	 2024
Insurance contract liabilities	39.1	**33,671,063**	27,759,130
		33,671,063	27,759,130

38.1 Movement in life insurance fund

In Rs. '000 As at 31 March	GROUP 2025	 2024
At the beginning of the year	**27,759,130**	24,462,094
Increase in life fund	**9,869,342**	6,675,552
Transfer to shareholders	**(3,775,000)**	(3,217,000)
Increase in insurance contract liabilities	**6,094,342**	3,458,552
Tax on policyholder bonus and Unit link seed capital	**(182,409)**	(161,516)
At the end of the year	**33,671,063**	27,759,130

38.2 Change in life insurance contract liabilities

The results of Softlogic Life Insurance PLC life business segment is consolidated line by line into the Group's consolidated income statement.

The change in life insurance contract liabilities represents the transfer to the Life Fund, the difference between all income and expenditure attributable to life policyholders during the year.

In Rs. '000 For the year ended 31 March	GROUP 2025	 2024
Revenue from insurance contracts	**30,842,349**	25,032,614
Total benefits and claim expense	**(21,131,776)**	(18,725,004)
Underwriting results	**9,710,573**	6,307,610
Operating expenses including distribution and administration expenses	**(6,665,038)**	(5,505,018)
Net finance income	**6,823,807**	5,872,960
Profit attributable to shareholders	**(3,775,000)**	(3,217,000)
Change in insurance contract liabilities	**6,094,342**	3,458,552

38.3 Recommendation of surplus transfer

The valuation of the life insurance fund as at 31 March 2025 was made by Appointed Actuary Mr. Kunj Behari Maheshwari, FIA, FIAI, Messrs. Towers Watson India (Pvt) Limited, who recommended:

no transfer to shareholders from the participating life fund

transfer of a sum of Rs. 3,775.00 Mn to non-participating life insurance fund / insurance contract liabilities to the shareholders' fund (2024 - Rs. 3,217.00 Mn), as recommended by the Appointed Actuary was permitted by the Insurance Regulatory Commission of Sri Lanka (IRCSL).

Measurement

Life insurance liabilities are recognised when contracts are entered into and premiums are charged. These liabilities are measured on a market consistent basis in accordance with the Solvency Margin (Risk Based Capital) Rules 2015 issued under Sections 105 and 26 (1) of the Regulation of Insurance Industry Act No. 43 of 2000, with effect from 01 January 2016. For periods up to 31 December 2015, the Company used the Net Premium Valuation (NPV) methodology to calculated insurance liabilities in accordance with the Solvency Margin (Long Term Insurance) Rules 2002.

The value of the life insurance liabilities are determined as follows:

Life insurance liabilities = Best Estimate Long term Liability (BEL) + Risk Margin for adverse deviation (RM)

The best estimate liability is measured sum of the present value of all future best estimate cash flows calculated using the risk free interest rate yield curve issued by the Insurance Regulatory Commission of Sri Lanka (IRCSL). Further a discounted cash flow approach equivalent to Gross Premium Valuation (GPV) methodology has been used to calculate liabilities as at 31 March 2025.

Measurement is usually based on the prospective method, by determining the difference between the present value of future benefits and future premiums. The actuarial assumptions used for the calculation include, in particular, assumptions relating to:

- Mortality rates
- Lapse ratios
- Morbidity rates
- Dividend rates
- Expense assumptions
- Participating fund yield
- Expense inflation
- Bonus rates

Assumptions are estimated on a realistic basis at the time the insurance contracts are concluded and they include adequate provision for adverse deviations to make allowance for the risks of change and random fluctuations. Further in valuing the policy liability, provisions for reinsurance have been allowed in accordance with applicable reinsurance terms as per current reinsurance arrangements.

Details of key assumptions used and basis of arriving for same are summarised in the following table:

Assumption	Basis of estimation
Discount rate	Top down approach has been used and discount rate assumptions are disclosed below. Insurance contract liabilities shall be measured in term of SLFRS 4 by applying current market interest rates where any changes to be recognised in income statement. In arriving at such rates, CA Sri Lanka has issued a guidance note allowing insurers to apply professional judgment in applying the current market interest rates by way of considering timing and liquidity nature of the insurance liability. ***Methodology*** Noting the potential difficulties in establishing an appropriate 'liquid risk free yield curve' from the observable Sri Lankan market data, a 'top-down approach' is adopted for the determining the appropriate discount rates. Under such approach, the yield curve is constructed to represent yields implicit in a fair value measurement of a reference portfolio of assets whilst attempting to eliminate any factors that are not relevant to the insurance contracts.
Mortality rates	Based on 67/70 Mortality rates table was used.
Morbidity rates	Based on the loss ratios (loss ration is calculated as the ratio of settled and pending claims to earned premiums)
Expenses	Based on the expense investigation carried out as at 31 March 2025 on expenses incurred during 2024/25. For the purpose of the expense study, a functional split of expenses between acquisition or maintenance costs have been made on the basis of inputs from various departments heads of each cost center to determine a reasonable activity based split of expenses. These have been further identified as either being premium or policy-count driven base on the nature of expenses to determine a unit cost loading for use in the valuation.
Expense inflation	The best estimate expense inflation has been assumed to be 5.0% p.a. The expense inflation assumption has remained unchanged since previous valuation. The assumption is also inline with the long term inflation target of Central Bank of Sri Lanka which is in the range of 4 % to 6%.
Persistency ratio	Discontinuance assumption are based on the experience investigation. The discontinuance assumptions are set with reference to actual experience and vary by policy duration.
Bonus rate	Bonus rate scale assumed has been arrived based on bonus declared as at 31 December 2024, based on the Company management's views on policyholder reasonable expectations. This assumes that company is expecting to maintain the current bonus levels into the future and is unchanged from the previous valuation.
Participating fund yield	Based on the weighted average of projected asset mix on expected yields for various asset types.

De-recognition

The liability is de-recognised when the contract is expired, discharged or cancelled.

38.4 Valuation of life insurance fund

Long duration contract liabilities included in the life insurance fund result primarily consist of traditional participating and non-participating life insurance products. The actuarial reserves have been established by Appointed Actuary Mr. Kunj Behari Maheshwari, FIA, FIAI, Messrs. Towers Watson India (Pvt) Limited as at 31 March 2025.

Details of the calculation of policy liabilities and net cash flows are provided in the following table for each class of products.

Details of product category	Basis of determinants of policy liability	Basis of calculating net cash flows
Individual traditional non-participating products	Discounting "net cash flows" at the risk free interest rate curve	Future premium income (-) death benefit outgo (+) rider benefit outgo (+) surrender benefit outgo (+) maturity benefit outgo (+) commission expenses outgo (+) policy expenses outgo (+) reinsurance recoveries (-) reinsurance premium outgo (+) reinsurance commissions (-)
Individual traditional participating products	Max (guaranteed benefit liability, total benefit liability)	Same as above
Individual universal non-participating products	Discounting "net cash flows" at the risk free interest rate curve	Future premium income (-) death benefit outgo inclusive of dividend accumulations (+) rider benefit outgo (+) surrender benefit Outgo inclusive of dividend accumulations (+) maturity benefit outgo inclusive of dividend accumulations (+) commission expense outgo (+) policy expense outgo (+) reinsurance recoveries (-) reinsurance premium outgo (+) reinsurance commission (-)
Group traditional non-participating products - Group term (life) and per day insurance	Net cash flow	Future premium income (-) death benefit outgo (+) rider benefit outgo (+) commission expenses outgo (+) policy expense outgo (+) reinsurance recoveries (-) reinsurance premium outgo (+) reinsurance commission (-)
Group traditional non-participating products - Group Hospitalisation cover	Policy liability has been set equal to Unearned Premium Reserve (UPR)	Not applicable

38.5 Solvency Margin

In the opinion of the appointed actuary, the Company maintains a Capital Adequacy Ratio (CAR) of 260% and Total Available Capital (TAC) of Rs. 32,661 Mn as at 31 March 2025, which exceed the minimum requirement of 120% and Rs. 500.00 Mn respectively as per the Solvency Margin (Risk Based Capital) Rules 2015 requirement prescribed under section 26 (1) of the Regulation of Insurance Industry Act No. 43 of 2000.

38.6 Liability Adequacy Test (LAT)

ACCOUNTING POLICY

Measurement

At each reporting date, an assessment is made of whether the recognised life insurance liabilities are adequate by using an existing liability adequate test as laid out under SLFRS 4 – Insurance Contracts. The liability value is adjusted to the extent that it is insufficient to meet future benefits and expenses.

In performing the adequacy test, current best estimates of future contractual cash flows, including related cash flows such as claim handling and policy administration expenses, policyholder options and guarantees, as well as investment income from assets backing such liabilities, are used. A number of valuation methods are applied, including discounted cash flows to the extent that the test involves discounting of cash flows, the interest rate applied based on management's prudent expectation of current market interest rates.

Any deficiency shall be recognised in the income statement by setting up a provision for liability adequacy.

Valuation

Liability Adequacy Test for life insurance contract liability was carried out by Appointed Actuary Mr. Kunj Behari Maheshwari, FIA, FIAI, Messrs. Towers Watson India (Pvt) Limited as at 31 December 2023. When performing the LAT, the Company discounted all contractual cash flows and compared this amount with the carrying value of the liability. Based on the actuarial assessment assets are adequate as compared to the discounted cash flows reserves and in contrast to the reserves as at 31 December 2024.

Liability Adequacy Test (LAT) in respect of the Insurance Contract Liabilities as required by SLFRS 4 - Insurance Contracts are carried out annually. Hence no additional provision was required against the LAT as at 31 March 2025.

38.7 Surplus created due to change in valuation method - one off surplus zeroed at product level

ACCOUNTING POLICY

Insurance contract liabilities are measured on a market consistent basis in accordance with the Solvency Margin (Risk Based Capital) Rules 2015 with effect from 01 January 2016. However period up to 31 December 2015, the Company used the Net Premium Valuation (NPV) methodology to calculate insurance liability in accordance with Solvency Margin (Long Term Insurance) Rules 2002.

A one off unallocated surplus was created with the migration to the new regime effective 01 January 2016.

Measurement

The surplus created due to change in Valuation Method of Policy Liabilities from Net Premium Valuation (NPV) to Gross Premium Valuation (GPV) is measured based on the difference in the policy liability valuation by the independent Actuary based on NPV and GPV bases valuation as at 31 December 2015 according to the Direction 16 "Identification and Treatment of One-Off Surplus" issued by IRCSL. According to the Direction 16, the Company has determined the One-off Surplus as the difference between NPV Solvency basis liability and GPV Distribution basis liability for both Participating business and other than Participating business.

Valuation

Details of one off adjustment as at 01 January 2016 are as follows:

In Rs. '000 Description	Participating fund	Non-Participating fund	Total
Value of Insurance contract liability based on Independent Actuary - NPV as at 31 December 2015	3,866,780	2,472,575	6,339,355
Value of Insurance contract liability based on Independent Actuary - GPV 31 December 2015	2,810,245	1,674,571	4,484,816
Surplus created due to Change in Valuation Method - One off Surplus as at 01 January 2016	1,056,535	798,004	1,854,539

38.7.1 Transfer of one-off surplus from policy holder fund to shareholder fund

The Insurance Regulatory Commission of Sri Lanka (IRCSL) has issued a Direction No 16 on 20 March 2018 on "Guidelines/ directions for Identification and Treatment of One-off Surplus" and has instructed all life insurance companies to comply with the new direction. Based on the new guidelines life insurance companies are directed to transfer one off surplus attributable to policyholder non-participating fund to shareholder fund as at the reporting year ended 31 March 2018. The transfer has been presented as a separate line item in the Income Statement as "change in contract liability due to transfer of one off surplus" and as a separate reserve in the Statement of Financial Position as "Restricted Regulatory Reserve" under equity in accordance with above Direction. As required by the said direction, the company received the approval for this transfer on 29 March 2018.

Further distribution of one off surplus to shareholders, held as part of the "Restricted Regulatory Reserve", is subject to meeting governance requirements stipulated by the IRCSL and can only be released as dividends upon receiving approval from the IRCSL. The one off surplus in the shareholder fund will remain invested in government debt securities and deposits as disclosed in Note 34.8.3 as per the directions of the IRCSL

One-off surplus in respect of participating business is held within the participating fund as part of the unallocated valuation surplus and may only be transferred to the Shareholder fund by means of bonuses to policyholders in line with Section 38 of the "Regulation of Insurance Industry, Act No. 43 of 2000". Please refer Note 34.8.3 for details of assets supporting the restricted regulatory reserve as at 31 March 2025.

In Rs. '000 Description	Participating fund	Non-Participating fund	Total
Value of Insurance Contract Liability based on Independent Actuary-NPV as at 31 December 2015	3,866,780	2,472,575	6,339,355
Value of Insurance Contract Liability based on Independent Actuary-GPV as at 31 December 2015	2,810,245	1,674,571	4,484,816
Surplus Created due to Change in Valuation method from NPV to GPV - One off Surplus as at 01 January 2016	1,056,535	798,004	1,854,539
Transfer of One-off Surplus from long term fund to Restricted Regulatory Reserve as at 31 December 2017	-	(798,004)	(798,004)
Surplus Created due to Change in Valuation method from NPV to GPV - One off Surplus as at 31 December 2017	1,056,535	-	1,056,535
Surplus Created due to Change in Valuation method from NPV to GPV - One off Surplus as at 31 March 2018	1,056,535	-	1,056,535
Surplus Created due to Change in Valuation method from NPV to GPV - One off Surplus as at 31 March 2019	1,056,535	-	1,056,535
Surplus Created due to Change in Valuation method from NPV to GPV - One off Surplus as at 31 March 2020	1,056,535	-	1,056,535
Surplus Created due to Change in Valuation method from NPV to GPV - One off Surplus as at 31 March 2021	1,056,535	-	1,056,535
Surplus Created due to Change in Valuation method from NPV to GPV - One off Surplus as at 31 March 2022	1,056,535	-	1,056,535
Surplus Created due to Change in Valuation method from NPV to GPV - One off Surplus as at 31 March 2023	1,056,535	-	1,056,535
Surplus Created due to Change in Valuation method from NPV to GPV - One off Surplus as at 31 March 2024	1,056,535	-	1,056,535
Surplus Created due to Change in Valuation method from NPV to GPV - One off Surplus as at 31 March 2025	**1,056,535**	**-**	**1,056,535**

Distribution of one off surplus

The distribution of one off surplus to shareholders as dividends shall remain restricted until the company develops appropriate policies and procedures for effective management of its business, as listed below.

- expense allocation policy setting out basis of allocation of expenses between the shareholder fund and the policyholder fund as well as between different lines of business within the policyholder fund, particularly participating and non-participating
- dividend declaration policy for universal life business
- bonus policy for the participating business, which should include treatment of one off surplus for the purpose of bonus declaration
- assets and liability management policy
- policy on internal target Capital Adequacy Ratio
- considerations for transfer of funds from policyholder fund to shareholder fund.

"These policies should be approved by the Board of Directors of the Softlogic Life Insurance PLC and must also comply with any relevant guidance issued by IRCSL from time to time. Further IRCSL will reconsider the distribution of one off surplus when the Risk Based Capital rules are revised.

The IRCSL will permit distribution of one off surplus subject to yearly distribution caps on a case by case basis."

38.7.2 Composition of investments supporting the Restricted Regulatory Reserve as at 31 March 2025

		Face value Rs.	Market value as at 31 March 2025 Rs. '000
Government Securities			
Treasury Bonds -	LKB00628A153	100,000,000	**123,314**
	LKB00628A153	110,000,000	**135,646**
	LKB00628A153	100,000,000	**123,314**
	LKB00628A153	100,000,000	**123,314**
	LKB00931E153	100,000,000	**138,396**
	LKB00931E153	100,000,000	**138,396**
	LKB00931E153	120,000,000	**166,077**
	LKB00931E153	100,000,000	**138,396**
	LKB00931E153	100,000,000	**138,396**
	LKB00931E153	100,000,000	**138,396**
Total market value of the assets			**1,363,645**

38.8 Direction 18 - Unclaimed benefits of Long Term Insurance Business

Unclaimed benefits of long term insurance business are recorded in the life insurance fund.
There was no transfer of any unclaimed benefit to shareholders and recorded in the life fund as unclaimed benefits if any.

38.9 Taxation on surplus distributed to the life insurance policyholder who shares the profits

In terms of the Section 67 of Inland Revenue Act no. 24 of 2017, surplus distributed to the life insurance policyholders who shares the profits of a person engaged in the business of life insurance in a given year, as provided in the "Regulation of Insurance Industry Act no. 43 of 2000", shall be deemed as gains and profits of that person from the business and subject to tax. Applicable tax rate is 30%

As recommended by the Appointed Actuary Mr. Kunj Behari Maheshwari, FIA, FIAI of Messrs. Towers Watson India (Pvt) Ltd, Softlogic Life Insurance PLC has declared a bonus of Rs. 607.00 Mn (2024 - Rs. 518.00 Mn) to life insurance policyholders who participating in the profit of life insurance business. Accordingly, there is Rs. 182.41 Mn (2024 - Rs. 161.52 Mn) unit link seed capital & tax amount is arising from policyholder who shares the profits of a person engaged in the business of life insurance.

38.10 Sensitivity to assumptions used

Change in key assumptions used in valuing the insurance contract liability would have the following effect to the Group financials:

In Rs. '000 As at 31 March	2025	2024
Effect on the change of the insurance contract liability:		
Increase by 10% in mortality rate	**605,639**	508,645
Decrease by 10% in mortality rate	**(564,905)**	(477,690)
Effect on the change of the insurance contract liability:		
Increase by 10% in morbidity rate	**1,793,605**	794,964
Decrease by 10% in morbidity rate	**(352,072)**	(215,690)
Effect on the change of the insurance contract liability:		
Increase by 50 basis point in risk free discount rate	**(1,649,634)**	(1,172,924)
Decrease by 50 basis point in risk free discount rate	**1,809,670**	1,276,020
Effect on the change of the insurance contract liability:		
Increase by 1% in expense ratio	**963,567**	770,006
Decrease by 1% in expense ratio	**(963,567)**	(760,813)

39 INTEREST BEARING BORROWINGS

In Rs. '000 As at 31 March	Note	GROUP 2025	 2024	COMPANY 2025	 2024
Long term bank borrowings	39.1	**59,664,818**	57,572,212	**17,444,164**	17,747,287
Debentures	39.2	**-**	1,177,767	**-**	-
Subordinated debt	39.3	**3,143,348**	4,802,678	**-**	-
Securitisation borrowings	39.4	**3,146,908**	4,843,332	**1,992,348**	2,934,174
Long term intercompany borrowings	39.5	**-**	-	**1,029,685**	-
		65,955,074	68,395,989	**20,466,197**	20,681,461
Repayable within one year		**21,609,262**	25,388,578	**3,745,548**	10,314,172
Repayable after one year		**44,345,812**	43,007,411	**16,720,649**	10,367,289
		65,955,074	68,395,989	**20,466,197**	20,681,461

39.1 Long term bank borrowings

Movement in long term bank borrowings

In Rs. '000	GROUP		COMPANY	
As at 31 March	2025	2024	2025	2024
At the beginning of the year	**53,533,226**	46,278,711	**16,187,712**	9,956,992
Acquisition of subsidiary	**-**	24,375	**-**	-
Additions	**9,199,817**	1,470,782	**-**	-
Repayments	**(13,131,111)**	(6,401,099)	**(1,502,113)**	(2,479,239)
Transfers from short term loans and accrued finance charges capitised	**4,857,926**	13,476,943	**1,985,882**	8,709,959
Exchange translation difference	**(180,896)**	(1,316,486)	**-**	-
	54,278,962	53,533,226	**16,671,481**	16,187,712
Unamortised loan processing cost	**(900)**	(5,516)	**-**	(4,615)
Finance charges	**5,386,756**	4,044,502	**772,683**	1,564,190
At the end of the year	**59,664,818**	57,572,212	**17,444,164**	17,747,287

Security pledged and interest rates pertaining to interest bearing borrowings are disclosed in note 54 to the financial statements.

