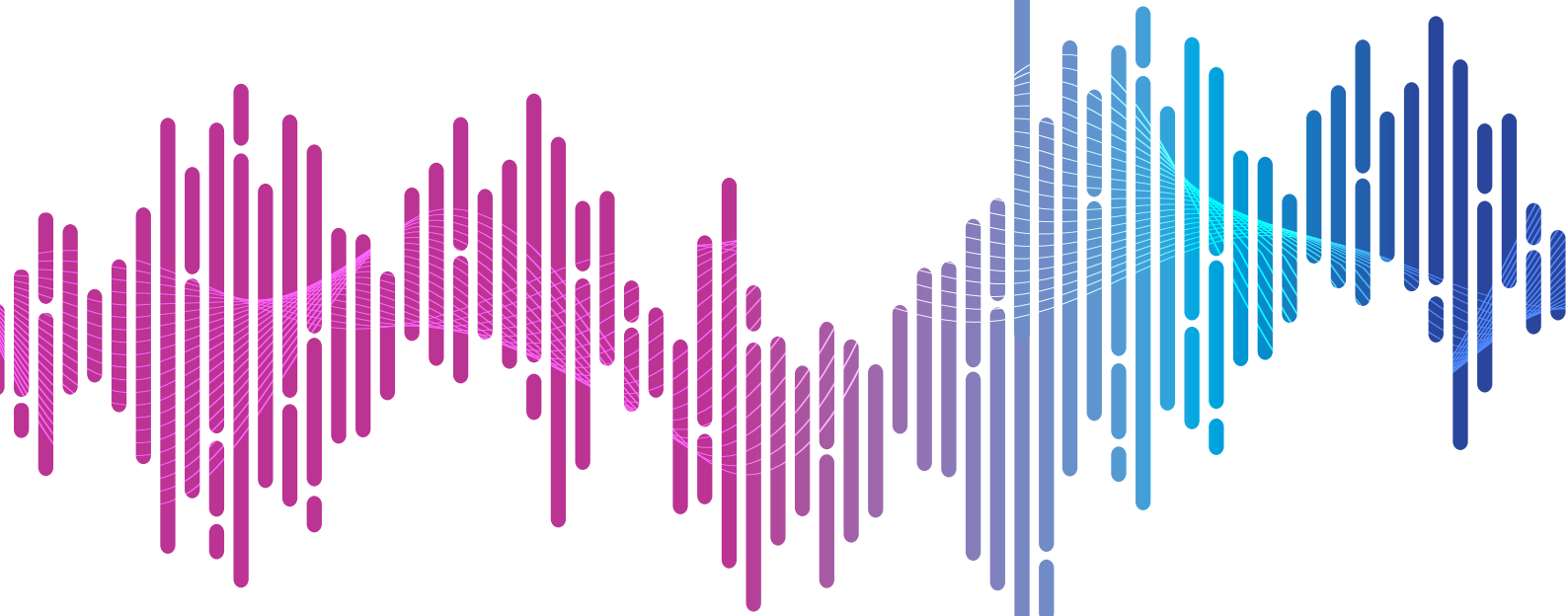




REDEMPTIONS



JUST AS SOUND WAVES MOVE WITH RHYTHM AND ENERGY, BREAKING THROUGH BARRIERS AND GAINING STRENGTH, OUR PERFORMANCE THIS YEAR PUSHED BEYOND CONVENTIONAL BOUNDARIES. EVERY DECISION AND INNOVATION CARRIED INTENT, EXPANDING REACH AND DEEPENING VALUE ACROSS SRI LANKA'S CAPITAL MARKETS.