39.2 Debentures

Movement in debentures

In Rs. '000	GROUP	
As at 31 March	2025	2024
At the beginning of the year	**1,149,940**	1,400,000
Repayments	**(1,149,940)**	(250,060)
	-	1,149,940
Unamortised loan processing cost	**-**	(11,494)
Finance charges	**-**	39,321
At the end of the year	**-**	1,177,767

Details regarding the debentures are as follows;

In Rs. '000	Allotment date	Maturity date	Face value	Amortised cost as at 31-03-2025	Amortised cost as at 31-03-2024
GROUP					
Listed debentures					
Softlogic Capital PLC					
Listed, secured, Type "B" debentures	19-12-2019	19-12-2024	459,880	**-**	460,545
Listed, secured, Type "C" debentures	19-12-2019	19-12-2024	690,050	**-**	717,212
Listed, secured, Type "D" debentures	19-12-2019	19-12-2024	10	**-**	10
				-	1,177,767

39.3 Subordinated debt

Softlogic Life Insurance PLC entered into a long-term financing agreement with Finnish Fund for Industrial Cooperation Ltd ("FinnFund") and Norwegian Investment Fund for Developing Countries for USD 15.00 Mn Tier II Subordinated debt transaction to provide funding to future development of business objectives of the Company. The facility was signed on 24 August 2020.

Movement in subordinated debt

In Rs. '000 As at 31 March	GROUP 2025	 2024
At the beginning of the year	**4,506,576**	4,907,170
Repayments	**(1,502,192)**	-
Exchange translation difference	**(39,541)**	(400,594)
	2,964,843	4,506,576
Finance charges	**178,505**	296,102
At the end of the year	**3,143,348**	4,802,678

39.4 Securitisation borrowings

Movement in securitisation borrowings

In Rs. '000 As at 31 March	GROUP 2025	 2024	COMPANY 2025	 2024
At the beginning of the year	**4,274,502**	4,448,734	**2,613,818**	2,343,616
Additions	**-**	2,643,703	**-**	1,802,203
Transfers from accrued finance charges capitised	**311,958**	-	**311,958**	-
Repayments	**(1,580,248)**	(2,817,935)	**(1,011,326)**	(1,532,001)
	3,006,212	4,274,502	**1,914,450**	2,613,818
Unamortised loan processing cost	**(33,174)**	(34,126)	**(33,174)**	(34,126)
Finance charges	**173,870**	602,956	**111,072**	354,482
At the end of the year	**3,146,908**	4,843,332	**1,992,348**	2,934,174

Nature of the facility	Interest rate	Repayment term	Outstanding balance 2025 Rs. '000	 2024 Rs. '000	Carrying value of collaterals Rs. Mn.	Security
Softlogic Holdings PLC						
HNB Securitization Fund - 5	Fixed rate	16 monthly installments commencing from March 2022	**169,902**	192,646	220.87	Mortgage over inter company receivables of Softlogic Holdings PLC
HNB Securitization Fund - 7	Fixed rate	9 monthly installments commencing from July 2022	**75,513**	122,557	98.17	Mortgage over inter company receivables of Softlogic Holdings PLC
HNB Securitization Fund - 9	Fixed rate	19 monthly installments commencing from March 2023	**38,951**	271,729	50.64	Mortgage over inter company receivables of Softlogic Holdings PLC
HNB Securitization Fund - 10	Fixed rate	18 monthly installments commencing from March 2023	**299,836**	303,072	389.79	Mortgage over inter company receivables of Softlogic Holdings PLC
HNB Securitization Fund - 8			**-**	97,308	-	

Nature of the facility	Interest rate	Repayment term	Outstanding balance		Carrying value of collaterals	Security
			2025	2024		
			Rs. '000	Rs. '000	Rs. Mn.	
NDB Trust - 1	Fixed rate	15 monthly installments commencing from February 2024	**423,220**	575,092	550.19	Mortgage over inter company receivables of Softlogic Holdings PLC
NDB Trust - 2	Fixed rate	21 monthly installments commencing from May 2024	**623,147**	854,510	810.09	Mortgage over inter company receivables of Softlogic Holdings PLC
NDB Trust - 3	Fixed rate	17 monthly installments commencing from July 2024	**361,779**	517,260	470.31	Mortgage over inter company receivables of Softlogic Holdings PLC
			1,992,348	2,934,174		
Softlogic Finance PLC						
NDB Trust - 1			**-**	174,395	-	
NDB Trust - 2			**-**	98,099	-	
			-	272,494		
Softlogic Capital PLC						
HNB Securitization Fund - 1	Fixed rate	12 monthly installments commencing from April 2024 (restructured repayment term)	**586,442**	567,902	1,728.37	Mortgage over inter company receivables of Softlogic Capital PLC
HNB Securitization Fund - 2	Fixed rate	12 monthly installments commencing from April 2024 (restructured repayment term)	**196,534**	398,689	622.72	Mortgage over inter company receivables of Softlogic Capital PLC
NDB Securitization Fund - 1	Fixed rate	On maturity of securitization papers in June 2024, April 2025 and July 2026 (restructured repayment term)	**371,584**	447,576	509.92	Mortgage over inter company receivables of Softlogic Capital PLC
NDB Securitization Fund - 2			**-**	222,497		
			1,154,560	1,636,664		
			3,146,908	4,843,332		

39.5 Long term intercompany borrowings

Movement in long term intercompany borrowings

In Rs. '000	Company	
As at 31 March	2025	2024
At the beginning of the year	**-**	-
Additions	**1,006,067**	-
	1,006,067	-
Finance charges	**23,618**	-
At the end of the year	**1,029,685**	-

Details regarding the long term intercompany borrowings are as follows;

Nature of the facility	Interest rate	Repayment term	Outstanding balance	
			2025	2024
Softlogic Holdings PLC				
Inter company Borrowing - Asiri Hospital Holdings PLC	Fixed rate	Repayable by way of a bullet payment at the maturity	**1,029,685**	-
			1,029,685	-

39.6 Derivative financial instruments

In Rs. '000 As at 31 March	GROUP			
	2025		2024	
	Asset	Liability	Asset	Liability
Foreign currency cash flow hedges	**2,379,820**	**-**	3,100,577	-

Cash flow hedge

The risk management objective of the cash flow hedge is to hedge the risk of variation in the foreign currency exchange rates associated with USD denominated forecast sales.

The risk management strategy is to use the foreign currency variability (gains/losses) arising from revaluation of the foreign currency loan attributable to change in the spot foreign exchange on LKR conversion of USD denominated forecast sales. The effective portion of the gain or loss on the hedging instrument is recognised in the statement of comprehensive income and any ineffective portion is recognised immediately in the income statement.

The amount recognised in the statement of comprehensive income is transferred to the income statement when the hedge transaction occurs (when the forecasted revenue is realised). If the forecast transaction is no longer expected to occur, the cumulative gain or loss previously recognised in the statement of comprehensive income is transferred to the income statement.

Ceysand Resorts Ltd

Hedging instrument	-	Foreign currency borrowing of USD 7.50 Mn in February 2013, maturing in March 2027, and foreign currency borrowing of USD 2.50 Mn in October 2013, maturing in March 2027
Hedged item	-	USD denominated sales expected to occur in March and September of 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024, 2025, 2026 and 2027 The cash flow hedge has a notional amount of USD 10.00 Mn and cash flows are expected to occur as 17 equal semi-annual installments at 15 March and 15 September of 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024, 2025, 2026 and 2027 in USD 588,235 capital and interest repayments at 15 March and 15 September of each year.
Discontinuation of hedge accounting	-	As at 1 April 2025, hedge accounting treatment under SLFRS 9 – Financial Instruments was discontinued due to ineffectiveness in the hedge relationship. The ineffectiveness arose because the underlying loan associated with the hedge became payable on demand following the maturity of the agreement, thereby failing to meet the qualifying criteria for hedge accounting.

Softlogic City Hotels (Pvt) Ltd

Hedging instrument - Foreign currency borrowing of USD 36.40 Mn obtained in May 2015, maturing in July 2030

Hedged item - USD denominated sales expected to occur in each month of 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024, 2025, 2026, 2027, 2028, 2029 and upto 2030 July from April 2017

The cash flow hedge has a notional amount of USD 29.01 Mn and cash flows are expected to occur as 96 monthly installments of 2022, 2023, 2024, 2025, 2026, 2027, 2028, 2029 and 2030 in total of USD 29.01 Mn capital and interest repayments at 25 of each month till July 2030.

In respect of the cash flow hedge instrument, the following balance has been recognised in the statement of comprehensive income as the fair value loss on the hedging instrument.

In Rs. '000	GROUP	
As at 31 March	2025	2024
Net change in fair value on derivative financial instruments	**(723,559)**	(1,344,225)

On the hedged instrument the following attributable to the hedged risk has been recognised in the Group income statement.

In Rs. '000	GROUP	
For the year ended	2025	2024
Under finance expenses		
Realised exchange loss on foreign currency borrowings	**592,768**	95,471
Unrealised exchange loss on foreign currency borrowings	**(19,085)**	(67,732)
	573,683	27,739

40 PUBLIC DEPOSITS

In Rs. '000	GROUP	
As at 31 March	2025	2024
Deposits maturing after one year	**1,892,855**	2,188,492
Deposits maturing within one year	**2,380,177**	5,292,880
	4,273,032	7,481,372

41 EMPLOYEE BENEFIT LIABILITIES

ACCOUNTING POLICY

Defined benefit plan - Gratuity

The liability recognised in the statement of financial position is the present value of the defined benefit obligation at the reporting date using the projected unit credit method.

Any actuarial gains or losses arising are recognised immediately in other comprehensive income.

As per the payment of Gratuity Act No. 12 of 1983, this liability only arises upon completion of 5 years of continued service.

The defined benefit obligation plan of the Group was amended due to the increase in retirement age enacted by the Minimum Retirement Age of Workers Act No. 28 of 2021.

The gratuity liability is not externally funded.

In Rs. '000	GROUP		COMPANY	
As at 31 March	2025	2024	2025	2024
At the beginning of the year	**2,068,555**	1,556,994	**148,411**	127,678
Acquisition of subsidiary	**-**	60,147	**-**	-
Current service cost	**269,863**	215,424	**9,379**	8,674
Interest cost on benefit obligation	**209,145**	318,079	**18,565**	30,893
(Gain) / loss arising from changes in assumptions	**70,425**	192,149	**(7,202)**	(2,555)
Transfers from/ (to) related companies	**-**	-	**(1,105)**	1,613
Payments	**(294,281)**	(274,238)	**(16,064)**	(17,892)
At the end of the year	**2,323,707**	2,068,555	**151,984**	148,411

The employee benefit liability of the Group is based on the actuarial valuations carried out by Messrs. Actuarial & Management Consultants (Pvt) Ltd.

Defined contribution plan - Employees' Provident Fund and Employees' Trust Fund

Employees are eligible for Employees' Provident Fund contributions and Employees' Trust Fund benefits in line with respective statutes and regulations. The companies contribute the defined percentages of gross emoluments of employees to an approved Employees' Provident Fund and to the Employees' Trust Fund respectively, which are externally funded.

Accounting judgements, estimates and assumptions

The employee benefit liability of the Group is based on the actuarial valuation carried out by an independent actuarial specialist. The actuarial valuations involve making assumptions about discount rates and future salary increases. Given the complexity of the valuation, the underlying assumptions and the long term nature of the liability, the defined benefit obligation is highly sensitive to changes in these assumptions.

All assumptions are reviewed at each reporting date.

The principal assumptions used in determining the cost of employee benefits were as follows:

As at 31 March	2025	2024
Discount rate (%)	**9.00 - 11.00**	12.00 - 13.50
Future salary increases (%)	**6.00 - 10.00**	8.00 - 10.00

41.1 Sensitivity to assumptions used

If there is a one percentage point changes in the assumptions, it would have the following effect:

In Rs. '000	GROUP		COMPANY	
As at 31 March	2025	2024	2025	2024
Effect on the defined benefit obligation liability:				
Increase by one percentage point in discount rate	**(74,477)**	(61,271)	**(5,029)**	(5,360)
Decrease by one percentage point in discount rate	**79,945**	65,523	**5,337**	5,694
Effect on the defined benefit obligation liability:				
Increase by one percentage point in salary increment rate	**91,188**	76,204	**5,874**	6,309
Decrease by one percentage point in salary increment rate	**(86,320)**	(72,367)	**(5,623)**	(6,029)

41.2 Maturity analysis of the payments

The following payments are expected on account of employees benefit liabilities in future years.

In Rs. '000	GROUP		COMPANY	
As at 31 March	2025	2024	2025	2024
- within the next 12 months	**529,411**	553,861	**22,920**	19,042
- between 1 and 2 years	**706,783**	632,212	**34,025**	27,986
- between 3 and 5 years	**648,906**	513,943	**73,375**	84,445
- between 6 and 10 years	**343,906**	301,952	**19,063**	14,579
- beyond 10 years	**94,701**	66,587	**2,601**	2,359
Total expected payments	**2,323,707**	2,068,555	**151,984**	148,411

41.3 Weighted average durations of service

The Group's and the Company's weighted average durations of service is 3.60 years (2024 - 3.10 years) and 3.60 years (2024 - 4.00 years) respectively.

42. OTHER DEFERRED LIABILITIES

ACCOUNTING POLICY

Deferred revenue

Deferred revenue is the money received for goods or services which have not yet been delivered. According to the revenue recognition principle, it is recorded as a liability until delivery is made, at which time it is converted to revenue.

Warranty

Provisions for warranty related costs are recognised when the product is sold or service provided to the customer. Initial recognition is based on historical experience and revised annually.

	In Rs. '000		GROUP		COMPANY	
	As at 31 March	Note	2025	2024	2025	2024
42.1	**Within one year**					
	Deferred revenue		**166,247**	118,990	**-**	-
	Warranty provision		**82,747**	79,623	**-**	-
	Total within one year	46	**248,994**	198,613	**-**	-
42.2	**After one year**					
	Deferred revenue		**21,914**	31,955	**21,622**	21,622
	Total after one year		**21,914**	31,955	**21,622**	21,622
	Total other deferred liabilities		**270,908**	230,568	**21,622**	21,622

43. OTHER NON-CURRENT FINANCIAL LIABILITIES

In Rs. '000	Note	GROUP		COMPANY	
As at 31 March		2025	2024	2025	2024
Advances received		**344,282**	403,480	-	-
Retention payable		**279,595**	344,282	**-**	-
Security deposits		**5,123**	5,123	**-**	-
Commercial paper borrowings	43.1	**7,370,675**	-	**1,795,972**	-
		7,999,675	752,885	**1,795,972**	-

43.1 Movement in non-current commercial paper borrowings

In Rs. '000	GROUP		COMPANY	
As at 31 March	2025	2024	2025	2024
Additions/ transfers	**7,242,746**	-	**1,788,817**	-
	7,242,746	-	**1,788,817**	-
Finance charges	**127,929**		**7,155**	-
At the end of the year	**7,370,675**	-	**1,795,972**	-

43.2 Details regarding the Commercial paper borrowings are as follows;

Nature of the facility	Interest rate	Repayment term	Outstanding balance	
			2025	2024
Softlogic Holdings PLC				
Fixed Income Investments I (Pvt) Ltd	Fixed rate	Repayable by way of a bullet payment at the maturity	**1,765,570**	-
Fixed Income Investments II (Pvt) Ltd	Fixed rate		**30,402**	-
			1,795,972	-
Softlogic Capital PLC				
Fixed Income Investments I (Pvt) Ltd	Fixed rate	Repayable by way of a bullet payment at the maturity	**2,614,066**	-
Fixed Income Investments II (Pvt) Ltd	Fixed rate		**42,072**	-
			2,656,138	-
Asiri Hospital Holdings PLC				
Capital Alliance Fixed Income Opportunities Fund	Fixed rate	Repayable by way of a bullet payment at the maturity	**1,909,799**	-
CAL Five Year Optimum Fund	Fixed rate		**201,754**	-
CAL Five Year Closed End Fund	Fixed rate		**807,012**	
			2,918,565	-
			7,370,675	-

44. TRADE AND OTHER PAYABLES

ACCOUNTING POLICY

Trade payables are the aggregate amount of obligations to pay for goods or services, that have been acquired in the ordinary course of business. Trade payable are classified as current liabilities if payment is due within one year.

In Rs. '000	Note	GROUP		COMPANY	
As at 31 March		2025	2024	2025	2024
Trade and other payables		**16,538,030**	12,741,373	**1,047,664**	320,357
Trade and other payables - Related party	47.3	**-**	-	**5,032,812**	2,988,568
Contract liabilities		**14,674**	15,301	**-**	-
Unit trust fund liability		**1,984**	-	**-**	-
Dividend payable		**78,263**	80,413	**-**	-
Reinsurance payables		**524,214**	909,082	**-**	-
Sundry creditors including accrued expenses		**11,468,281**	10,369,660	**-**	-
		28,625,446	24,115,829	**6,080,476**	3,308,925

45. OTHER CURRENT FINANCIAL LIABILITIES

In Rs. '000	Note	GROUP		COMPANY	
As at 31 March		2025	2024	2025	2024
Loans		**29,547,593**	33,633,466	**100,855**	1,198,352
Commercial papers		**10,495,227**	12,748,082	**64,791**	3,480,424
Intercompany borrowings	47.3	**-**	-	**20,121,574**	20,252,991
		40,042,820	46,381,548	**20,287,220**	24,931,767

46. OTHER CURRENT LIABILITIES

ACCOUNTING POLICY

The Group classifies all non-financial current liabilities under other current liabilities. These include non-refundable deposits and other tax payables. These liabilities are recorded at amounts expected to be set-off at the reporting date.

In Rs. '000	Note	GROUP		COMPANY	
As at 31 March		2025	2024	2025	2024
Advances received		**1,248,659**	431,434	**497,836**	-
Taxes payables		**3,759,654**	2,019,633	**1,204,415**	610,937
Other liabilities		**2,292,137**	2,166,269	**75,528**	289,107
Other liabilities - Related party	47.3	**-**	-	**1,925,918**	53,899
Other deferred liabilities	42.1	**248,994**	198,613	**-**	-
		7,549,444	4,815,949	**3,703,697**	953,943

47 RELATED PARTY TRANSACTIONS

Terms and conditions of transactions with related parties

The Group and the Company carried out transactions in the ordinary course of business with the following related entities. The list of Directors at each of the subsidiary, joint venture and associate companies have been disclosed in the Group Directory under the Supplementary Information section of the Annual Report.

Governance structure, nature of the entity's relationships, principal place of business and the country of incorporation have been disclosed in the "Report of the Related Party Transaction Review Committee" and Group directory.

Transactions with related parties are carried out in the ordinary course of business. Outstanding current account balances at year end are unsecured, interest free and settlement occurs in cash.

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions.

Non-recurrent related party transactions

There were no non-recurrent related party transactions which in aggregate value exceeds 10% of the equity or 5% of the total assets whichever is lower of the company as per 31 March 2024 audited financial statements, which required additional disclosures in the 2024/25 Annual Report under Colombo Stock Exchange listing Rule 9.3.2 and Code of Best Practices on Related Party Transactions under the Securities and Exchange Commission Directive issued under Section 13(c) of the Securities and Exchange Commission Act.

Recurrent related party transactions

There were no recurrent related party transactions which in aggregate value exceeds 10% of the consolidated revenue of the Group as per 31 March 2024 audited financial Statements, which required additional disclosures in the 2024/25 Annual Report under Colombo Stock Exchange listing Rule 9.3.2 and Code of Best Practices on Related Party Transactions under the Securities and Exchange Commission Directive issued under Section 13(c) of the Securities and Exchange Commission Act.

47.1 Amounts due from related parties

In Rs. '000	Note	GROUP		COMPANY	
As at 31 March		2025	2024	2025	2024
Subsidiaries - Amount due from related parties	47.3	**-**	-	**504,944**	472,771
- Loan receivables	47.3			**17,307,474**	12,676,076
Equity accounted investees	47.4	**-**	589	**-**	-
Key Management Personnel		**102,825**	100,054	**-**	-
		102,825	100,643	**17,812,418**	13,148,847

47.2 Amounts due to related parties

In Rs. '000	Note	GROUP		COMPANY	
As at 31 March		2025	2024	2025	2024
Subsidiaries	47.3	**-**	-	**237,935**	182,850
Equity accounted investees	47.4	**1,369**	26,927	**-**	26,927
Key Management Personnel		**1,992**	1,992	**1,992**	1,992
		3,361	28,919	**239,927**	211,769

47.3 Related party receivables

In Rs. '000	COMPANY							
	Non-current financial assets		Trade receivables		Amount due from		Loan receivables	
As at 31 March	2025	2024	2025	2024	2025	2024	2025	2024
Subsidiaries								
Asiri Diagnostic Services (Pvt) Ltd	**-**	-	**12,363**	4,398	**-**	-	**-**	-
Asiri Hospital Galle (Pvt) Ltd	**-**	-	**28,500**	8,361	**-**	-	**-**	-
Asiri Hospital Holdings PLC	**-**	-	**1,913**	708	**-**	-	**-**	-
Asiri Surgical Hospital PLC	**-**	-	**(53,568)**	-	**-**	-	**-**	-
Ceysand Resorts Ltd	**-**	-	**6,752**	16,472	**-**	-	**-**	-
Cotton Collection (Pvt) Ltd	**-**	-	**(695)**	(1,977)	**-**	-	**22,925**	21,328
Footwear Retailer (Pvt) Ltd	**-**	-	**1,514**	584	**-**	-	**-**	-
Future Automobiles (Pvt) Ltd	**-**	-	**65,477**	65,961	**-**	45,307	**514,505**	119,156
Odel PLC	**-**	-	**47,036**	8,496	**13,485**	1,340	**352,561**	24,174
Odel Properties (Pvt) Ltd	**-**	-	**76**	76	**-**	-	**-**	-
Odel Properties One (Pvt) Ltd	**-**	-	**194,555**	129,202	**-**	-	**2,522**	2,176
Softlogic Asset Management (Pvt) Ltd	**-**	-	**-**	412	**-**	-	**-**	-
Softlogic Australia (Pty) Ltd	**-**	-	**-**	-	**15,531**	16,345	**-**	-
Softlogic Automobiles (Pvt) Ltd	**-**	-	**330**	5,204	**-**	-	**211,207**	192,098
Softlogic BPO Services (Pvt) Ltd	**-**	-	**13,623**	13,338	**-**	71,125	**-**	-
Softlogic Brands (Pvt) Ltd	**-**	-	**18,576**	11,945	**241**	241	**1,370,019**	926,092
Softlogic Capital PLC	**-**	-	**(17,015)**	(120,175)	**109,596**	-	**-**	-
Softlogic City Hotels (Pvt) Ltd	**1,896,320**	1,895,707	**20,983**	25,439	**978,840**	974,452	**1,547,997**	1,362,214
Softlogic Communication Services (Pvt) Ltd	**-**	-	**40**	17	**-**	-	**-**	-
Softlogic Communications (Pvt) Ltd	**-**	-	**45,346**	19,636	**-**	-	**-**	-
Softlogic Corporate Services (Pvt) Ltd	**-**	-	**-**	-	**1,285**	-	**-**	-
Softlogic Destination Management (Pvt) Ltd	**-**	-	**2,548**	3,812	**10,904**	9,435	**66,884**	60,880
Softlogic Healthcare Holdings Ltd	**-**	-	**-**	-	**26,867**	26,867	**-**	-
Softlogic Information Technologies (Pvt) Ltd	**-**	-	**2,832**	1,934	**-**	-	**-**	-
Softlogic International (Pvt) Ltd	**-**	-	**3,794**	11,668	**-**	-	**-**	-
Softlogic IT Holdings (Pvt) Ltd	**-**	-	**-**	-	**10**	-	**-**	-
Softlogic Mobile Distribution (Pvt) Ltd	**-**	-	**75,746**	28,429	**62,590**	20,006	**-**	-
Softlogic Pharmaceuticals (Pvt) Ltd	**-**	-	**4,625**	-	**-**	77	**-**	-
Softlogic Properties (Pvt) Ltd	**-**	-	**19,819**	19,816	**220,724**	444,993	**68,639**	68,639
Softlogic Restaurants (Pvt) Ltd	**-**	-	**87,767**	77,566	**-**	-	**90,815**	83,959
Softlogic Retail (Pvt) Ltd	**-**	-	**949,389**	725,683	**-**	-	**5,073,544**	4,311,807
Softlogic Retail Holdings (Pvt) Ltd	**-**	-	**60,148**	-	**289,979**	389,580	**9,584,511**	7,539,399
Softlogic Rewards (Pvt)Ltd	**-**	-	**-**	8	**-**	15,145	**-**	-
Softlogic Solar (Pvt) Ltd	**-**	-	**-**	-	**34,613**	34,613	**-**	-
Softlogic Supermarkets (Pvt) Ltd	**-**	-	**73,062**	42,510	**-**	-	**259,310**	621,515
Suzuki Motors Lanka Ltd	**-**	-	**12,032**	7,980	**1,112**	-	**-**	-
	1,896,320	1,895,707	**1,677,568**	1,107,503	**1,765,777**	2,049,526	**19,165,439**	15,333,437
Less - Provision for impairment	**(1,896,320)**	(1,895,707)	**(64,212)**	(272,142)	**(1,260,833)**	(1,576,755)	**(1,857,965)**	(2,657,361)
	-	-	**1,613,356**	835,361	**504,944**	472,771	**17,307,474**	12,676,076
Equity accounted investees								
Sabre Travel Network Lanka (Pvt) Ltd	**-**	-	**1,791**	1,513	**-**	-	**-**	-
Jendo Innovations (Pvt) Ltd	**-**	-	**-**	-	**-**	-	**-**	3,081
	-	-	**1,791**	1,513	**-**	-	**-**	3,081
Less - Provision for impairment	**-**	-	**-**	-	**-**	-	**-**	(3,081)
	-	-	**1,791**	1,513	**-**	-	**-**	-
	-	-	**1,615,147**	836,874	**504,944**	472,771	**17,307,474**	12,676,076

47.3 Related party payables

In Rs. '000	COMPANY							
	Other liabilities		Trade payables		Other current financial liabilities		Amount due to	
As at 31 March	2025	2024	2025	2024	2025	2024	2025	2024
Subsidiaries								
Asiri Central Hospitals Ltd	**1,516**	-	**765,094**	595,384	**1,651,000**	1,810,158	**-**	-
Asiri Hospital Galle (Pvt) Ltd	**213**	-	**57,060**	50,020	**160,000**	160,000	**-**	-
Asiri Hospital Holdings PLC	**762,664**	4,405	**11,567**	3,451	**605,154**	488,889	**-**	-
Asiri Hospital Matara (Pvt) Ltd	**3,346**	2,050	**194,790**	157,863	**375,000**	425,000	**-**	-
Asiri Surgical Hospital PLC	**601,832**	-	**298,224**	291,596	**-**	312,230	**-**	-
Central Hospital Ltd	**390,647**	47,444	**1,819,268**	1,520,122	**3,461,494**	3,201,979	**-**	-
Ceysand Resorts Ltd	**-**	-	**12,847**	3,447	**31,229**	61,398	**-**	-
Future Automobiles (Pvt) Ltd	**-**	-	**182**	24	**-**	-	**46,063**	-
Odel PLC	**-**	-	**14,133**	2,200	**-**	-	**-**	-
Odel Properties (Pvt)Ltd	**-**	-	**477**	260	**-**	-	**-**	-
Softlogic Automobiles (Pvt) Ltd	**-**	-	**2,189**	-	**-**	-	**14,597**	12,295
Softlogic B P O Services (Pvt) Ltd	**-**	-	**-**	-	**-**	-	**6,772**	-
Softlogic Brands (Pvt) Ltd	**-**	-	**240**	240	**-**	-	**-**	-
Softlogic Capital PLC	**700**	-	**85,141**	85,141	**4,258,360**	3,897,076	**-**	-
Softlogic City Hotels (Pvt) Ltd	**-**	-	**-**	152	**-**	-	**-**	-
Softlogic Communication Services (Pvt) Ltd	**-**	-	**-**	-	**-**	-	**10,578**	8,094
Softlogic Communications (Pvt) Ltd	**-**	-	**401,815**	112,631	**1,780,041**	1,840,763	**46,832**	43,243
Softlogic Computers (Pvt) Ltd	**-**	-	**31,026**	1,550	**208,120**	214,423	**41,629**	27,947
Softlogic Corporate Services (Pvt) Ltd	**-**	-	**9,861**	519	**28,357**	51,737	**-**	6,141
Softlogic Destination Management (Pvt) Ltd	**-**	-	**-**	1,109	**-**	-	**-**	-
Softlogic Healthcare Holdings Ltd	**-**	-	**1,000**	1,000	**-**	-	**-**	-
Softlogic Information Technologies (Pvt) Ltd	**-**	-	**268,589**	61,124	**992,795**	1,021,323	**52,942**	36,666
Softlogic International (Pvt) Ltd	**-**	-	**28,755**	(272)	**228,636**	234,673	**4,799**	33,893
Softlogic Life Insurance PLC	**-**	-	**(42)**	(98)	**424,624**	406,133	**-**	-
Softlogic Mobile Distribution (Pvt) Ltd	**-**	-	**918,527**	11,046	**5,322,894**	5,515,721	**-**	-
Softlogic Pharmaceuticals (Pvt) Ltd	**-**	-	**90,901**	20,088	**501,108**	515,589	**-**	-
Softlogic Restaurants (Pvt) Ltd	**165,000**	-	**101**	101	**-**	-	**2,819**	1,081
Softlogic Retail (Pvt) Ltd	**-**	-	**3,719**	45,618	**-**	-	**1,913**	13,402
Softlogic Retail Holdings (Pvt) Ltd	**-**	-	**2,124**	1,000	**-**	-	**-**	-
Softlogic Rewards (Pvt)Ltd	**-**	-	**-**	-	**-**	-	**8,991**	-
Softlogic Stockbrokers (Pvt) Ltd	**-**	-	**-**	23,138	**-**	-	**-**	-
Softlogic Supermarkets (Pvt) Ltd	**-**	-	**284**	114	**-**	-	**-**	-
Suzuki Motors Lanka Ltd	**-**	-	**14,940**	-	**92,762**	95,899	**-**	88
	1,925,918	53,899	**5,032,812**	2,988,568	**20,121,574**	20,252,991	**237,935**	182,850
Equity accounted investees								
Jendo Innovations (Pvt) Ltd	**-**	-	**-**	-	**-**	-	**-**	26,927
	-	-	**-**	-	**-**	-	**-**	26,927
	1,925,918	53,899	**5,032,812**	2,988,568	**20,121,574**	20,252,991	**237,935**	209,777

Interest rate for the loans given to subsidiaries - Company Average Borrowing Cost plus Margin

Repayment terms of loans given to subsidiaries - On demand

47.4 Equity accounted investees

In Rs. '000	Amounts due from related parties				Amounts due to related parties			
	Group		Company		Group		Company	
As at 31 March	2025	2024	2025	2024	2025	2024	2025	2024
Equity accounted investees								
Associates								
Jendo Innovations (Pvt) Ltd	-	3,081	-	3,081	-	26,927	-	26,927
Sabre Travel Network Lanka (Pvt) Ltd	-	589	-	-	**1,369**	-	-	-
	-	3,670	-	3,081	**1,369**	26,927	-	26,927
Less - Provision for impairment	-	(3,081)	-	(3,081)	-	-	-	-
	-	589	-	-	**1,369**	26,927	-	26,927

47.5 Transactions with related parties

In Rs. '000	GROUP		COMPANY	
For the year ended 31 March	2025	2024	2025	2024
Subsidiaries				
(Purchases)/ sales of goods	**-**	-	**(2,067)**	(9,260)
(Receiving)/ rendering of services	**-**	-	**1,648,497**	812,350
(Purchases)/ sale of property plant & equipment	**-**	-	**(2,202)**	(7,123)
Loans given/ (obtained)	**-**	-	**(1,288,947)**	(225,667)
Interest received/ (paid)	**-**	-	**(12,320)**	(584,664)
Rent received/ (paid)	**-**	-	**113,823**	137,032
Dividend received	**-**	-	**943,501**	560
Guarantee charges received/ (paid)	**-**	-	**309,697**	268,844
Guarantees given/ (received) - as at 31 March	**-**	-	**40,041,165**	36,886,633
Equity Accounted Investees				
Associates				
(Purchases)/ sale of property plant & equipment	**-**	1,094	**-**	-
(Receiving)/ rendering of services	**8,336**	7,674	**7,911**	6,729
Dividend received	**20,400**	25,500	**20,400**	25,500
Interest received/ (paid)	**-**	345	**-**	345
Key Management Personnel				
Advances given/ (received)	**51,825**	47,479	**(1,992)**	(1,992)
Guarantees given/ (obtained)	**(150,000)**	(150,000)	**-**	-
Loans given/ (customer deposits received)	**(2,090)**	-	**-**	-
Interest received / (paid) on advances given/ (customer deposits received)	**(194)**	-	**-**	-
(Purchases)/ sales of goods	**187,910**	-	**-**	-
Gratuity advances given	**98,518**	98,518	**-**	-
Close family Members of KMP				
(Receiving)/ rendering of services	**-**	-	**-**	-

47.6 Compensation of Key Management Personnel

Key management personnel include members of the Board of Directors of Softlogic Holdings PLC and its subsidiary companies.

In Rs. '000	GROUP		COMPANY	
As at 31 March	2025	2024	2025	2024
Short term employee benefits	**684,225**	579,744	**65,163**	65,628
Post-employment benefits	**87,217**	89,232	**11,012**	7,510
	771,442	668,976	**76,175**	73,138

48 OPERATING SEGMENT INFORMATION

ACCOUNTING POLICY

The Group's internal organisation and management is structured based on individual products and services which are similar in nature and process and where the risks and returns are similar. The operating segments represent this business structure.

The Group is thus organised into business units based on their products and services and has seven operating business segments as follows:

Information Technology

The information Technology operating segment comprises the areas of software development, hardware and system software solutions, market specific ICT solutions and office automation solutions.

Leisure and Property

The leisure and Property operating segment comprises one five star hotel, one four star hotel, destination management and development/sale of residential apartments.

Retail

The Retail operating segment comprises Consumer Electronics and Durables, Branded Apparels & Fashion, Telecommunication, and Quick Service Restaurants.

Automobiles

The Automobile operating segment deals in branded motor vehicles and ancillary services.

Financial Services

The Financial Services operating segment offers a complete range of financial solutions including some banking related services, insurance, stock broking, debt trading, fund management, management of Unit Trust and leasing.

Healthcare Services

The Healthcare Services operating segment comprises a leading private hospital chain providing private healthcare and laboratory services.

Others

This sector consists of Softlogic Holdings PLC and other companies that are not categorised under the above sectors, which provides ancillary services to Group companies.

Segment information has been prepared in conformity with the accounting policies adopted for preparing and presenting the consolidated financial statements of the Group.

The Board of Directors monitors the operating results of its business units separately for the purpose of making decisions about resource allocations and performance assessments.

Segment performance is evaluated based on operating profit or loss which in certain respects is measured differently from operating profit or loss in the consolidated financial statements.

Transactions between operating segments are carried out in the ordinary course of business on arm's length basis.

48.1 Revenue and profit

In Rs. '000	Information Technology		Leisure & Property		Retail		Automobiles	
For the year ended 31 March	2025	2024	2025	2024	2025	2024	2025	2024
Continuing operations								
Revenue								
Total revenue	**6,911,723**	8,152,416	**3,051,754**	3,313,407	**31,970,909**	33,914,356	**456,069**	423,311
Inter group	**(825,267)**	(972,967)	**(89,465)**	(184,029)	**(1,250,421)**	(1,179,963)	**(47,219)**	(45,004)
Total external revenue	**6,086,456**	7,179,449	**2,962,289**	3,129,378	**30,720,488**	32,734,393	**408,850**	378,307
Results from operating activities	**58,907**	623,981	**(429,519)**	(940,098)	**(3,658,231)**	(3,991,897)	**10,746**	64,483
Finance income	**232,281**	242,313	**24,228**	15,921	**1,257,654**	1,579,855	**7**	224
Finance expenses	**(307,453)**	(405,731)	**(2,880,536)**	(1,765,714)	**(8,563,891)**	(10,612,409)	**(178,783)**	(184,451)
Change in insurance contract liabilities	**-**	-	**-**	-	**-**	-	**-**	-
Change in fair value of investment property	**42,730**	9,900	**-**	-	**(780,000)**	36,114	**-**	-
Share of profit of equity accounted investees	**-**	-	**-**	-	**-**	-	**-**	-
Profit/ (loss) before taxation	**26,465**	470,463	**(3,285,827)**	(2,689,891)	**(11,744,468)**	(12,988,337)	**(168,030)**	(119,744)
Taxation	**(10,874)**	(37,307)	**(404,390)**	201,637	**858,613**	(961,623)	**57,458**	(6,436)
Profit/ (loss) for the year	**15,591**	433,156	**(3,690,217)**	(2,488,254)	**(10,885,855)**	(13,949,960)	**(110,572)**	(126,180)
Depreciation of property, plant & equipment (PPE)	**38,618**	33,383	**498,842**	555,672	**1,198,452**	1,360,892	**18,087**	25,238
Amortisation of ROU assets	**36,852**	22,182	**3,872**	3,873	**1,372,130**	1,627,017	**13,550**	13,587
Amortisation/ impairment of intangible assets	**61,860**	75,231	**491**	1,140	**45,834**	41,550	**-**	-
Retirement benefit obligations and related cost	**42,752**	49,556	**13,015**	15,671	**111,033**	127,421	**3,599**	2,946
Purchase and construction of PPE	**22,113**	77,248	**37,446**	22,548	**669,696**	774,225	**2,013**	-
Additions to intangible assets	**11,314**	18,296	**-**	-	**7,138**	29,539	**-**	-