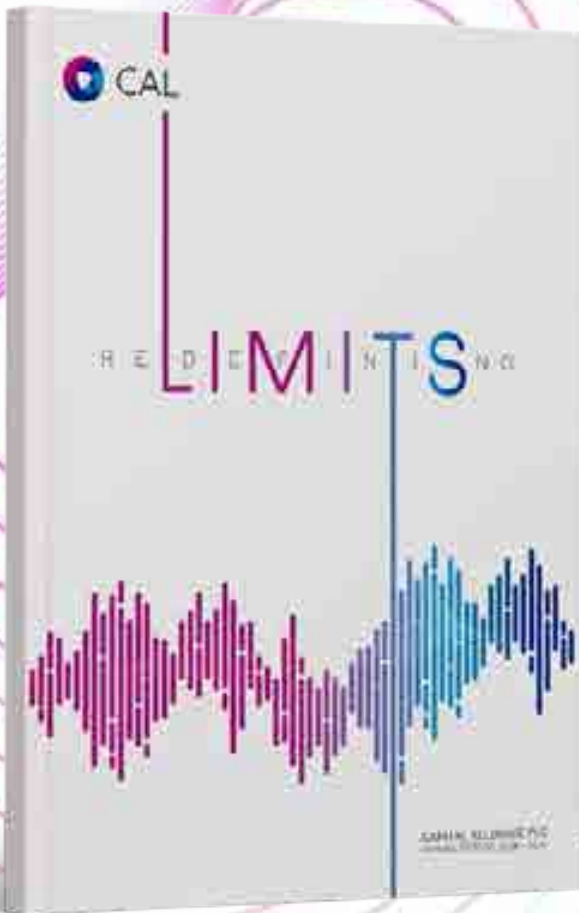
AT CAPITAL ALLIANCE PLC, WE DID NOT SETTLE FOR EXPECTATIONS. WE MOVED PAST THEM. BACKED BY A YOUNG, AGILE TEAM AND GUIDED BY TECHNOLOGY, WE INTRODUCED INCLUSIVE FINANCIAL STRATEGIES THAT CONNECTED WITH A WIDE SPECTRUM OF INVESTORS.

OUR EFFORTS WITH THE CENTRAL BANK TO PROMOTE FINANCIAL LITERACY CREATED WIDER AWARENESS AND TRUST, MAKING CAPITAL MARKET ACCESS A RIGHT FOR ALL. THROUGH FORESIGHT AND ETHICAL CONDUCT, WE TURNED CHALLENGES INTO OPPORTUNITIES AND INSIGHT INTO LASTING IMPACT.

THIS REPORT IS A RECORD OF PROGRESS SHAPED BY PURPOSE AND POWERED BY CLARITY. IT REFLECTS A FUTURE WE ARE NOT JUST APPROACHING BUT ACTIVELY SHAPING. WE ARE NOT FOLLOWING THE CURVE. WE ARE REDEFINING IT.

INTRODUCTION TO THE REPORT

GRI 2-1, 2-2, 2-3



We are pleased to present our 4th Annual Report for the period from 1 April 2024 to 31 March 2025, showcasing our commitment to transparency, accountability, and sustainable value creation. This report is prepared in accordance with the principles of Integrated Reporting (IR), providing a comprehensive view of our financial and non-financial performance. By integrating financial results with Environmental, Social, and Governance (ESG) considerations, we aim to demonstrate how our strategy, governance, and business model contribute to long-term value creation for all our stakeholders.

Sustainability remains a key pillar of our operations, and our ESG Reporting highlights our continued efforts to drive environmental responsibility, foster positive social impact, and uphold strong governance practices. Our focus areas include climate action, resource efficiency, social inclusion, ethical business conduct, and regulatory compliance. We align our initiatives with global frameworks such as the United Nations Sustainable Development Goals (SDGs), reinforcing our commitment to building a resilient and responsible organization.

The Annual Report includes the Independent Auditors' Report on the Financial Statements, confirming compliance with all applicable statutory requirements. The Company's Financial Statements were duly certified by the Manager - Finance and endorsed for submission to the Board of Directors by the Board Audit Committee. Subsequently, the Board of Directors approved the financial statements on 29th July 2025.

This report outlines our achievements, challenges, and strategic direction for sustainable growth. As we navigate the evolving business landscape, we remain dedicated to balancing profitability with purpose, ensuring that our success benefits our investors, employees, communities, and the environment.

We invite all stakeholders to explore our journey over the past year and our aspirations for the future.

REPORTING PERIOD AND BOUNDARY GRI 2-3

The report covers the operations of Capital Alliance PLC, hereinafter referred to as the "CALT". It encompasses the 12-month period from 1 April 2024 to 31 March 2025, aligning with our standard annual reporting cycle. There are no significant changes in the scope or boundaries compared to previous reporting periods. Any reclassified or restated comparative financial information has been disclosed and explained in the relevant sections.

The Company does not have any subsidiaries, associates, joint ventures, overseas operations, or other business entities. Comprehensive details regarding the Company's shareholding structure and operations can be found on pages 201-205 and 8-9. Unless explicitly stated otherwise, all discussions of key financial and non-financial aspects pertain solely to the Company.

Digital View



The Annual Report is available on our official website, www.cal.lk

REPORTING FRAMEWORK GRI 2-27



FINANCIAL REPORTING

- The Sri Lanka Financial Reporting Standards (SLFRS) and Sri Lanka Accounting Standards (LKAS) issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka)
- Companies Act No. 7 of 2007 and amendments thereto
- Financial Transactions Reporting Act No. 6 of 2006 (FTRA)
- Listing Rules of the Colombo Stock Exchange (CSE)



GOVERNANCE, COMPLIANCE & RISK REPORTING

- Listing Rules of the Colombo Stock Exchange (CSE) and subsequent revisions to date.
- Securities and Exchange Commission of Sri Lanka (SEC) Act No. 19 of 2021 including Directives and Circulars.
- Code of Best Practices on Corporate Governance (2023) issued by CA Sri Lanka.

- Guidelines for Presentation of Annual Reports 2025 issued by CA Sri Lanka.
- IFRS Foundation's International <IR> Framework
- A Preparer's Guide to Integrated Corporate Reporting issued by CA Sri Lanka and the Integrated Reporting Council of Sri Lanka (IRCSL).
- Non-Financial Reporting Guidelines issued by CA Sri Lanka.



NARRATIVE REPORTING

- CSE Sustainability Reporting Guide.
- SLFRS S1 - General Requirements for Disclosure of Sustainability-related Financial Information.
- SLFRS S2 - Climate-related Disclosures.
- Sustainable Development Goals (SDGs) - The UN initiative with 17 aspirational "Global Goals".
- Gender Parity Reporting Framework issued by CA Sri Lanka.
- The Non-Financial Reporting (NFR) Guidelines issued by CA Sri Lanka
- IFRS Foundation's International <IR> Framework
- Consolidated Set of Global Reporting Initiative Sustainability Reporting Standards



SUSTAINABILITY REPORTING

INTRODUCTION TO THE REPORT

COMPLIANCE

The presentation of both financial and non-financial information in this report complies with all relevant regulations and guidelines, including those issued by the Central Bank of Sri Lanka, the Companies Act No. 07 of 2007, the Listing Rules of the Colombo Stock Exchange, the Inland Revenue Act of No. 24 of 2017, CA Sri Lanka and all Directives issued by the Securities and Exchange Commission of Sri Lanka.

MATERIALITY

At CALT, we adopt a double materiality approach to assess key financial and non-financial factors impacting our business and the broader economic, social, and environmental landscape. This ensures a comprehensive view of our strategic priorities, risks, and opportunities while reinforcing our commitment to responsible investing and sustainable financial practices.

Our assessment focuses on Financial Materiality, which identifies the factors affecting value creation, such as market volatility, regulatory changes, and financial performance and on the Impact Materiality, which evaluates how our investment decisions and operations influence the environment, communities, and society. By integrating both perspectives, we enhance resilience, transparency, and alignment with stakeholder expectations.

Our structured process includes stakeholder engagement, internal assessments, and compliance with global reporting standards to ensure meaningful and transparent disclosures. Further details on our materiality process and key topics can be found in the Material Matters section on pages 56-63 of this report.

INDEPENDENT ASSURANCE GRI 2-5

The Board is responsible for ensuring the integrity of this Annual Report. The Board is of the opinion that the Annual Report comprehensively covers all material issues and presents a balanced and fair account of the Company's performance throughout the financial year.

A combined assurance model is used to provide assurance regarding information acquired from both management and other internal and external sources. The Compliance and Risk Function consistently furnishes the Board with internal assurance, based on the due diligence procedures conducted to appraise the Company's financial, operational, compliance, risk, and governance controls.

The Company has engaged Messrs. KPMG to obtain an independent assurance in respect of their audit opinion on the financials (Page 150 - 152), Limited Assurance on Integrated Reporting by Messrs. KPMG, Chartered Accountants (Page 208) and Limited Assurance on the specific Sustainability Indicators in the Integrated Annual Report by Messrs. KPMG, Chartered Accountants (page 213) of this Annual Report.