	Financial Services		Healthcare Services		Others		Total		Eliminations/ Consolidation adjustments		Group	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	32,601,878	28,001,651	**31,729,163**	29,250,819	**1,881,835**	1,054,688	**108,603,331**	104,110,648	**-**	-	**108,603,331**	104,110,648
	(188,614)	(162,810)	**(706,713)**	(679,332)	**(1,873,487)**	(1,047,372)	**(4,981,186)**	(4,271,477)	**-**	-	**(4,981,186)**	(4,271,477)
	32,413,264	27,838,841	**31,022,450**	28,571,487	**8,348**	7,316	**103,622,145**	99,839,171	**-**	-	**103,622,145**	99,839,171
	3,967,111	(1,580,375)	**5,877,208**	6,288,079	**745,449**	(373,820)	**6,571,671**	90,353	**(220,894)**	3,436,177	**6,350,777**	3,526,530
	9,423,751	8,624,380	**1,266,307**	1,665,738	**2,969,759**	3,176,006	**15,173,987**	15,304,437	**(6,052,207)**	(7,020,658)	**9,121,780**	8,283,779
	(2,672,679)	(3,162,093)	**(2,023,838)**	(3,603,946)	**(5,555,754)**	(8,062,002)	**(22,182,934)**	27,796,346)	**6,069,566**	6,771,973	**(16,113,368)**	(21,024,373)
	(6,094,342)	(3,458,552)	**-**	-	**-**	-	**(6,094,342)**	(3,458,552)	**-**	-	**(6,094,342)**	(3,458,552)
	-	-	**-**	-	**90,401**	8,853	**(646,869)**	54,867	**(121,368)**	(18,753)	**(768,237)**	36,114
	-	-	**-**	-	**16,759**	10,043	**16,759**	10,043	**-**	-	**16,759**	10,043
	4,623,841	423,360	**5,119,677**	4,349,871	**(1,733,386)**	(5,240,920)	**(7,161,728)**	(15,795,198)	**(324,903)**	3,168,739	**(7,486,631)**	(12,626,459)
	(1,683,377)	(389,457)	**(1,597,602)**	(1,253,371)	**(36,041)**	7,346	**(2,816,213)**	(2,439,211)	**(782,334)**	(134,518)	**(3,598,547)**	(2,573,729)
	2,940,464	33,903	**3,522,075**	3,096,500	**(1,769,427)**	(5,233,574)	**(9,977,941)**	(18,234,409)	**(1,107,237)**	3,034,221	**(11,085,178)**	(15,200,188)
	154,017	170,867	**1,775,492**	1,743,546	**21,639**	29,536	**3,705,147**	3,919,134	**8,105**	1,263	**3,713,252**	3,920,397
	484,593	356,248	**189,811**	166,727	**19,122**	28,723	**2,119,930**	2,218,357	**-**	-	**2,119,930**	2,218,357
	28,272	26,998	**51**	11	**1,031**	1,366	**137,539**	146,296	**146,273**	146,272	**283,812**	292,568
	94,872	89,811	**184,887**	207,670	**28,850**	40,428	**479,008**	533,503	**-**	-	**479,008**	533,503
	116,433	218,949	**1,604,861**	1,065,577	**2,242**	8,436	**2,454,804**	2,166,983	**-**	-	**2,454,804**	2,166,983
	26,326	7,798	**-**	470	**1,751**	-	**46,529**	56,103	**-**	-	**46,529**	56,103

48.2 Segment assets and liabilities

In Rs. '000	Information Technology		Leisure & Property		Retail		Automobiles	
As at 31 March	2025	2024	2025	2024	2025	2024	2025	2024
Property, plant and equipment	**84,390**	101,644	**11,284,314**	12,744,518	**12,929,305**	12,547,153	**223,038**	128,500
Right of use assets	**55,666**	79,935	**43,575**	47,447	**5,218,045**	5,232,440	**28,482**	42,032
Investment property	**399,830**	357,100	**-**	-	**6,082,160**	6,862,160	**-**	-
Intangible assets	**182,543**	239,116	**553**	1,044	**253,594**	298,020	**-**	-
Non-current financial assets	**-**	-	**-**	-	**8,698**	11,208	**-**	-
Rental receivable on lease assets and hire purchase	**-**	-	**-**	-	**-**	-	**-**	-
Other non-current assets	**11,606**	13,146	**11,259,818**	9,701,310	**685,983**	739,219	**9,143**	9,125
Segment non-current assets	**734,035**	790,941	**22,588,260**	22,494,319	**25,177,785**	25,690,200	**260,663**	179,657
Investments in equity accounted investees								
Goodwill								
Intangible assets through business								
Deferred tax assets								
Total non-current assets	**734,035**	790,941	**22,588,260**	22,494,319	**25,177,785**	25,690,200	**260,663**	179,657
Inventories	**593,713**	461,194	**64,429**	644,424	**5,750,217**	5,354,357	**156,086**	140,111
Trade and other receivables	**2,288,511**	1,970,100	**292,916**	398,621	**2,892,914**	2,102,374	**91,426**	82,001
Loans and advances	**-**	-	**-**	-	**-**	-	**-**	-
Rental receivable on lease assets and hire purchase	**-**	-	**-**	-	**-**	-	**-**	-
Other current assets	**315,468**	218,161	**620,091**	1,712,303	**2,077,030**	1,582,374	**18,225**	15,523
Short term investments	**246**	78,624	**387**	387	**606,840**	37,813	**-**	1,500
Cash in hand and at bank	**39,808**	57,142	**142,914**	31,002	**842,509**	798,976	**8,065**	7,547
Total current assets	**3,237,746**	2,785,221	**1,120,737**	2,786,737	**12,169,510**	9,875,894	**273,802**	246,682
Amounts due from related parties	**1,569,429**	1,465,775	**125,431**	53,151	**8,457,639**	8,190,765	**64,860**	12,996
Total current assets	**4,807,175**	4,250,996	**1,246,168**	2,839,888	**20,627,149**	18,066,659	**338,662**	259,678
Total assets								

Financial Services		Healthcare Services		Others		Total		Eliminations/ Consolidation adjustments		Group	
2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
722,309	762,308	**35,261,328**	33,904,334	**47,022**	61,445	**60,551,706**	60,249,902	**57,270**	622,087	**60,608,976**	60,871,989
1,366,718	655,423	**1,155,455**	1,037,900	**4,066**	190,995	**7,872,007**	7,286,172	**(8,171)**	(8,169)	**7,863,836**	7,278,003
103,237	103,237	**-**	-	**1,149,800**	1,053,200	**7,735,027**	8,375,697	**(6,214,627)**	(6,087,060)	**1,520,400**	2,288,637
103,747	105,058	**408**	459	**720**	-	**541,565**	643,697	**-**	-	**541,565**	643,697
32,189,390	35,292,986	**66,867**	4,176,934	**1,910,798**	1,550,284	**34,175,753**	41,031,412	**(2,304,644)**	(6,741,716)	**31,871,109**	34,289,696
1,049,363	3,590,305	**-**	-	**-**	-	**1,049,363**	3,590,305	**-**	-	**1,049,363**	3,590,305
1,000	1,000	**83,183**	65,461	**-**	-	**12,050,733**	10,529,261	**6,535,474**	5,847,614	**18,586,207**	16,376,875
35,535,764	40,510,317	**36,567,241**	39,185,088	**3,112,406**	2,855,924	**123,976,154**	131,706,446	**(1,934,698)**	(6,367,244)	**122,041,456**	125,339,202
						13,170	20,013	**-**	-	**13,170**	20,013
						4,763,210	4,763,210	**-**	-	**4,763,210**	4,763,210
						2,387,679	2,533,956	**-**	-	**2,387,679**	2,533,956
						3,698,724	3,386,539	**-**	-	**3,698,724**	3,386,539
35,535,764	40,510,317	**36,567,241**	39,185,088	**3,112,406**	2,855,924	**134,838,937**	142,410,164	**(1,934,698)**	(6,367,244)	**132,904,239**	136,042,920
804,921	845,946	**1,018,588**	1,254,685	**-**	-	**8,387,954**	8,700,717	**44,666**	(218,181)	**8,432,620**	8,482,536
5,027,778	4,982,922	**1,453,880**	1,107,152	**1,828,486**	885,479	**13,875,911**	11,528,649	**(3,757,756)**	(2,068,890)	**10,118,155**	9,459,759
3,944,893	3,731,962	**-**	-	**-**	-	**3,944,893**	3,731,962	**(322)**	(1,012)	**3,944,571**	3,730,950
436,153	408,235	**-**	-	**-**	-	**436,153**	408,235	**-**	-	**436,153**	408,235
1,300,711	1,120,777	**6,041,271**	744,067	**360,629**	212,991	**10,733,425**	5,606,196	**(6,310,558)**	726,727	**4,422,867**	6,332,923
14,070,276	13,524,013	**545,054**	488,889	**17,869**	92,973	**15,240,672**	14,224,199	**(1,914,708)**	(3,924,004)	**13,325,964**	10,300,195
3,552,754	1,897,348	**654,099**	1,538,274	**10,616**	9,980	**5,250,765**	4,340,269	**-**	-	**5,250,765**	4,340,269
29,137,486	26,511,203	**9,712,892**	5,133,067	**2,217,600**	1,201,423	**57,869,773**	48,540,227	**(11,938,678)**	(5,485,360)	**45,931,095**	43,054,867
6,327,477	27,285	**12,435,904**	7,481,222	**20,921,857**	15,506,258	**49,902,597**	32,737,452	**(49,799,772)**	(32,636,809)	**102,825**	100,643
35,464,963	26,538,488	**22,148,796**	12,614,289	**23,139,457**	16,707,681	**107,772,370**	81,277,679	**(61,738,450)**	(38,122,169)	**46,033,920**	43,155,510
						242,611,307	223,687,843	**(63,673,148)**	(44,489,413)	**178,938,159**	179,198,430

In Rs. '000	Information Technology		Leisure & Property		Retail		Automobiles	
As at 31 March	2025	2024	2025	2024	2025	2024	2025	2024
Insurance contract liabilities	-	-	-	-	-	-	-	-
Interest bearing borrowings	-	-	**16,514,122**	16,837,721	**7,018,830**	5,773,617	-	-
Lease liability	**16,280**	36,007	**55,103**	57,366	**4,785,175**	4,509,956	**39,842**	41,052
Public deposits	-	-	-	-	-	-	-	-
Employee benefit liabilities	**267,238**	216,533	**50,632**	47,702	**506,284**	504,337	**24,067**	23,244
Other deferred liabilities	-	-	-	-	**292**	31,955	-	-
Other non-current financial liabilities	**31,687**	31,687	**2,525,319**	2,648,593	**100,773**	75,773	-	-
Segment non-current liabilities	**315,205**	284,227	**19,145,176**	19,591,382	**12,411,354**	10,895,638	**63,909**	64,296
Deferred tax liabilities								
Total non-current liabilities	**315,205**	284,227	**19,145,176**	19,591,382	**12,411,354**	10,895,638	**63,909**	64,296
Trade and other payables	**1,298,491**	1,125,122	**4,536,337**	3,872,770	**14,440,919**	13,863,997	**101,077**	113,198
Income tax liabilities	**1,121**	51,812	**(414)**	(414)	**1,130,706**	745,293	-	-
Other current financial liabilities	**1,753,345**	1,806,826	**66,884**	60,880	**37,263,956**	36,329,773	**1,652,166**	1,601,215
Current portion of interest bearing borrowings	-	2,500	**5,643,790**	3,884,803	**6,449,725**	5,850,948	-	-
Current portion of lease liability	**34,427**	37,593	**2,262**	1,968	**1,164,409**	1,394,193	**7,941**	22,515
Other current liabilities	**756,020**	418,228	**641,300**	584,115	**2,097,101**	1,675,270	**272,102**	80,544
Public deposits	-	-	-	-	-	-	-	-
Bank overdrafts	**181,112**	113,349	**529,560**	668,230	**3,710,300**	3,728,954	**18,251**	29,637
Segment current liabilities	**4,024,516**	3,555,430	**11,419,719**	9,072,352	**66,257,116**	63,588,428	**2,051,537**	1,847,109
Amounts due to related parties	**58,572**	122,478	**1,947,192**	1,800,106	**11,439,918**	2,644,764	**350,577**	338,827
Total current liabilities	**4,083,088**	3,677,908	**13,366,911**	10,872,458	**77,697,034**	66,233,192	**2,402,114**	2,185,936
Total liabilities								
Total segment assets	**5,541,210**	5,041,937	**23,834,428**	25,334,207	**45,804,934**	43,756,859	**599,325**	439,335
Total segment liabilities	**4,398,293**	3,962,135	**32,512,087**	30,463,840	**90,108,388**	77,128,830	**2,466,023**	2,250,232

	Financial Services		Healthcare Services		Others		Total		Eliminations/ Consolidation adjustments		Group	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	33,671,063	27,759,130	**-**	-	**-**	-	**33,671,063**	27,759,130	**-**	-	**33,671,063**	27,759,130
	2,678,743	6,382,840	**2,443,154**	3,573,400	**15,690,963**	10,439,833	**44,345,812**	43,007,411	**-**	-	**44,345,812**	43,007,411
	1,231,270	468,811	**512,402**	337,942	**1,369**	169,541	**6,641,441**	5,620,675	**-**	(211)	**6,641,441**	5,620,464
	1,892,855	2,188,492	**-**	-	**-**	-	**1,892,855**	2,188,492	**-**	-	**1,892,855**	2,188,492
	450,304	339,407	**868,652**	785,017	**156,530**	152,315	**2,323,707**	2,068,555	**-**	-	**2,323,707**	2,068,555
	-	-	**-**	-	**21,622**	-	**21,914**	31,955	**-**	-	**21,914**	31,955
	2,656,138	-	**2,918,564**	-	**2,825,657**	-	**11,058,138**	2,756,053	**(3,058,463)**	(2,003,168)	**7,999,675**	752,885
	42,580,373	37,138,680	**6,742,772**	4,696,359	**18,696,141**	10,761,689	**99,954,930**	83,432,271	**(3,058,463)**	(2,003,379)	**96,896,467**	81,428,892
							7,974,765	7,856,963	**-**	-	**7,974,765**	7,856,963
	42,580,373	37,138,680	**6,742,772**	4,696,359	**18,696,141**	10,761,689	**107,929,695**	91,289,234	**(3,058,463)**	(2,003,379)	**104,871,232**	89,285,855
	3,838,643	3,626,541	**5,725,984**	3,950,273	**6,083,345**	3,319,023	**36,024,796**	29,870,924	**(7,399,350)**	(5,755,095)	**28,625,446**	24,115,829
	858,209	1,050,908	**1,623,068**	1,102,801	**11,434**	9,244	**3,624,124**	2,959,644	**-**	-	**3,624,124**	2,959,644
	9,278,575	8,617,797	**6,742,149**	8,637,204	**20,258,862**	24,880,030	**77,015,937**	81,933,725	**(36,973,117)**	(35,552,177)	**40,042,820**	46,381,548
	3,386,848	3,922,403	**2,383,351**	1,486,298	**3,745,548**	10,241,626	**21,609,262**	25,388,578	**-**	-	**21,609,262**	25,388,578
	161,002	244,225	**93,700**	85,009	**2,610**	36,595	**1,466,351**	1,822,098	**(315)**	(784)	**1,466,036**	1,821,314
	2,002,789	1,316,465	**181,531**	115,491	**3,712,684**	893,032	**9,663,527**	5,083,145	**(2,114,083)**	(267,196)	**7,549,444**	4,815,949
	2,380,533	5,293,226	**-**	-	**-**	-	**2,380,533**	5,293,226	**(356)**	(346)	**2,380,177**	5,292,880
	817,850	615,026	**4,275,924**	4,082,553	**83,378**	70,096	**9,616,375**	9,307,845	**(143,166)**	-	**9,473,209**	9,307,845
	22,724,449	24,686,591	**21,025,707**	19,459,629	**33,897,861**	39,449,646	**161,400,905**	161,659,185	**(46,630,387)**	(41,575,598)	**114,770,518**	120,083,587
	387,304	89,155	**26,867**	26,867	**239,927**	205,628	**14,450,357**	5,227,825	**(14,446,996)**	(5,198,906)	**3,361**	28,919
	23,111,753	24,775,746	**21,052,574**	19,486,496	**34,137,788**	39,655,274	**175,851,262**	166,887,010	**(61,077,383)**	(46,774,504)	**114,773,879**	120,112,506
							283,780,957	258,176,244	**(64,135,846)**	(48,777,883)	**219,645,111**	209,398,361
	71,000,727	67,048,805	**58,716,037**	51,799,377	**26,251,863**	19,563,605	**242,611,307**	223,687,843			**178,938,159**	179,198,430
	65,692,126	61,914,426	**27,795,346**	24,182,855	**52,833,929**	50,416,963	**283,780,957**	258,176,244			**219,645,111**	209,398,361

49 UTILISATION OF FUNDS RAISED THROUGH RIGHTS ISSUE OF SHARES

Total Funds raised through the rights issue in FY24/25, amounting to Rs. 2,027.15 Mn was fully utilised for the objectives stated in the circular to shareholders dated on 10 July 2024.

Rights Issue proceeds utilisation as at 31 March 2025

Objective Number	Objective as per Circulars	Amount allocated as per Circular Rs. Mn.	Proposed date of utilisation as per Circulars	Amount allocated from Proceeds Rs. Mn. (A)	% of total proceeds	Amount utilised Rs. Mn. (B)	% utilised against allocation	Clarification of not fully utilised including if not utilised where are the funds invested
Utilisation of funds raised through rights issue of shares								
1	To settle external debt, including bank debt, securitization loans, and commercial papers	2,981.36	Immediately upon the receipt of subscription and post allotment of shares	2,027.15	100.00	2,027.15	100.00	N/A

50 CONTINGENT LIABILITIES

ACCOUNTING POLICY

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only if it is virtually certain.

The expense relating to any provision is presented in the Income Statement net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

All contingent liabilities are disclosed as a note to the financial statements unless the outflow of resources is remote. A contingent liability recognised in a business combination is initially measured at its fair value.

Subsequently, it is measured at the higher of:

- the amount that would be recognised in accordance with the general guidance for provisions above (LKAS 37) or
- the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with the guidance for revenue recognition (LKAS 18)

Contingent assets are disclosed where inflow of economic benefit is probable.

As at reporting date, there were no significant contingent liabilities which require adjustment to or disclosure in the financial statements, other than those disclosed below.

No provision has been made in respect of the contingent liabilities stated below for the reasons given.

50.1 Asiri Surgical Hospital PLC

A dispute has arisen with the Department of Inland Revenue on the tax exemption applicable as per the agreement between Asiri Surgical Hospital PLC and the Board of Investment of Sri Lanka (BOI) in terms of the agreement entered between Asiri Surgical Hospital PLC and the Board of Investment of Sri Lanka (BOI) in year 2000.

Since there is litigation in the Court of Appeal in CA (Writ) 386/2016 with regard to this matter, in accordance with Paragraph 92 of LKAS 37, the group is unable to provide further information on this and associated risks, in order not to impair the outcome and/ or prejudice the subsidiary's position in this matter.
The aforesaid matter is coming up for argument in January 2026.

50.2 Asiri Hospital Holdings PLC, Asiri Surgical Hospital PLC, Central Hospital Ltd, Asiri Hospital Matara (Pvt) Ltd and Asiri Hospital Galle (Pvt) Ltd

Pending litigations against Asiri Hospital Holdings PLC, Asiri Surgical Hospital PLC, Central Hospital Ltd, Asiri Hospital Matara (Pvt) Ltd and Asiri Hospital Galle (Pvt) Ltd with a maximum liability of Rs. 131.80 Mn, Rs. 70.70 Mn, Rs. 103.10 Mn, Rs. 0.40 Mn and Rs. 30.00 Mn respectively exist as at 31 March 2025 (2024 - Asiri Hospital Holdings PLC : Rs. 51.87 Mn, Asiri Surgical Hospital PLC : Rs. 70.70 Mn, Central Hospital Ltd - Rs. 103.10 Mn, Asiri Hospital Matara (Pvt) Ltd : Nil and Asiri Hospital Galle (Pvt) Ltd : Rs. 0.40 Mn).

Although there can be no assurance, the Directors of respective companies believe, based on the information currently available, that the resolution of such legal processes are not likely to have a material adverse effect on the companies or the Group.

50.3 Asiri Central Hospitals Ltd

H.C. (Civil) 417/2015/MR - Krishnan Thangaraj Vs. Asiri Central Hospitals Ltd, Oraz International Property Developers and Construction (Pvt) Ltd and H.G. Shalika Perera relating to a permanent injunction restraining the payment of any commission on the sale of the land and premises bearing assessment No. 37, Horton Place, Colombo 07 to P.P.M. Edwards.