FORWARD-LOOKING STATEMENTS

Prospective strategies are discussed in pertinent sections of the report, reflecting the Company's perspectives and beliefs at the time of its creation. However, considering the Company operates within a dynamic environment, where the uncertainties or evolving developments may result in deviations from the actual outcomes or actions outlined in these forward-looking statements, readers are cautioned against regarding such statements as a definitive guarantee of results or the course to be followed.

FEEDBACK AND ENQUIRIES GRI 2-3

The Company welcomes your comments, suggestions, and enquiries on this Report.

CONTACT US

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Capital Alliance PLC
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E-mail : nishantha@cal.lk
Web : www.cal.lk



NAVIGATING THIS REPORT



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LEADERSHIP & GOVERNANCE

The strategic direction and oversight that guide our operations. It features insights from our Chairman and Chief Executive Officer, highlighting our performance, market positioning, and long-term vision. It also outlines our robust governance framework, Board composition, committee structures, and ethical standards that ensure integrity, accountability, and regulatory compliance in all our dealings as a licensed Primary Dealer. Through strong leadership and sound governance, we remain committed to creating sustainable value for all stakeholders.



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MANAGEMENT REPORTS

In-depth view of our operational and financial performance, risk management practices, and strategic initiatives. It reflects how management navigated market dynamics and regulatory challenges to drive sustainable value creation.



74

SUSTAINABILITY REPORTS

Outlines our commitment to responsible and ethical business practices. It highlights our approach to environmental, social, and governance (ESG) priorities, and how we contribute to sustainable economic growth while upholding our responsibilities to stakeholders and the wider financial ecosystem.



149

FINANCIAL REPORTS

The audited financial statements and accompanying notes, prepared in accordance with Sri Lanka Accounting Standards (SLFRS/LKAS). It provides a transparent and comprehensive view of our financial position, performance, and compliance for the year under review.



84

CAPITAL MANAGEMENT REPORTS

Our approach to managing financial, human, intellectual, and technological capital. It highlights how we allocate resources, optimize returns, and maintain capital adequacy to support stability, growth, and long-term value creation as a Primary Dealer.



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SUPPLEMENTARY REPORTS

Comprehensive understanding of our operations. It comprises regulatory disclosures, corporate information, a glossary of terms, and other reference material for stakeholders.

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ABOUT CALT

GRI 2-1, 2-6

Capital Alliance PLC (CALT) began its journey as a debt dealer in 2000 and was recognized as an Authorized Primary Dealer by the Central Bank of Sri Lanka in 2003. On 15th December 2021, CALT achieved a significant milestone by being officially listed on the Colombo Stock Exchange (CSE).

Leveraging 24 years of expertise, Capital Alliance Holdings Group (CAL Group) has established itself as a premier Investment Banking Group in Sri Lanka. CALT operates as a subsidiary of Capital Alliance Holdings PLC (CAL Group).

CALT forms the government securities trading function of the Group and is acknowledged by the Central Bank of Sri Lanka as one of the five non-bank Primary Dealers in the country. CALT primarily focuses on trading government securities, with its business activities regulated by the Central Bank of Sri Lanka. Its operations are strictly limited to those specified in Schedule III of the Registered Stock and Securities (Primary Dealers) Regulations No. 01 of 2009, as amended from time to time.



PRIMARY DEALING IN GOVERNMENT SECURITIES

- Treasury Bills
- Treasury Bonds

SECONDARY MARKET TRADING IN GOVERNMENT SECURITIES

- Treasury Bills
- Treasury Bonds
- Repurchase and Reverse Repurchase Agreements on Government Securities



MISSION

"To foster the development of capital markets as an efficient alternative to fulfil the banking needs of our customers"



VISION

"To be the leading capital markets solutions provider in frontier markets"

DYNAMISM

TEAMWORK

INTEGRITY

FAIRNESS



We are always only two years from irrelevance.

We are a star team, not a team of stars.