An enjoining order was issued restraining above at the first instance.

50.4 Softlogic Finance PLC

Case filed against the Company at the District Court of Colombo under case No. DMR 3689/21 by one of our customers, claiming that the Deed of Transfer executed over his property in favour of Softlogic Finance is invalid and claims damages of Rs. 70.00 Mn. Subsequently customer agreed to come for a settlement on this matter accordingly settlement terms were entered in courts and upon completion of the full settlement, the property referenced in Deed No. 6741 shall be transferred to the party named M.N Nislan who is the plaintiff of the above mentioned matter.

50.5 Softlogic Life Insurance PLC (SLI)

Value Added Tax (VAT)

The Company has received tax assessments on Value Added Tax for the taxable period ended 31 December 2010 amounting to Rs. 71.30 Mn.

Out of received VAT assessments, 8 assessments issued for the taxable period ended 31 December 2010 was determined in favour of Commissioner General of Inland Revenue (CGIR) and case is stated for the opinion of the Honorable Court of Appeal and the Company is awaiting the final decision. The total exposure of this appeal is Rs. 46.50 Mn including the penalty.

Remaining 3 assessments issued for the taxable period ended 31 December 2010 was determined infavour of the Company and case is stated for the opinion of the Honorable Court of Appeal and the Company is awaiting the final decision. The total exposure of this appeal is Rs. 24.80 Mn including the penalty.

Value Added Tax on Financial Services

The Company has received tax assessments on Value Added Tax on Financial Services for the taxable period ended 31 December 2014, 31 December 2016, 31 December 2017, 31, 31 December 2019 and 31 December 2021 amounting to Rs. 68.70 Mn, Rs. 28.00 Mn, Rs. 102.4 Mn, 72.60 Mn, Rs. 147.70 and Rs. 285.46 Mn respectively.

The Company has appealed to the Tax Appeals Commission (TAC) on the assessment determined infavor of CGIR for the taxable period ended 31 December 2014 and 31 December 2017 and received the determination of TAC in favour of the Company . However, the CGIR has transmitted the said cases to the Court of Appeal being dissatisfied with the determinations which determined in favour of the Company and cases are stated for the opinion of the Honorable Court of Appeal.

The Company is in the process of hearing the other appeal on the taxable period ended 31 December 2016 with TAC, on the basis that the underlying computation includes items which are out of scope of the VAT Act.

The Company has appealed to TAC in respect of the tax assessment issued for the Company under the Value Added Tax Act for the taxable period ended 31 December 2019, upon receipt of the CGIR determination.

The Company has appealed to the CGIR on the same basis in respect of the tax assessment issued for the taxable period ended 31 December 2021 and is awaiting for the CGIR determination.

Nation Building Tax on Financial Services

The Company has received tax assessments on Nation Building Tax for the taxable period ended 31 December 2018 amounting to 9.70 Mn.

The Company has filed an appeal to the CGIR for the assessment received for the taxable period ended 31 December 2018 on the basis that the underlying computation includes items which are out of scope of the Nation Building Tax Act. The Company is awaiting the determination of the CGIR.

Life Insurance Taxation

The tax assessment issued for the year of assessment 2010/11 amounting to Rs. 0.68 Mn was determined in favour of the Company by the Tax Appeals Commission and the CGIR has transmitted this case to the Court of Appeal being dissatisfied with the said determination and the case is stated for the opinion of the Honorable Court of Appeal. The Company is awaiting the decision of the Court of Appeal.

The TAC issued its determination on the appeal filed by the company in respect of the tax assessments issued for the year of assessment 2011/12 and 2012/13 amounting to Rs. 10.10 Mn and Rs. 12.40 Mn respectively in favour of CGIR. The Company has transmitted these cases to the Honorable Court of Appeal being dissatisfied with the said determination and are stated for the opinion of the Honorable Court of Appeal. The Company is awaiting the decision of the Court of Appeal.

The CGIR has issued its determination on the appeals filed by the Company for life insurance taxation for the year of assessment 2014/15, 2015/16, 2016/17 and 2017/18 amounting to Rs. 681.70 Mn including the penalty, in favour of the CGIR. The Company has received the determination of the TAC in favour of the Company in respect of the year of assessment 2014/15 and 2017/18. However, the cases are stated in the Honorable Court of Appeal by the CGIR. The Company is in the process of hearing the appeals with the TAC for the year of assessment 2015/16 and 2016/17.

The CGIR issued its determination on the appeal filed by the Company relating to the assessment raised for the year of assessment 2018/19, 2019/20 and 2020/21 amounting to Rs. 2,180.47 Mn with the penalty, in favour of the CGIR and the Company has submitted petition of appeals with the TAC.

The CGIR has issued its determination on the appeal filed by the Company in relation to the assessments raised for the year of assessment 2021/22 amounting to Rs. 688.97 Mn including the penalty, in favour of the CGIR. The Company is in the process of submitting a petition of appeal to the TAC.

PAYE Tax

The Company has duly submitted an appeal for an assessment received on PAYE Tax for the year of assessment 2016/17 amounting to Rs. 0.9 Mn with penalty.

Based on the information available and the advice of the tax consultants, the Directors of the Company are confident that the company has followed due process and acted in accordance with the prevailing laws in its tax submissions and therefore the resolution of this contingency is unlikely to have a material adverse effect on the company or the Group.

51 CAPITAL AND OTHER COMMITMENTS

51.1 Capital commitments

In Rs. '000	GROUP	
As at 31 March	2025	2024
Capital commitments approved but not provided for	**3,964,003**	3,006,872
Capital commitments approved but not contracted	**4,556,300**	14,401,000

51.2 Guarantees issued and in-force, and commitments for unutilised facilities

In Rs. '000	GROUP		COMPANY	
As at 31 March	2025	2024	2025	2024
Guarantees issued and in-force	**188,699**	230,919	**42,540,638**	41,019,496
Commitment for unutilised facilities	**53,260**	93,005	**-**	-

52 EVENTS AFTER THE REPORTING PERIOD

There were no significant events subsequent to the date of the statement of financial position, which require disclosure in the financial statements other than the following.

52.1 Softlogic Holdings PLC

Issue of warrants

The Company made an announcement to the Colombo Stock Exchange (CSE) on 04 August 2025, based on a request made by the major shareholders, to extend the date of exercise of conversion of the warrants from 29 August 2025 to 18 September 2026 subject to obtaining the approval of the shareholders/ warrant holders.

52.2 Softlogic Life Insurance PLC

Acquisition of Allianz Life Insurance Lanka Ltd

The Directors of Softlogic Life Insurance PLC, a subsidiary of Softlogic Holdings PLC, made an announcement to CSE on 11 July 2025 on the acquisition of the all of the shares of Allianz Life Insurance Lanka Limited from Allianz SE.

52.3 Softlogic Finance PLC

Regulatory Capital Compliance

Softlogic Finance PLC engaged its independent auditor to provide a special purpose audit opinion on the Statement of Profit or Loss and the Statement of Changes in Equity for the four-month period ended 31 July 2025.

This special purpose audit report was prepared specifically for submission to the Central Bank of Sri Lanka. Its purpose is to include the profits after tax and the reversal of the Regulatory Loss Allowance Reserve (RLAR) of the Company for the four-months period ended 31 July 2025, as part of the Core Capital (Tier 1 Capital) and in calculating the Capital Adequacy Ratios. The Company submitted this audited report to the Central Bank on 28 August 2025, for compliance with the regulatory Core Capital and Capital Adequacy purposes. The Company has complied with the regulatory minimum Core Capital and the Capital Adequacy Ratios (Tier 1 and Total Capital (Tier 2) ratios) requirements as at the date of the audited report.

Based on the audited report submitted to the Central Bank, the Central Bank, by its letter dated 19 September 2025, informed the Company that the Governing Board of the Central Bank of Sri Lanka has approved the lifting of the regulatory restrictions imposed on the Company with immediate effect. The Company has informed the lifting of the Central Bank regulatory caps to the Colombo Stock Exchange (CSE) via the Company letter dated 22 September 2025.

52.4 Re-negotiating the debt repayment plans with the lending institutions and restructuring the debts

The Group negotiations with the lending institutions to obtain capital and interest moratoriums and interest rebates/ waive-offs for the purpose of minimising the cash outflows on its financing activities has resulted the following approved debt restructuring. Moreover, negotiations are in progress with other lending institutions to obtain further concessions to the Group entities.

Company	Lending institution	Nature of facility	Interest Rate	Repayment Term	Restructured facility amount Rs. '000
Softlogic Holdings PLC	Sampath Bank PLC	Term loan	Fixed rate for first 12 months and thereafter AWPLR plus margin	13 bi-annual installments commencing after 18 months capital grace period from March 2024	865,896
		Term loan	Fixed rate for first 12 months and thereafter AWPLR plus margin	13 bi-annual installments commencing after 18 months capital grace period from March 2024	1,000,000
		Term loan	Concessionary fixed rate	13 bi-annual installments commencing after 18 months capital grace period from March 2024	125,339

Company	Lending institution	Nature of facility	Interest Rate	Repayment Term	Restructured facility amount Rs. '000
		Term loan	Concessionary fixed rate	13 bi-annual installments commencing after 18 months capital grace period from March 2024	164,853
		Term loan	Interest free	Differed until settlement of Term Loans amounting to Rs. 865.00 Mn and Rs. 125.34 Mn, which may be waived off at the direction of the Bank if all obligations under the above Term Loans have been met.	130,588
		Term loan	Interest free	Differed until settlement of Term Loans amounting to Rs. 1,000.00 Mn and Rs. 164.85 Mn, which may be waived off at the direction of the Bank if all obligations under the above Term Loans have been met.	180,814
	Seylan Bank PLC	Term loan	AWPLR plus margin	60 monthly installments commencing after 12 months capital grace period from March 2024	2,213,343
		Term loan	AWPLR plus margin	60 monthly installments commencing after 12 months capital grace period from March 2024	1,998,901
		Term loan	AWPLR plus margin	60 monthly installments commencing after 12 months capital grace period from March 2024	201,657
		Term loan	AWPLR plus margin	60 monthly installments commencing after 12 months capital grace period from March 2024	1,278,100
		Term loan	Interest Free	Differed until settlement of Term Loans amounting to Rs.2,213.3 Mn, Rs. 1,998.9 Mn, Rs. 201.6 Mn and Rs. 1,278.1 Mn, which may be waived off at the direction of the Bank if all obligations under the above Term Loans have been met.	512,637
	DFCC Bank	Term loan	AWPLR	14 bi-annual installments commencing after 12 months capital grace period from April 2024	1,343,680
		Term loan	Interest free	14 bi-annual installments commencing after 12 months capital grace period from April 2024	240,000
		Term loan	Interest free	Differed until settlement of Term Loans amounting to Rs.1,343.6 Mn and Rs. 240.0 Mn, which may be waived off at the direction of the Bank if all obligations under the above Term Loans have been met.	240,000
	People's Bank	Term loan	AWPLR plus margin	20 quarterly installments commencing from May 2025	2,499,473

Company	Lending institution	Nature of facility	Interest Rate	Repayment Term	Restructured facility amount Rs. '000
		Term loan	Fixed Rate	20 quarterly installments commencing from May 2025	324,400
	Bank of Ceylon	Term Loan	AWPLR plus margin	72 monthly installments commencing after 6 months capital grace period from August 2024	1,861,169
	Commercial Bank of Ceylon PLC	Term Loan	AWPLR plus margin	12 bi-annual installments commencing after 6 months capital grace period from June 2024	902,000
		Term Loan	Interest free rate for 1st year and thereafter AWPLR plus margin	2 bi-annual installments followed by 11 equal monthly installments commencing from September 2024	229,193
	National Development Bank PLC	Term Loan	AWPLR plus margin	24 quarterly installments commencing from January 2025	1,000,000
		Term Loan	AWPLR plus margin	72 monthly installments commencing from January 2025	122,258
		Term Loan	Interest free	Differed until settlement of Term Loans amounting to Rs.1,000 Mn and Rs. 122.2 Mn, which may be waived off at the direction of the Bank if all obligations under the above Term Loans have been met.	122,258
	Nations Trust Bank PLC	Term Loan	AWPLR plus margin	60 monthly installments commencing from April 2025	236,993
		Term loan	Interest free	60 monthly installments commencing from April 2025	26,703
Softlogic Mobile Distribution (Pvt) Ltd	Sampath Bank PLC	Term loan	Fixed rate for first 12 months and thereafter AWPLR	54 monthly installments commencing after 6 month capital grace period from February 2024	1,186,000
	Commercial Bank of Ceylon PLC	Term Loan	AWPLR plus margin	30 monthly installments commencing from May 2024	100,000
Softlogic Communication (Pvt) Ltd	Seylan Bank PLC	Term Loan	AWPLR plus margin	60 monthly installments commencing from July 2025	549,500
Future Automobiles (Pvt) Ltd	Sampath Bank PLC	Term loan	Fixed rate for first 12 months and thereafter AWPLR	Bullet payment within a period of 12 months from the divestment of group assets or any other cashflow	965,000
		Term loan	Concessionary fixed rate	Bullet payment within a period of 12 months from the divestment of group assets or any other cashflow	139,000
		Term loan	Concessionary fixed rate	Bullet payment within a period of 12 months from the divestment of group assets or any other cashflow	175,000
	Commercial Bank of Ceylon PLC	Term Loan	AWPLR plus margin	18 equally monthly installments commencing from June 2024	36,000

Company	Lending institution	Nature of facility	Interest Rate	Repayment Term	Restructured facility amount Rs. '000
Softlogic Supermarkets (Pvt) Ltd	Bank of Ceylon	Term loan	AWPLR plus margin	75 monthly installments commencing after 6 months grace period from February 2023	208,333
		Term loan	AWPLR plus margin	75 monthly installments commencing after 5 months grace period from February 2023	273,788
		Term loan	AWPLR plus margin	12 monthly installments commencing from June 2023	53,022
	National Development Bank PLC	Term loan	AWPLR plus margin	72 monthly installments commencing after 12 months grace period from February 2024	1,098,216
		Term loan	AWPLR plus margin	60 monthly installments commencing after 12 months grace period from February 2024	750,400
		Term loan	AWPLR plus margin	72 monthly installments commencing after 12 months grace period from February 2024	280,000
		Term loan	AWPLR plus margin	33 monthly installments commencing after 3 months grace period from February 2024	106,438
		Term loan	AWPLR plus margin	33 monthly installments commencing from May 2024	110,000
Odel PLC	Bank of Ceylon	Term loan	AWPLR plus margin	12 monthly installments commencing from August 2023	27,930
		Term loan	AWPLR plus margin	66 monthly installments commencing after 17 months capital grace period and 6 month repayment holiday from February 2023	227,501
		Term loan	Fixed rate	26 monthly installments commencing after 9 month capital grace period and 6 months repayment holiday from February 2023	82,169
		Term Loan	AWPLR plus margin	78 monthly installments commencing from May 2024	318,170
	Union Bank of Colombo PLC	Term loan	AWPLR plus margin	47 monthly installments commencing from October 2023	842,662
		Term loan	AWPLR plus margin	6 equal monthly installments commencing from October 2023	47,100
		Term loan	AWPLR plus margin	12 monthly installments commencing after 6 months grace period from September 2023	47,100
		Term Loan	Fixed rate	84 monthly installments commencing from May 2024	1,114,262
	Hatton National Bank PLC	Term Loan	AWPLR	72 monthly installments commencing after 12 months capital grace period from September 2024	1,470,000

Company	Lending institution	Nature of facility	Interest Rate	Repayment Term	Restructured facility amount Rs. '000
	National Development Bank PLC	Term Loan	Fixed rate	24 monthly installments commencing from May 2024	26,745
		Term Loan	Fixed rate	24 monthly installments commencing from May 2024	4,738
		Term Loan	Interest free	Differed until settlement of Term Loan amounting to Rs.26.74 Mn, which may be waived off at the direction of the Bank if all obligations under the above Term Loans have been met.	26,745
		Term Loan	Interest free	Differed until settlement of Term Loan amounting to Rs.4.73 Mn, which may be waived off at the direction of the Bank if all obligations under the above Term Loans have been met.	4,738
Softlogic Brands (Pvt) Ltd	Bank of Ceylon	Term loan	AWPLR plus margin	78 monthly installments commencing after 6 months capital grace period from January 2024	199,380
	Seylan Bank PLC	Term loan	AWPLR plus margin	60 monthly installments commencing from February 2025	296,889
		Term loan	AWPLR plus margin	60 monthly installments commencing from February 2025	32,144
		Term loan	Interest free	Differed until settlement of Term Loans amounting to Rs. 296.89 Mn and Rs. 32.14 Mn, which may be waived off at the direction of the Bank if all obligations under the above Term Loans have been met.	1,495
Odel Properties One (Pvt) Ltd	Hatton National Bank PLC Sampath Bank PLC Bank of Ceylon	Syndicated loan	AWPLR plus margin	84 monthly installments commencing from December 2025	5,400,000
Softlogic Information Technologies (Pvt) Ltd	Commercial Bank of Ceylon PLC	Term Loan	AWPLR plus margin	24 monthly installments commencing from June 2024	150,000
Softlogic Retail (Pvt) Ltd	Pan Asia Banking Corporation PLC	Term loan	AWPLR plus margin	84 monthly installments commencing after 12 month capital grace period from February 2024	1,337,000
		Term loan	Interest free	Differed until settlement of above Term Loan amounting to Rs.1,337 Mn, which may be waived off at the direction of the Bank in the event all obligations of the borrower have been met.	144,000

Company	Lending institution	Nature of facility	Interest Rate	Repayment Term	Restructured facility amount Rs. '000
	Sampath Bank PLC	Working capital loans	AWPLR plus margin	Bullet payment after July 2024	1,678,288
	National Development Bank PLC	Term Loan	AWPLR	36 monthly installments commencing from January 2025	83,000
		Term Loan	Interest free	Differed until settlement of above Term Loan amounting to Rs.83 Mn, which may be waived off at the direction of the Bank if all obligations under the above Term Loans have been met.	83,000
		Term Loan	AWPLR plus margin	72 monthly installments commencing from January 2025	1,389,500
		Term Loan	AWPLR	36 monthly installments commencing from January 2025	313,776
		Term Loan	Interest free	Differed until settlement of above Term Loans amounting to Rs.1,389.50 Mn and Rs.313.77 Mn, which may be waived off at the direction of the Bank if all obligations under the above Term Loans have been met.	270,102
	Commercial Bank of Ceylon PLC	Term Loan	AWPLR plus margin	50 monthly installments commencing from November 2023	1,000,000
	Union Bank of Colombo PLC	Term Loan	Fixed rate	84 monthly installments commencing from May 2024	855,525
	Seylan Bank PLC	Term loan	AWPLR plus margin	84 monthly installments commencing from February 2025	645,561
		Term loan	AWPLR plus margin	84 monthly installments commencing from February 2025	141,181
		Term loan	Interest free	Differed until settlement of above Term Loans amounting to Rs. 645.5 Mn and Rs. 141.1 Mn, which may be waived off at the direction of the Bank if all obligations under the above Term Loans have been met.	147,404
	Cargills Bank PLC	Term Loan	AWPLR plus margin	72 monthly installments commencing after 12 month capital grace period from August 2024	238,618
Softlogic Restaurants (Pvt) Ltd	Commercial Bank of Ceylon PLC	Term Loan	AWPLR plus margin	23 monthly installments commencing from August 2024	46,479
		Term Loan	AWPLR plus margin	50 equal monthly installments commencing from August 2024	100,000
		Term Loan	AWPLR plus margin	24 monthly installments commencing from August 2024	40,000
		Term Loan	AWPLR plus margin	60 equal monthly installments commencing from August 2024	150,000

Company	Lending institution	Nature of facility	Interest Rate	Repayment Term	Restructured facility amount Rs. '000
		Term Loan	AWPLR plus margin	60 equal monthly installments commencing from August 2024	165,000
	Bank of Ceylon	Term Loan	AWPLR plus margin	90 monthly installments commencing after 5 month capital grace period from June 2023	236,000
		Term Loan	AWPLR plus margin	47 monthly installments commencing after 5 month capital grace period from June 2023	110,586
Suzuki Motors Lanka Ltd	Commercial Bank of Ceylon PLC	Term Loan	AWPLR plus margin	36 monthly installments commencing from June 2024	62,000
	Union Bank of Colombo PLC	Term Loan	Fixed rate	84 monthly installments commencing after 12 month capital grace period from May 2024	40,200
SML Holdings (Pvt) Ltd	Union Bank of Colombo PLC	Term Loan	Fixed rate	84 monthly installments commencing after 12 month capital grace period from May 2024	12,570
Softlogic Pharmaceuticals (Pvt) Ltd	Seylan Bank PLC	Term Loan	AWPLR plus margin	57 monthly installments commencing after 3 month capital grace period from September 2025	353,000
Softlogic Capital PLC	DFCC Bank	Term loan	AWPLR plus margin	6 annual installments commencing from March 2024	1,284,000
	National Development Bank PLC	Term Loan	AWPLR plus margin	5 annual installments commencing from March 2025	199,461
		Term Loan	AWPLR plus margin	6 annual installments commencing from March 2025	800,000
		Term Loan	Interest free	Differed until settlement of above Term Loan amounting to Rs. 199.4 Mn and Rs. 800 Mn, which may be waived off at the direction of the Bank if all obligations under the above Term Loans have been met.	140,711
Asiri Hospital Holdings PLC	Seylan Bank PLC	Term Loan	AWPLR plus margin	60 monthly installments commencing from April 2025	1,550,000
Asiri Hospital Galle (Pvt) Ltd	Seylan Bank PLC	Term Loan	AWPLR plus margin	31 monthly installments commencing from June 2024	113,750

The facility was restructured as follows: Rs. 42,361 Mn before 31 March 2025 and Rs. 5,540 Mn after 31 March 2025.

53. SECURITY AND REPAYMENTS TERMS OF INTEREST BEARING BORROWINGS

53.1 Security and repayment terms

Company	Lending institution	Nature of facility	Interest Rate	Repayment Term	Outstanding Balance 2025 Rs. '000	Outstanding Balance 2024 Rs. '000	Carrying value of collaterals Rs. Mn.	Security
Softlogic Holdings PLC	Seylan Bank PLC	Term loan	AWPLR plus margin	60 monthly installments commencing after a grace period of 12 months commencing from July 2024	**2,312,437**	2,213,343	3,751.40	a) 105,440,000 shares of Asiri Hospital Holdings PLC, 170,187,477 shares of Softlogic Capital PLC and 63,200 shares of Lanka IOC PLC owned by Softlogic Holdings PLC
		Term loan	AWPLR plus margin	60 monthly installments commencing after a grace period of 12 months commencing from July 2024	**2,088,607**	1,998,901		b) Primary concurrent mortgage for Rs. 70.00 Mn over land and building at No. 14, De Fonseka Place Colombo - 05
		Term loan	AWPLR plus margin	60 monthly installments commencing after a grace period of 12 months commencing from July 2024	**204,263**	201,657		c) Secondary concurrent mortgage for Rs. 30.00 Mn over land and building at No. 14, De Fonseka Place Colombo - 05
		Term loan	AWPLR plus margin	60 monthly installments commencing after a grace period of 12 months commencing from September 2024	**1,316,155**	1,278,100		d) Additional mortgage for Rs. 380.00 Mn over land and building at No. 14, De Fonseka Place Colombo - 05
		Term loan	Interest Free	Repayable by way of a bullet payment after 72 months from September 2024 if above loans amounting to Rs. 2,312.4 Mn, 2,088.6 Mn, Rs. 204.2 Mn and Rs. 1,316.1 Mn loans are not duly settled	**512,637**	-		
	Commercial Bank of Ceylon PLC	Term loan	AWPLR plus margin	12 bi-annual installments commencing from January 2025	**461,180**		2,013.00	a) Floating Primary Concurrent Mortgage Bond for Rs. 130 Mn over the property bearing Assessment No: 14 & No: 14B, De Fonseka Place, Colombo 05, owned by Softlogic Holdings PLC b) Floating Secondary Concurrent Mortgage Bond for Rs. 50 Mn over the property bearing Assessment No: 14 & No: 14B, De Fonseka Place, Colombo 05, owned by Softlogic Holdings PLC.

Company	Lending institution	Nature of facility	Interest Rate	Repayment Term	Outstanding Balance 2025 Rs. '000	Outstanding Balance 2024 Rs. '000	Carrying value of collaterals Rs. Mn.	Security
								c) Primary Mortgage Bond for Rs. 100 Mn over 7,700,000 shares of Asiri Hospital Holdings PLC owned by Softlogic Holdings PLC b) Primary mortgage for Rs. 483.00 Mn over 25,700,000 shares of Asiri Hospital Holdings PLC owned by Softlogic Holdings PLC e) Primary mortgage for Rs. 750.00 Mn over 100,000,000 shares of Softlogic Capital PLC owned by Softlogic Holdings PLC f) Primary mortgage for Rs. 500.00 Mn over 25,000,000 shares of Odel PLC owned by Softlogic Retail Holdings (Pvt) Ltd
		Term loan			-	110,680		
		Term loan			-	97,749		
		Term loan			-	641,581		
		Term loan			-	87,889		
	Hatton National Bank PLC	Term loan			-	735,075		
	Nations Trust Bank PLC	Term loan	AWPLR plus margin	5 equal quarterly installments commencing from December 2023	**260,956**	268,385	1,000.00	Mortgage over 37,398,004 shares of Asiri Hospital Holdings PLC and 7,522,861 shares of Softlogic Capital PLC owned by Softlogic Holdings PLC for Rs.1,000.00 Mn
	Sampath Bank PLC	Term loan	Fixed rate for first 12 months and thereafter AWPLR	13 bi-annual installments commencing after 18 months capital grace period from March 2024	**936,320**	865,896	2,008.58	a) 14,655,978 shares of Softlogic Capital PLC owned by Softlogic Holdings PLC b) 26,646,000 shares of Softlogic Life Insurance PLC owned by Softlogic Capital PLC
		Term loan	Fixed rate for first 12 months and thereafter AWPLR	13 bi-annual installments commencing after 18 months capital grace period from March 2024	**1,081,331**	1,000,000		
		Term loan	Fixed rate	13 bi-annual installments commencing after 18 months capital grace period from March 2024	**129,551**	125,339		

Company	Lending institution	Nature of facility	Interest Rate	Repayment Term	Outstanding Balance 2025 Rs. '000	Outstanding Balance 2024 Rs. '000	Carrying value of collaterals Rs. Mn.	Security
		Term loan	Fixed rate	13 bi-annual installments commencing after 18 months capital grace period from March 2024	**170,467**	164,853		
		Term loan	Interest free	Repayable by way of a bullet payment after 96 months from March 2024 if above loans amounting to Rs. 865.90 Mn and Rs. 125.34 Mn loans are not duly settled	**130,588**	130,588		
		Term loan	Interest free	Repayable by way of a bullet payment after 96 months from March 2024 if loans amounting to Rs. 1,000.00 Mn and Rs. 164.85 Mn loans are not duly settled	**180,814**	180,814		
	People's Bank	Term loan	AWPLR plus margin	17 equal monthly installments commencing from January 2024	**426,424**	488,652	8,402.43	a) 28,467,691 shares of Asiri Hospital Holdings PLC, 198,286,577 shares of Softlogic Capital PLC, 175,550 shares of Softlogic Life Insurance PLC and 2,373,680 shares of Softlogic Finance PLC owned by Softlogic Holdings PLC
		Term loan	AWPLR plus margin	6 monthly installments commencing from January 2024	**416,104**	472,315		b) 49,702,271 shares of Odel PLC owned by Softlogic Retail Holdings (Pvt) Ltd
		Term loan	AWPLR plus margin	54 monthly installments commencing from February 2023	**1,931,469**	2,235,297		c) Corporate guarantees from Softlogic Retail (Pvt) Ltd for Rs. 6,000.00 Mn

Company	Lending institution	Nature of facility	Interest Rate	Repayment Term	Outstanding Balance		Carrying value of collaterals	Security
					2025 Rs. '000	2024 Rs. '000	Rs. Mn.	
	Bank of Ceylon	Term loan	AWPLR plus margin	72 monthly installments commencing after 6 months grace period from August 2024	**1,877,723**	-	2,852.36	a) Mortgaged over freehold land and buildings at No: 114, Norris Canal Road, Colombo 10 b) 92,594,000 shares of Odel PLC owned by Softlogic Retail Holdings (Pvt) Ltd
		Term loan			**-**	525,403		
		Term loan			**-**	253,101		
		Term loan			**-**	127,544		
		Term loan			**-**	268,646		
		Term loan			**-**	123,691		
		Term loan			**-**	115,234		
	DFCC Bank PLC	Term loan	AWPLR	14 bi-annual installments commencing after 12 months capital grace period from April 2024	**1,395,583**	-	3,011.36	a) 34,000,000 shares of Odel PLC owned by Softlogic Retail Holdings (Pvt) Ltd b) 34,725,000 shares of Odel PLC owned by Softlogic Retail Holdings (Pvt) Ltd c) 43,925,000 shares of Odel PLC owned by Softlogic Retail Holdings (Pvt) Ltd d) 70,000,000 shares of Asiri Hospital Holdings PLC owned by Softlogic Holdings PLC
		Term loan	Interest free	14 bi-annual installments commencing after 12 months capital grace period from April 2024	**196,609**	-		
		Term loan	Interest free	Repayable by way of a bullet payment after 192 months from April 2024 if loans amounting to Rs. 1.395 Bn loan and Rs. 196.6 Mn loans are not duly settled	**196,609**	-		
		Term loan			**-**	420,578		
		Term loan			**-**	19,009		
		Term loan			**-**	32,349		
		Term loan			**-**	258		
		Term loan			**-**	1,007,559		
		Term loan			**-**	37,065		
		Term loan			**-**	67,466		
		Term loan			**-**	204		
		Term loan			**-**	154,824		

Company	Lending institution	Nature of facility	Interest Rate	Repayment Term	Outstanding Balance		Carrying value of collaterals	Security
					2025 Rs. '000	2024 Rs. '000	Rs. Mn.	
	National Development Bank PLC	Term loan	AWPLR plus margin	24 quarterly installments commencing after 4 months grace period from January 2025	**973,834**	-	2,000.00	Rs. 2,000 Mn value of shares of Asiri Hospital Holdings PLC owned by Softlogic Holdings PLC
		Term loan	AWPLR	72 monthly installments commencing after 4 months grace period from January 2025	**122,244**	-		
		Term loan	Interest free	Repayable by way of a bullet payment after 76 months from January 2025 if loans amounting to Rs. 973.8 Mn and Rs. 122.2 Mn loans are not duly settled	**122,258**	-		
		Term loan			**-**	1,297,242		
					17,444,164	17,747,287		

53. SECURITY AND REPAYMENTS TERMS OF INTEREST BEARING BORROWINGS

53.2 Security and repayment terms

Company	Lending institution	Nature of facility	Interest Rate	Repayment Term	Outstanding Balance 2025 Rs. '000	Outstanding Balance 2024 Rs. '000	Carrying value of collaterals Rs. Mn.	Security
Softlogic Retail Holdings (Pvt) Ltd	Hatton National Bank PLC	Term loan			-	149,000		
Softlogic Retail (Pvt) Ltd	Commercial Bank of Ceylon PLC	Term loan	AWPLR plus margin	60 equal monthly installments commencing from February 2020	**502,000**	618,000	502.00	a) Mortgage bond for Rs. 1,000.00 Mn over credit and debit card sales receivables including installment sales of all outlets of the Softlogic Retail (Pvt) Ltd b) Supplementary mortgage bond over credit and debit card sales including installment sales of all outlets of the Softlogic Retail (Pvt) Ltd c) Floating mortgage bond for Rs. 100.00 Mn over credit and debit card sales including installment sales of all outlets of the Softlogic Retail (Pvt) Ltd routed through the acquiring and participating banks d) Floating mortgage bond for Rs. 300.00 Mn over credit and debit card sales including installment sales of all outlets of the Softlogic Retail (Pvt) Ltd routed through the acquiring and participating banks
	National Development Bank PLC	Term loan	Fixed Rate	72 monthly installments commencing from January 2025	**1,389,346**	-	1,988.55	a) Corporate guarantee from Softlogic Retail Holdings (Pvt) Ltd for Rs. 500.00 Mn b) Rs.1,488.55 Mn worth shares of Asiri Hospital Holdings PLC owned by Softlogic Holdings PLC
		Term loan	AWPLR	36 monthly installments commencing from January 2025	**313,776**	-		

Company	Lending institution	Nature of facility	Interest Rate	Repayment Term	Outstanding Balance 2025 Rs. '000	Outstanding Balance 2024 Rs. '000	Carrying value of collaterals Rs. Mn.	Security
		Term loan	Interest free	Repayable by way of a bullet payment after 72 months from January 2025 if above loan amounting to Rs. 1,389 Mn and 313 Mn are not duly settled	**270,102**	-		c) Quadripartite Agreement by and between Softlogic Holdings PLC, Borrower, NDB Securities (Private) Limited and the bank
		Term loan	AWPLR	36 monthly installments commencing from January 2025	**83,000**	-		
		Term loan	Interest free	Repayable by way of a bullet payment after 36 months from January 2025 if above loan amounting to Rs. 83 Mn is not duly settled	**83,000**	-		
		Term loan			**-**	1,389,346		
	Union Bank of Colombo PLC	Term loan	Fixed Rate	84 monthly installments commencing from May 2024	**834,137**	-	1,584.14	a) Corporate guarantee from Softlogic Holdings PLC for Rs. 750.00 Mn b) Concurrent mortgage bonds over stocks and assignment of book debts
		Term loan	AWPLR plus margin		**-**	650,000		
	Pan Asia Banking Corporation	Term loan	AWPLR plus margin	84 monthly installments commencing after a grace period of 12 months from January 2024	**1,337,000**	1,337,000	4,629.69	a) Corporate guarantee from Softlogic Holdings PLC for Rs.1,500.00 Mn, Corporate guarantee from Softlogic Information Technologies (Pvt) Ltd for Rs.1,500.00 Mn and Corporate guarantee from Suzuki Motors Lanka Ltd for Rs. 1,500.00 Mn
		Term loan	Fixed Rate	Repayable by way of a bullet payment after 96 months from January 2024	**144,000**	144,000		b) 5,026,667 shares of Asiri Hospital Holdings PLC owned by Softlogic Holdings PLC
	Seylan Bank PLC	Term loan	AWPLR plus margin	84 monthly installments commencing from February 2025	**645,561**	-	1,846.74	a) Concurrent mortgage bonds over stocks and assignment of book debts

Company	Lending institution	Nature of facility	Interest Rate	Repayment Term	Outstanding Balance 2025 Rs. '000	Outstanding Balance 2024 Rs. '000	Carrying value of collaterals Rs. Mn.	Security
			AWPLR plus margin	84 monthly installments commencing from February 2025	**141,181**	-		b) Corporate guarantee from Softlogic Holdings PLC for Rs. 1,060.00 Mn
			Interest free	Repayable by way of a bullet payment after 84 months from February 2025 if above loan amounting to Rs. 645.5 Mn and Rs. 141.1 Mn are not duly settled	**147,404**	-		
Softlogic Restaurants (Pvt) Ltd	Commercial Bank of Ceylon PLC	Term loan	AWPLR plus margin	60 monthly installments commencing after a grace period of 6 months from December 2020	**30,312**	54,562	463.51	a) Primary mortgage bond over credit and debit card sales receivables of all outlets of the Softlogic Restaurants (Pvt) Ltd
		Term loan	AWPLR plus margin	60 monthly installments commencing from October 2023	**84,000**	107,626		b) Primary mortgage bond for Rs. 40 Mn over equipment at selected Burger King Outlets of the company at Asiri Central Hospital, Colombo, Liberty Plaza, Colombo 03, Mount Lavinia, Rajagiriya and Independence Arcade.
		Term loan	AWPLR plus margin	60 monthly installments commencing from August 2024	**132,387**	-		
		Term loan	AWPLR plus margin	60 monthly installments commencing from August 2024	**148,500**	-		
		Term loan	AWPLR plus margin	24 monthly installments commencing from August 2024	**28,310**	-		

Company	Lending institution	Nature of facility	Interest Rate	Repayment Term	Outstanding Balance 2025 Rs. '000	Outstanding Balance 2024 Rs. '000	Carrying value of collaterals Rs. Mn.	Security
	Bank of Ceylon	Term loan	AWPLR plus margin	90 monthly installments commencing after a grace period of 5 months from January 2023	**70,574**	170,867	500.00	Corporate guarantee from Softlogic Holdings PLC for Rs. 500.00 Mn
		Term loan	Fixed rate	47 monthly installments commencing after a grace period of 5 months from January 2023	**21,589**	66,292		
	National Development Bank PLC	Term loan	AWPLR plus margin	60 monthly installments commencing after a grace period of 12 months from September 2022	**121,168**	170,760	471.17	a) Mortgage bond over cash flow collection of Burger King, Baskin Robins, Crystal Jade and Delifrance outlet located at One Galle Face Mall and Burger King outlet in Rajagiriya b) Corporate guarantee from Softlogic Retail Holdings (Pvt) Ltd for Rs. 350 Mn C) Mortgage over cash collection of proposed 2 Burger King outlets, 4 Popeyes outlets and credit card collection of proposed 1 Burger King outlets and 4 Popeyes outlet
Softlogic Supermarkets (Pvt) Ltd	Bank of Ceylon	Term loan	AWPLR plus margin	81 equal monthly installments commencing after a grace period of 6 months commencing from January 2023	**96,916**	197,029	500.00	Corporate guarantee from Softlogic Holdings PLC for Rs. 500.00 Mn
		Term loan	AWPLR plus margin	80 equal monthly installments commencing after a grace period of 5 months commencing from February 2023	**148,789**	248,789		
		Term loan			**-**	44,185		

Company	Lending institution	Nature of facility	Interest Rate	Repayment Term	Outstanding Balance		Carrying value of collaterals	Security
					2025 Rs. '000	2024 Rs. '000	Rs. Mn.	
	National Development Bank PLC	Term loan	AWPLR plus margin	60 equally monthly installments commencing after a grace period of 12 months from February 2024	**750,400**	750,400	1,750.40	a) Credit card receivables of Glomark Supermarket situated at Malabe and Buthgamuwa outlets b) Mortgage over the cash flows collected from the Glomark Supermarket situated at Malabe and Buthgamuwa outlets c) Corporate guarantee from Softlogic Retail Holdings (Pvt) Ltd for Rs. 1,000.00 Mn
		Term loan	AWPLR plus margin	72 equally monthly installments commencing after a grace period of 12 months from February 2024	**1,065,881**	1,098,216	2,190.88	a) Credit card receivables of Glomark Supermarket situated at Thalawathugoda and Kandana outlets b) Mortgage over the cash flows collected from the Glomark Supermarket Situated at Thalawathugoda and Kandana outlets c) Corporate guarantee from Softlogic Retail Holdings (Pvt) Ltd for Rs. 1,125.00 Mn
		Term loan	AWPLR plus margin	72 equally monthly installments commencing after a grace period of 12 months from February 2024	**280,000**	280,000	1,667.14	a) Mortgage over movable assets of Glomark Supermarket situated at Mount Lavinia, Malabe, Negambo, Thalawathugoda, Kandana, Kandy, Hendala, Delkanda, Kottawa, Nawala, Kurunagala, Asiri Central and Asiri Kandy b) Mortgage over the cash flows collected from the Glomark Supermarket situated at Mount Lavinia, Malabe, Negambo, Thalawathugoda, Kandana, Kandy, Hendala, Orion City, CR & FC and Grandpass
		Term loan	AWPLR plus margin	33 equally monthly installments commencing after a grace period of 3 months from February 2024	**81,063**	111,462		
		Term loan	AWPLR plus margin	33 monthly installments commencing from May 2024	**31,840**	-		
Footwear Retailer Ltd	Hatton National Bank PLC	Term loan	AWPLR plus margin	72 equally monthly installments commencing after a grace period of 6 months from October 2018	**8,125**	18,958	65.00	Secondary mortgage for Rs. 65.00 Mn over land at No. 100, General Sir John Kothalawala Road, Ratmalana

Company	Lending institution	Nature of facility	Interest Rate	Repayment Term	Outstanding Balance		Carrying value of collaterals	Security
					2025 Rs. '000	2024 Rs. '000	Rs. Mn.	
Suzuki Motors Lanka Ltd	DFCC Bank PLC	Term loan	AWPLR plus margin	15 equal monthly installments commencing from January 2024	**53,073**	53,480	187.00	a) Primary mortgage for Rs. 100.00 Mn over land at No. 371, New Nuge Road, Peliyagoda b) Corporate guarantee from Softlogic Retail (Pvt) Ltd for Rs. 87.00 Mn
	Commercial Bank of Ceylon PLC	Term loan	AWPLR plus margin	36 equal monthly installments commencing from June 2024	**53,650**	-	188.65	a) Concurrent mortgage over stocks of motor cycles and other movable assets and book debts of Suzuki Motors Lanka Limited b) Corporate guarantee from Softlogic Holdings PLC for Rs. 135.00 Mn
	Union Bank of Colombo PLC	Term loan	AWPLR plus margin	84 equal monthly installments commencing after a grace period of 12 months commencing from May 2024	**34,360**	-	194.36	a) Concurrent mortgage over stocks and book debts of Suzuki Motors Lanka Limited b) Corporate guarantee from Softlogic Retail (Pvt) Ltd for Rs. 160.00 Mn
S M L Holdings (Pvt) Ltd	Union Bank of Colombo PLC	Term loan	AWPLR plus margin	84 equal monthly installments commencing after a grace period of 12 months commencing from May 2024	**12,297**	-	100.00	Corporate guarantee from Suzuki Motors Lanka Ltd for Rs. 100.00 Mn
Softlogic City Hotels (Pvt) Ltd	Commercial Bank of Ceylon PLC	Term Loan	LIBOR plus margin	96 monthly installments commencing from August 2022	**10,481,377**	9,908,476	19,602.60	a) Mortgage over freehold property bearing Asst. Nos. 24, 24A, 24B, 24C, 20/14, 20/20 at Dharmapala Mawatha, Kollupitiya owned by Softlogic Properties (Pvt) Ltd and other project assets of Hotel
		Term loan	LIBOR plus margin	61 monthly installments commencing from August 2022	**493,832**	488,140		b) Corporate guarantee from Softlogic Holdings PLC for USD 36.40 Mn
		Term loan	Interest free	80 monthly installments commencing from August 2022	**816,788**	872,206		
Ceysands Resorts Ltd	Nations Trust Bank PLC	Term loan	3 months SOFR plus margin	10 equal bi annual installments commencing from April 2020	**2,106,817**	2,088,378	5,459.10	a) Mortgage for USD 9.20 Mn over leasehold rights of hotel lands and building

Company	Lending institution	Nature of facility	Interest Rate	Repayment Term	Outstanding Balance		Carrying value of collaterals	Security
					2025 Rs. '000	2024 Rs. '000	Rs. Mn.	
		Term loan	3 months SOFR plus margin	10 equal bi annual installments commencing from September 2020	**23,141**	23,195		b) Corporate guarantee from Softlogic Holdings PLC for USD 9.20 Mn c) Assignment of AMEX receivables
Softlogic B P O Services (Pvt) Ltd	Sampath Bank PLC	Term loan			**-**	2,500		
Softlogic Capital PLC	National Development Bank PLC	Term loan	AWPLR plus margin	5 annual installments commencing from March 2025	**657,729**	-	3,615.00	Tripartite Agreements between Borrower, Bank and NDB Securities (Pvt) Limited for 44 Mn and 6 Mn shares of Softlogic Life PLC in the joint name of National Development Bank PLC / Softlogic Capital PLC
		Term loan	AWPLR plus margin	6 annual installments commencing from March 2025	**165,690**	-		
		Term loan	Interest free	Repayable by way of a bullet payment after 72 months from March 2025 if above loans amounting to Rs. 657.7 Mn and 165.69 Mn are not duly settled	**140,711**	-		
		Term loan			**-**	1,015,225		
		Term loan			**-**	316,385		
	DFCC Bank PLC	Term loan	AWPLR plus margin	6 annual installments commencing from March 2024	**803,570**	-	4,901.94	67,800,000 shares of Softlogic Life Insurance PLC owned by Softlogic Capital PLC
		Term loan			**-**	1,084,128		
Asiri Hospital Holdings PLC	Commercial Bank of Ceylon PLC	Term loan	AWPLR plus margin	90 monthly installments commencing after a grace period of 40 months commencing from December 2015	**168,204**	252,276	2,750.60	Primary mortgage bond for Rs. 2750.60 Mn over leasehold right of Asiri Kandy Hospital Property situated at No: 907 Peradeniya Road Kandy, more fully depicted as lot 1&2 in plan No 3856A owned by the company
		Term loan	AWPLR plus margin	96 monthly installments commencing after a grace period of 24 months commencing from September 2016	**680,396**	927,680		
		Term loan	AWPLR plus margin	60 monthly installments commencing from June 2022	**24,514**	35,527	53.90	Primary Mortgage bond for Rs. 53.9 Mn over Medical Equipment

Company	Lending institution	Nature of facility	Interest Rate	Repayment Term	Outstanding Balance 2025 Rs. '000	Outstanding Balance 2024 Rs. '000	Carrying value of collaterals Rs. Mn.	Security
		Term loan	AWPLR plus margin	60 monthly installments commencing from June 2022	**29,145**	41,283	64.20	Primary Mortgage bond for Rs. 64.2 Mn over Medical Equipment
		Term loan	AWPLR plus margin	60 monthly installments commencing from January 2023	**19,404**	26,330	33.90	Primary Mortgage bond for Rs. 33.9 Mn over Medical Equipment
		Term loan	AWPLR plus margin	48 monthly installments commencing from June 2023	**17,249**	24,083	30.40	Primary Mortgage bond for Rs. 30.4 Mn over Medical Equipment
		Term loan	AWPLR plus margin	24 monthly installments commencing from November 2023	**11,493**	31,296	39.00	Primary Mortgage bond for Rs. 39.00 Mn over Medical Equipment
		Term loan	AWPLR plus margin	24 monthly installments commencing from October 2024	**1,122,493**	-		General terms and conditions relating to the term loan signed by the company.
		Term loan	AWPLR plus margin		**-**	11,152		
	Sampath Bank PLC	Term loan	AWPLR plus margin	120 monthly installments commencing from December 2015	**59,667**	127,028	59.67	Securitisation of all future credit/ debit card receivables of Asiri Hospital Holdings PLC
		Term loan	AWPLR plus margin	108 monthly installments commencing after a grace period of 12 months commencing from March 2019	**202,528**	253,140	1,522.92	a) Third party primary mortgage bond for Rs. 450.00 Mn over hospital property at No. 10, Wackwella Road, Galle owned by Asiri Hospital Galle (Pvt) Ltd b) Additional security over 100.0% of ordinary shares of Asiri Hospital Galle (Pvt) Ltd owned by Asiri Hospital Holdings PLC
	National Development Bank PLC	Term loan			**-**	24,579		
Asiri Surgical Hospital PLC	Commercial Bank of Ceylon PLC	Term loan	AWPLR plus margin	60 equal monthly installments commencing from March 2023	**216,132**	275,755	216.13	Mortgage bond over Credit/ Debit card receivables of the card operations of Asiri Surgical Hospital PLC
		Term loan	AWPLR plus margin	36 monthly installments commencing from January 2025	**121,667**	-	119.40	Mortgage bond for Rs. 119.4 Mn to be executed over GE Advance Cathlab Model.

Company	Lending institution	Nature of facility	Interest Rate	Repayment Term	Outstanding Balance		Carrying value of collaterals	Security
					2025 Rs. '000	2024 Rs. '000	Rs. Mn.	
		Term loan	AWPLR plus margin	12 monthly installments commencing from December 2024	**22,056**	-	23.60	Mortgage bond for Rs. 23.6 Mn over Video Endoscope System of Asiri Surgical Hospital PLC
		Term loan	AWPLR plus margin	12 monthly installments commencing from March 2025	**24,766**	-	24.51	Mortgage bond for Rs. 24,513,084/- over Cyst scope and Bipolar Turis Resectosope Semi Rigid Uteteroscope of Asiri Surgical Hospital PLC.
	DFCC Bank PLC	Term loan	AWPLR plus margin	72 monthly installments commencing after a grace period of 12 months commencing from March 2020	**493,666**	683,110	1,200.00	Corporate guarantee from Asiri Hospital Holdings PLC for Rs. 1,200.00 Mn
	Sampath Bank PLC	Term loan	AWPLR	60 monthly installments commencing after a grace period of 6 months commencing from December 2020	**201,731**	361,807	259.90	Securitisation of all future credit/ debit card receivables of Asiri Surgical Hospital PLC
		Term loan	AWPLR	60 monthly installments commencing after a grace period of 6 months commencing from February 2021	**58,167**	97,843		
Asiri A O I Cancer Centre (Pvt) Ltd	Hatton National Bank PLC	Term loan			**-**	17,500		
Central Hospitals Ltd	Sampath Bank PLC	Term Loan	AWPLR plus margin	120 monthly installments commencing from December 2015	**103,600**	218,800	103.60	Securitisation of all future credit/ debit card receivables of Central Hospitals Ltd
		Term Loan	AWPLR	60 monthly installments commencing after a grace period of 3 months commencing from July 2021	**246,250**	447,250	246.25	Securitisation of all future credit/ debit card receivables of Central Hospitals Ltd
	Commercial Bank of Ceylon PLC	Term loan	AWPLR plus margin	23 monthly installments commencing after a grace period of 3 months of commencing from April 2023	**6,832**	128,648	300.00	Corporate guarantee for Rs. 300.00 Mn from Asiri Surgical Hospital PLC

Company	Lending institution	Nature of facility	Interest Rate	Repayment Term	Outstanding Balance 2025 Rs. '000	Outstanding Balance 2024 Rs. '000	Carrying value of collaterals Rs. Mn.	Security
		Term loan	AWPLR plus margin	48 monthly installments commencing from April 2024	**10,603**	-	10.60	Primary mortgage over motor vehicle
		Term loan	AWPLR plus margin	18 monthly installments commencing from December 2024	**187,518**	-	210.00	Primary mortgage bond for Rs. 210 Mn over machinery and equipment
		Term loan	AWPLR plus margin		**-**	132,274		
	Bank of Ceylon	Term Loan	AWPLR plus margin	66 monthly installments commencing after a grace period of 6 months commencing December 2023	**441,775**	503,316	500.00	Primary mortgage over land and building at No114, Norris Canal Road, Colombo 10
Asiri Hospital Galle (Pvt) Ltd	Sampath Bank PLC	Term Loan	AWPLR plus margin	108 monthly installments commencing after a grace period of 12 months commencing from March 2020	**118,800**	142,044	200.00	Additional mortgage for Rs. 200.00 Mn over the premises at No. 10, Wackwella Road, Galle owned by Asiri Hospital Galle (Pvt) Ltd
		Term Loan	AWPLR plus margin	108 monthly installments commencing after a grace period of 24 months commencing from October 2021	**172,350**	196,688	244.35	a) Primary mortgage for Rs. 158.00 Mn over the premises at No. 10, Wackwella Road, Galle owned by Asiri Hospital Galle (Pvt) Ltd b) Additional mortgage for Rs. 86.35 Mn over the premises at No. 10, Wackwella Road, Galle owned by Asiri Hospital Galle (Pvt) Ltd
	Seylan Bank PLC	Term Loan	AWPLR plus margin	30 monthly installments commencing from June 2024	**65,500**	-	150.00	Corporate guarantee from Asiri Hospital Holdings PLC for Rs. 150.00 Mn
		Term Loan			**-**	100,287		
Odel PLC	Bank of Ceylon	Term loan	AWPLR plus margin	78 equal monthly installments commencing from May 2024	**290,596**	-	829.40	Mortgage over the premises at No. 475/32, Kotte Road, Rajagiriya owned by Odel Properties (Pvt) Ltd
		Term loan			**-**	223,568		
		Term loan			**-**	77,834		

Company	Lending institution	Nature of facility	Interest Rate	Repayment Term	Outstanding Balance		Carrying value of collaterals	Security
					2025 Rs. '000	2024 Rs. '000	Rs. Mn.	
	Hatton National Bank PLC	Term loan	AWPLR plus margin	72 monthly installments commencing after a grace period of 12 months commencing September 2024	**801,596**	-	3,277.06	a) Concurrent mortgage over stocks and book debts b) Primary mortgage over credit card receivables c) Mortgage for Rs. 1,602.50 Mn to be executed over 64,878,397 shares of Asiri Hospital Holdings PLC owned by Softlogic Holdings PLC
		Term loan			**-**	801,596		
	Union Bank of Colombo PLC	Term loan	Fixed rate	84 monthly installments commencing from May 2024	**1,032,652**	-	1,000.00	Concurrent mortgage over stocks and book debts
		Term loan			**-**	787,912		
		Term loan			**-**	165,000		
	State Bank of India	Term loan	AWPLR plus margin	48 monthly installments commencing after a grace period of 6 months from August 2020	**24,379**	80,682	374.38	a) Primary mortgage of merchant fee receivables b) Corporate guarantee from Softlogic Holdings PLC for Rs. 350.00 Mn
	Indian Bank	Term loan	AWPLR plus margin	48 monthly installments commencing after a grace period of 6 months from August 2020	**33,920**	57,630	283.92	a) Primary mortgage of merchant fee receivables b) Corporate guarantee from Softlogic Holdings PLC for Rs. 250.00 Mn
	National Development Bank PLC	Term loan	Fixed rate	24 monthly installments commencing from May 2024	**18,945**	-	200.00	Corporate guarantee from Softlogic Retail Holdings (Pvt) Ltd for Rs. 200.00 Mn

Company	Lending institution	Nature of facility	Interest Rate	Repayment Term	Outstanding Balance 2025 Rs. '000	Outstanding Balance 2024 Rs. '000	Carrying value of collaterals Rs. Mn.	Security
		Term loan	Interest free	Repayable by way of a bullet payment after 24 months from May 2024 if loan amounting to Rs. 18.9 Mn loan is not duly settled	**26,745**	-		
	DFCC Bank PLC	Term loan	Fixed rate	60 equal monthly installments commencing after a grace period of 12 months from January 2024	**313,840**	313,840	829.58	Mortgage of 32,154,341 shares of Asiri Hospital Holdings PLC owned by Softlogic Holdings PLC
Softlogic Brands (Pvt) Ltd	Bank of Ceylon	Term loan	AWPLR plus margin	78 monthly installments commencing after a grace period of 6 months from January 2024	**184,043**	-	438.00	Primary mortgage over the premises at No. 29 A, Jayatilake Mawatha, Panadura Plan No: 966 owned by Odel PLC
		Term loan			**-**	199,383		
	Seylan Bank PLC	Term loan	AWPLR plus margin	60 monthly installments commencing from February 2025	**296,889**	-	992.06	a) Overall Counter Indemnity b) Corporate guarantee from ODEL PLC for Rs. 331.00 Mn c) Negative Pledge over stock and book debts for Rs. 331.00 Mn
		Term loan	AWPLR plus margin	60 monthly installments commencing from February 2025	**32,144**	-		
		Term loan	Interest free	Repayable by way of a bullet payment after 60 months from February 2025 if loans amounting to Rs. 296.89 Mn and Rs. 32.14 Mn loans are not duly settled	**1,495**	-		

Company	Lending institution	Nature of facility	Interest Rate	Repayment Term	Outstanding Balance		Carrying value of collaterals	Security
					2025 Rs. '000	2024 Rs. '000	Rs. Mn.	
Odel Properties One (Pvt) Ltd	Hatton National Bank PLC Sampath Bank PLC Bank of Ceylon	Syndicated loan	AWPLR plus margin	84 monthly installments commencing after a grace period of 54 months from December 2025	**8,235,958**	7,342,129	19,685.81	a) Primary concurrent mortgage for Rs. 5,400.00 Mn over the project premises at Dr. C W W Kannangara Mawatha., Colombo - 07 owned by Odel PLC b) Further and additional security over 100.0% of ordinary shares of Odel Properties One (Pvt) Ltd owned by Odel PLC c) Corporate guarantee from Softlogic Holdings PLC for Rs. 5,400.00 Mn
Softlogic Mobile Distribution (Pvt) Ltd	Sampath Bank PLC	Term Loan	AWPLR	60 monthly installments commencing after a grace period of 6 months from February 2024	**1,168,050**	1,257,050	2,368.05	a) Concurrent mortgage over stocks in trade located in Piliyandala and book debts of Softlogic Mobile Distribution (Pvt) Ltd b) Corporate guarantee from Softlogic Holdings PLC for Rs. 1,200.00 Mn
	Commercial Bank of Ceylon PLC	Term Loan	AWPLR plus margin	30 monthly installments commencing from May 2024	**99,500**	-	99.50	Concurrent mortgage over stocks of mobile phones accessories and other movable assets and book debts of Softlogic Mobile Distribution (Pvt) Ltd
					59,664,818	57,572,212		

INVESTOR INFORMATION

GENERAL

Stated Capital as at 31 March 2025 was Rs. 14,146,382,253.

STOCK EXCHANGE LISTING

The ordinary shares of Softlogic Holdings PLC were listed in the Colombo Stock Exchange of Sri Lanka on 20 June 2011 and the trading commenced on 12 July 2011.

PUBLIC SHAREHOLDING

- Public Holding Percentage was 11.22% as at 31 March 2025.
- The number of public shareholders as at 31 March 2025 was 9,917.
- Float adjusted market capitalisation as at 31 March 2025 was Rs. 1,111,490,411.23
- Minimum public holding percentage - The Company is in compliance with option 1 of the Listing Rules 7.13.1 (i) (b) which requires 7.5% minimum public holding percentage and 200 minimum public shareholders.

DISTRIBUTION OF SHAREHOLDING

There were 9,917 registered shareholders as at 31st March 2025

No of Shares held	No of Shareholders	% of Shareholders	Total Holding	% of Total Holding
1 - 1,000	6,460	65.14	3,497,515	0.25
1,001 - 10,000	2,786	28.09	9,601,205	0.69
10,001 - 100,000	565	5.70	17,510,326	1.25
100,001 - 1,000,000	78	0.79	21,366,363	1.53
Over 1,000,000	28	0.28	1,343,282,570	96.27
	9,917	**100.00**	**1,395,257,979**	**100.00**

Analysis Report of Shareholders as at 31st March 2025

Category	No of Shareholders	% of Shareholders	Total Holdings	% of Total Holding
Individual	9,681	97.62	586,521,096	42.04
Institutions	236	2.38	808,736,883	57.96
Total	**9,917**	**100.00**	**1,395,257,979**	**100.00**
Resident	9,868	99.51	926,256,998	66.39
Non- Resident	49	0.49	469,000,981	33.61
Total	**9,917**	**100.00**	**1,395,257,979**	**100.00**

	Name	Shares	%
01	Mr. Asoka Kariyawasam Pathirage	616,407,331	44.18
02	Samena Ceylon Holdings Limited	326,453,981	23.40
03	Mr. Haresh Kumar Kaimal	80,439,792	5.77
04	Mr. Ranjan Janaka Perera	75,437,508	5.41
05	Mr. Govinda Waduge Don Hemantha Udaya Gunawardena	71,333,852	5.11
06	Standard Chartered Bank DIFC Branch S/A Samena Special Situations Fund III L.P.	53,653,654	3.85
07	Pemberton Asian Opportunities Fund	43,610,912	3.13
08	Mr. Dhia Yahya Dhia Al-Din Jaffar	17,156,121	1.23
09	Standard Chartered Bank DIFC Branch S/A Samena Special Situations Fund II L.P.	15,000,000	1.08
10	Mr. Nihal Samarasuriya	9,515,905	0.68
11	Mr. Samir Jimmy Fancy	7,225,323	0.52
12	Miss. Sivamalar Subramaniam	3,800,000	0.27
13	Mrs. Abiramipillai Kailasapillai	3,700,000	0.27
14	Arunodhaya Industries (Private) Limited	3,557,864	0.25
15	Miss. Arunthathi Selliah	3,097,036	0.22
16	Arunodhaya (Private) Limited	2,564,573	0.18
17	Dr. Sivakumar Selliah	2,053,232	0.15
18	Mr. Georges Rajaa Geha	2,015,372	0.14
19	Arunodhaya Investments (Private) Limited	1,928,481	0.14
20	Lombard Odier Darier Hentsch and CIE	1,870,971	0.13

	2024/2025	2023/2024
Highest (Rs)	**12.50**	12.00
Lowest (Rs)	**6.70**	8.00
Closing (Rs)	**7.10**	9.00
Turnover (Rs)	**647,568,299.90**	42,974,805.20
Number of Shares traded	**75,259,109**	4,595,265
Number of Trades (Rs)	**16,339**	1,491

	2024/2025	2023/2024
Loss per share (Rs)	**11.19**	15.60
Net Liabilities per share (Rs)	**42.66**	40.48

CORPORATE DIRECTORY

	Name of the Company	Date of Registration	Registered office
1	**Softlogic Holdings PLC**	**25/02/1998**	**No. 14, De Fonseka Place, Colombo 05**
2	Asiri Academy of Health Sciences (Pvt) Ltd	07/09/2023	No. 181, Kirula Road, Colombo 05
3	Asiri AOI Cancer Centre (Private) Limited	17/03/2017	No. 21, Kirimandala Mawatha, Colombo 05
4	Asiri Central Hospitals Ltd	07/09/1992	No. 114, Norris Canal Road, Colombo 10
5	Asiri Diagnostic Services (Asia) Pte. Limited	05/10/2019	8 Temasek Boulevard, No. 35 -03, Suntec Tower three, Singapore (038988)
6	Asiri Diagnostics Services (Pvt) Ltd	19/09/1995	No. 181, Kirula Road, Colombo 05
7	Asiri Hospital Galle (Private) Limited	29/05/2007	No. 181, Kirula Road, Colombo 05
8	Asiri Hospital Holdings PLC	29/09/1980	No. 181, Kirula Road, Colombo 05
9	Asiri Hospital Matara (Pvt) Ltd	17/04/2007	No. 26, Esplanade Road, Uyanwatta, Matara
10	Asiri Laboratories (Pvt) Ltd	08/03/2016	No. 181, Kirula Road, Colombo 05
11	Asiri Port City Hospital (Pvt) Ltd	04/05/2022	No 14, De Fonseka Place, Colombo 05
12	Asiri Surgical Hospital PLC	30/03/2000	No. 21, Kirimandala Mawatha, Colombo 05
13	Central Hospital Ltd	14/09/2006	No. 114, Norris Canal Road, Colombo 10
14	Ceysand Resorts Ltd	06/03/1973	No. 14, De Fonseka Place, Colombo 05
15	Cotton Collection (Pvt) Ltd	29/04/1993	No. 475/32, Kotte Road, Rajagiriya
16	Dai-Nishi Securities (Pvt) Ltd	26/07/1993	No. 14, De Fonseka Place, Colombo 05
17	Digital Health (Private) Limited	14/08/2015	No. 475, Union Place, Colombo 02
18	FAB ASIRI (Pvt) Ltd	09/11/2023	No. 257, Thalawathugoda Road, Pitakotte
19	Footwear Retailer Ltd	18/04/2023	No. 100, General Sir John Kotalawala Road, Ratmalana
20	Future Automobiles (Pvt) Ltd	06/12/2010	No. 14, De Fonseka Place, Colombo 05
21	Jendo Innovations (Pvt) Ltd	22/06/2015	No. 14, De Fonseka Place, Colombo 05
22	Nextage (Pvt) Ltd	11/04/2012	No. 79, C W W Kannangara Mawatha, Colombo 07
23	ODEL Apparel Holdings (Pvt) Ltd	27/06/2022	No. 475/32, Kotte Road, Rajagiriya
24	ODEL Apparel Lanka (Pvt) Ltd	01/07/2022	No. 475/32, Kotte Road, Rajagiriya
25	ODEL Apparels (Pvt) Ltd	10/10/1991	No. 475/32, Kotte Road, Rajagiriya
26	ODEL Information Technology Services (Pvt) Ltd	30/11/2007	No. 475/32, Kotte Road, Rajagiriya
27	ODEL Lanka (Pvt) Ltd	04/07/2006	No. 475/32, Kotte Road, Rajagiriya
28	ODEL PLC	31/10/1990	No. 475/32, Kotte Road, Rajagiriya
29	ODEL Properties (Pvt) Ltd	10/10/1991	No. 475/32, Kotte Road, Rajagiriya
30	ODEL Properties One (Pvt) Ltd	10/06/2016	No. 475/32, Kotte Road, Rajagiriya
31	ODEL Restaurants (Private) Limited	19/02/2018	No. 475/32, Kotte Road, Rajagiriya
32	S R One (Pvt) Ltd	28/03/2024	Level 16, One Galle Face Tower, Colombo 02
33	Sabre Travel Network Lanka (Pvt) Ltd	21/01/1999	No. 14, De Fonseka Place, Colombo 05
34	Silk Route Foods (Private) Limited	10/10/2014	No. 14, De Fonseka Place, Colombo 05
35	SML Holdings (Private) Limited	27/04/2000	No. 371, New Nuge Road, Peliyagoda
36	Softlogic Asset Management (Pvt) Ltd	24/05/2006	Level 16, One Galle Face Tower, Colombo 02

	Name of the Company	Date of Registration	Registered office
37	Softlogic Australia (Pty) Ltd	05/01/2000	Unit 2, Building B, 18-24 Ricketts Road, Mount Waverley, Vic 3149
38	Softlogic Automobiles (Pvt) Ltd	02/04/2012	No. 14, De Fonseka Place, Colombo 05
39	Softlogic BPO Services (Private) Limited	13/12/2013	No. 14, De Fonseka Place, Colombo 05
40	Softlogic Brands (Pvt) Ltd	08/11/1993	No. 14, De Fonseka Place, Colombo 05
41	Softlogic Capital PLC	21/04/2005	Level 16, One Galle Face Tower, Colombo 02
42	Softlogic City Hotels (Pvt) Ltd	30/06/2011	No. 14, De Fonseka Place, Colombo 05
43	Softlogic Communication Services (Pvt) Ltd	16/09/2009	No. 14, De Fonseka Place, Colombo 05
44	Softlogic Communications (Pvt) Ltd	30/10/2000	No. 14, De Fonseka Place, Colombo 05
45	Softlogic Computers (Pvt) Ltd	13/09/1995	No. 14, De Fonseka Place, Colombo 05
46	Softlogic Corporate Services (Pvt) Ltd	24/06/2005	No. 14, De Fonseka Place, Colombo 05
47	Softlogic Destination Management (Pvt) Ltd	22/03/2012	No. 14, De Fonseka Place, Colombo 05
48	Softlogic Energy Solutions (Pvt) Ltd	27/08/2025	No. 14, De Fonseka Place, Colombo 05
49	Softlogic Finance PLC	24/08/1999	JFI Tower III, Zone B&C, No. 75, Piyadasa Sirisena Mawatha, Colombo 10
50	Softlogic Healthcare Holdings Ltd	28/08/2018	No. 181, Kirula Road, Colombo 05
51	Softlogic Healthy Concepts (Pvt) Ltd	13/08/2022	No 14, De Fonseka Place, Colombo 05
52	Softlogic Information Technologies (Pvt) Ltd	02/09/1992	No. 14, De Fonseka Place, Colombo 05
53	Softlogic International (Pvt) Ltd	09/01/1997	No. 14, De Fonseka Place, Colombo 05
54	Softlogic IT Holdings (Pvt) Ltd	02/05/2023	No 14, De Fonseka Place, Colombo 05
55	Softlogic JSM Entertainment (Pvt) Ltd	13/08/2021	No 14, De Fonseka Place, Colombo 05
56	Softlogic Life Insurance PLC	21/04/1999	Level 16, One Galle Face Tower, Colombo 02
57	Softlogic Life Insurance Lanka Ltd	24/03/2008	Level 16, One Galle Face Tower, Colombo 02
58	Softlogic Manufacturing (Pvt) Ltd	06/05/2022	No 14, De Fonseka Place, Colombo 05
59	Softlogic Mobile Distribution (Private) Limited	30/09/2014	No. 14, De Fonseka Place, Colombo 05
60	Softlogic Pharmaceuticals (Private) Limited	30/11/2005	No. 14, De Fonseka Place, Colombo 05
61	Softlogic Properties (Pvt) Ltd	04/01/2005	No. 14, De Fonseka Place, Colombo 05
62	Softlogic Restaurants (Private) Limited	05/08/2013	No. 14, De Fonseka Place, Colombo 05
63	Softlogic Retail (Private) Limited	06/09/1969	No. 14, De Fonseka Place, Colombo 05
64	Softlogic Retail Holdings (Private) Limited	09/03/2018	No. 14, De Fonseka Place, Colombo 05
65	Softlogic Retail One (Private) Limited	04/07/2014	No. 14, De Fonseka Place, Colombo 05
66	Softlogic Rewards (Private) Limited	05/11/2018	No. 14, De Fonseka Place, Colombo 05
67	Softlogic Solar (Pvt) Ltd	14/11/2002	No. 14, De Fonseka Place, Colombo 05
68	Softlogic Stockbrokers (Pvt) Ltd	26/11/2010	Level 16, One Galle Face Tower, Colombo 02
69	Softlogic Supermarkets (Pvt) Ltd	27/08/2014	No. 14, De Fonseka Place, Colombo 05
70	SCAP One (Pvt) Ltd	02/05/2023	No 14, De Fonseka Place, Colombo 05
71	Suzuki Motors Lanka Limited	12/09/1985	No. 371, New Nuge Road, Peliyagoda

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held on Wednesday the 14th day of January 2026 at 10.00 a.m. at the Auditorium of Central Hospital Limited (4th Floor), No. 114, Norris Canal Road, Colombo 10 for the following purposes:

1. To receive and consider the Annual Report of the Board of Directors and Financial Statements of the Company and of the Group for the year ended 31st March 2025 together with the Report of the Auditors thereon.
2. To re-elect Mr. R.J. Perera who retires by rotation in terms of Article 87 of the Articles of Association, as a Director of the Company.
3. To re-elect Prof. A.S. Dharmasiri who retires by rotation in terms of Article 87 of the Articles of Association, as a Director of the Company.
4. To re-elect Mr. S. Saraf who retires by rotation in terms of Article 87 of the Articles of Association, as a Director of the Company.
5. To re-elect Mr. M.I. Furkan in terms of Article 94 of the Articles of Association, as a Director of the Company.
6. To re-appoint Messrs. Ernst & Young as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.
7. To authorise the Directors to determine and make donations for the year ending 31st March 2026 and up to the date of the next Annual General Meeting.
8. To discuss matters giving rise to an emphasis of matter on going concern contained in the Audited Financial Statements for year 2021/2022, 2022/2023, 2023/2024 and 2024/2025 and the remedial actions intended to be adopted by the Company to ensure compliance with Rule 7.5 (d) (ii) of the Listing Rules of the CSE, the impact of such emphasis of matter on going concern not resolved for a period of 15 months from the date of transferring its securities to the Watch List.

By order of the Board,
SOFTLOGIC HOLDINGS PLC

(Sgd.)
SOFTLOGIC CORPORATE SERVICES (PVT) LTD
Company Secretaries
08 December 2025
Colombo

NOTES

1. A Shareholder who is entitled to participate, speak and vote at the meeting is entitled to appoint a proxy to attend and vote on behalf of him/her.
2. A proxy need not be a Shareholder of the Company.
3. The Form of Proxy is enclosed for this purpose.
4. Shareholders are advised to follow the Guidelines and Attendance Registration Process for the Annual General Meeting available on the Corporate Website of the Company and the Website of the Colombo Stock Exchange.

FORM OF PROXY

*I/We .....of

.....

being *member/members of SOFTLOGIC HOLDINGS PLC, do hereby appoint .....

.....

(holder of N.I.C No. .....) of .....

.....or (whom falling)

Mr. A.K. Pathirage	whom failing
Mr. H.K. Kaimal	whom failing
Mr. G.W.D.H.U. Gunawardena	whom failing
Mr. R.J. Perera	whom failing
Mr. J.D.N. Kekulawala	whom failing
Prof. A.S. Dharmasiri	whom failing
Mr. T. Nadarasa	whom failing
Mr. M.I. Furkan	whom failing
Mr. S. Saraf	

as *my/our Proxy to represent *me/us and to speak and vote for *me/us on *my/our behalf at the Annual General Meeting of the Company to be held on Wednesday the 14th day of January 2026 at 10.00 am 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 Financial Statements of the Company and of the Group for the year ended 31st March 2025 together with the Report of the Auditors thereon.	☐	☐
2.	To re-elect Mr. R.J. Perera who retires by rotation in terms of Article 87 of the Articles of Association, as a Director of the Company.	☐	☐
3.	To re-elect Prof. A.S. Dharmasiri who retires by rotation in terms of Article 87 of the Articles of Association, as a Director of the Company.	☐	☐
4.	To re-elect Mr. S. Saraf who retires by rotation in terms of Article 87 of the Articles of Association, as a Director of the Company.	☐	☐
5.	To re-elect Mr. M.I. Furkan in terms of Article 94 of the Articles of Association, as a Director of the Company.	☐	☐
6.	To re-appoint Messrs. Ernst & Young as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.	☐	☐
7.	To authorise the Directors to determine and make donations for the year ending 31st March 2026 and up to the date of the next Annual General Meeting.	☐	☐
8.	To discuss matters giving rise to an emphasis of matter on going concern contained in the Audited Financial Statements for year 2021/2022, 2022/2023, 2023/2024 and 2024/2025 and the remedial actions intended to be adopted by the Company to ensure compliance with Rule 7.5 (d) (ii) of the Listing Rules of the CSE, the impact of such emphasis of matter on going concern not resolved for a period of 15 months from the date of transferring its securities to the Watch List.	☐	☐

....

Signature Date

NOTES

1. *Please strike off the inappropriate words.
2. A proxy need not be a shareholder of the Company.
3. Instructions as to completion are noted on the reverse hereof.

FORM OF PROXY

INSTRUCTIONS FOR COMPLETION

1. The full name, National Identity Card number and the registered address of the shareholder appointing the Proxy and the relevant details of the Proxy should be legibly entered in the Form of Proxy which should be duly signed and dated.
2. The completed Proxy should be forwarded to the Company for deposit at the Registered Office through the Company Secretaries, Softlogic Corporate Services (Pvt) Ltd, No. 14, De Fonseka Place, Colombo 05, marked "SOFTLOGIC HOLDINGS PLC – Annual General Meeting" or email corporateservices@softlogic.lk not later than 48 hours before the time appointed for the Meeting.
3. In forwarding the completed and duly signed Proxy to the Company, please follow the Guidelines and Attendance Registration Process for the Annual General Meeting available on the Corporate Website of the Company and the Website of the Colombo Stock Exchange.

4 The Proxy shall –

   (a) In the case of an individual be signed by the shareholder or by his attorney, and if signed by an attorney, a notarially certified copy of Power of Attorney should be attached to the completed Proxy if it has not already been registered with the Company.

   (b) In the case of a Company or Corporate / statutory body either be under its Common Seal or signed by its Attorney or by an Officer on behalf of the Company or Corporate / statutory body in accordance with its Articles of Association or the Constitution or the Statute. (as applicable)

5. Please indicate with a 'X' how the Proxy should vote on each resolution. If no indication is given, the Proxy in his/ her discretion will vote as he/she thinks fit..

CORPORATE INFORMATION

NAME OF COMPANY

Softlogic Holdings PLC

LEGAL FORM

Company was incorporated on 25th February 1998 under the name of Softlogic Holdings (Private) Limited and re-registered on 17th December 2007 under the Companies Act No. 7 of 2007. Changed to a Public Limited Liability Company on 10th December 2008. The shares of the Company were listed on the Colombo Stock Exchange on 20th June 2011 and the name of the Company was changed to Softlogic Holdings PLC on 25th August 2011.

COMPANY REGISTRATION NO

PV 1536 PB/PQ

REGISTERED OFFICE OF THE COMPANY

14, De Fonseka Place, Colombo 05
Sri Lanka

CONTACT DETAILS

14, De Fonseka Place, Colombo 05
Sri Lanka

Tel : +94 11 5575 000

Fax : +94 11 2508 291

E-mail : info@softlogic.lk

Web : www.softlogic.lk

CONTACT FOR MEDIA

Softlogic Holdings PLC
14, De Fonseka Place,
Colombo 05
Sri Lanka

Tel : +94 11 5575 000 Ext: 5305

Fax : +94 11 2595 441

DIRECTORS

A.K. Pathirage
– *Chairman/ Managing Director*

H.K. Kaimal

G.W.D.H U. Gunawardena

R.J. Perera

J.D.N. Kekulawala

Prof. A.S. Dharmasiri

S. Saraf

T. Nadarasa

M.I. Furkan

C.K. Gupta
(Alternate Director to S. Saraf)

AUDIT COMMITTEE

J.D.N. Kekulawala – Chairman

Prof A.S. Dharmasiri

T. Nadarasa

M.I. Furkan

HR AND REMUNERATION COMMITTEE

Prof. A.S. Dharmasiri - Chairman

J.D.N. Kekulawala

T. Nadarasa

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

M.I. Furkan - Chairman

H.K. Kaimal

T. Nadarasa

NOMINATIONS AND GOVERNANCE COMMITTEE

T. Nadarasa - Chairman

J.D.N. Kekulawala

Prof. A.S. Dharmasiri

AUDITORS

Ernst & Young Chartered Accountants
Rotunda Towers, No. 109,
Galle Road, Colombo 03
Sri Lanka

LAWYERS

Heritage Partners
Attorneys-at- Law Heritage House,
No. 4, Malalasekera Pedesa,
Colombo 07
Sri Lanka

SECRETARIES AND REGISTRARS

Softlogic Corporate Services (Pvt) Ltd
14, De Fonseka Place,
Colombo 05
Sri Lanka

Tel : +94 11 557 5000

Fax : +94 11 250 8291

BANKERS

Bank of Ceylon

Commercial Bank of Ceylon PLC

DFCC Bank PLC

Hatton National Bank PLC

Nations Trust Bank PLC

Pan Asia Banking Corporation PLC

People's Bank

Sampath Bank PLC

Seylan Bank PLC

Union Bank of Colombo PLC

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BEST IN THE BUSINESS

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