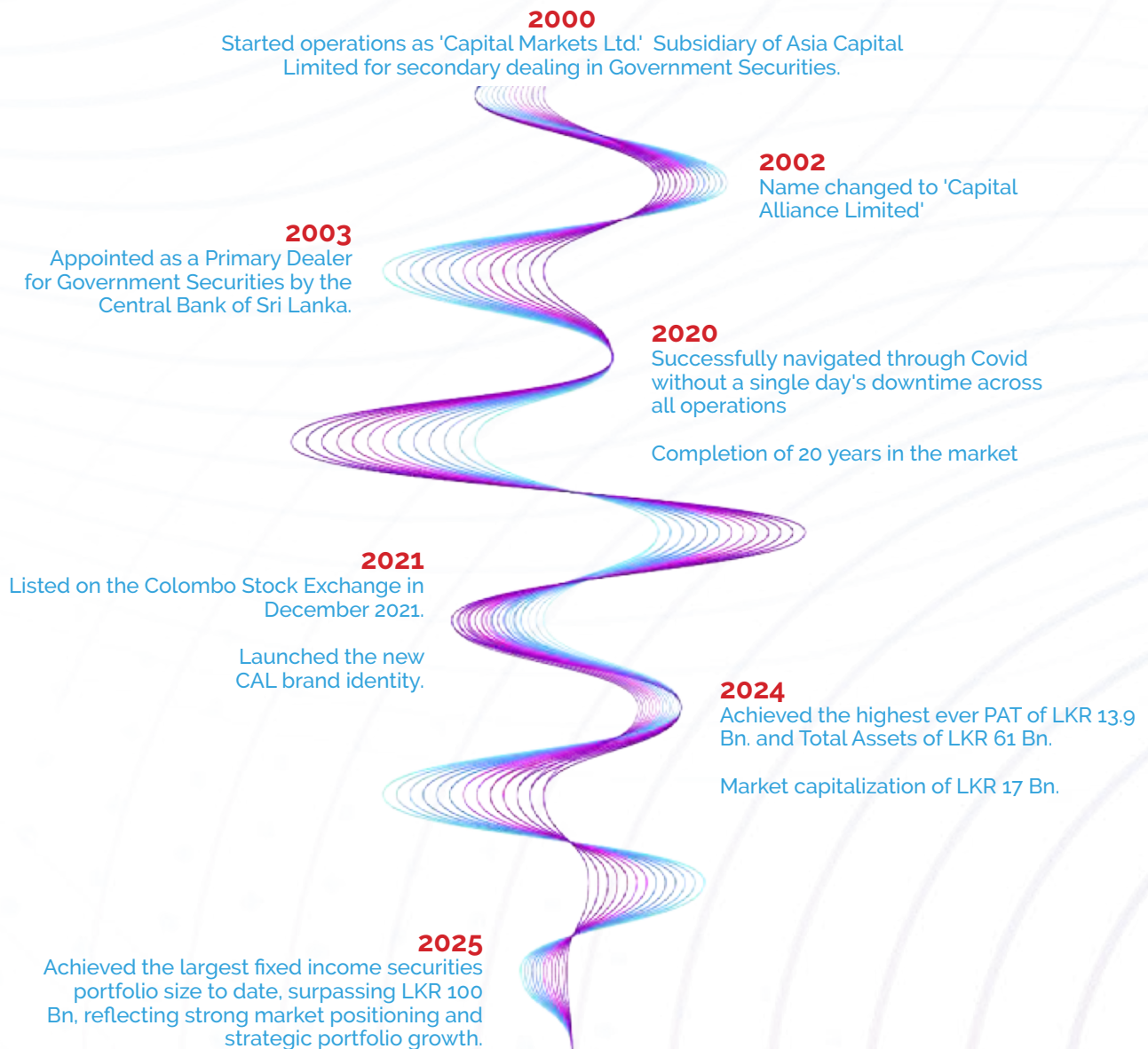
We only sell to our clients what we would sell to our family

We hire for attitude and reward performance

STRATEGIC JOURNEY

Over the past 24 years, CALT has grown from a visionary startup into a leading force in the investment banking sector. Our journey has been defined by resilience, innovation, and an unwavering commitment to excellence—shaping the financial landscape and creating lasting value for our clients and stakeholders. Founded in October 2000 as an institutional fixed-income dealer, CALT has grown into a leading non-banking primary dealer in the country. In December 2021, CALT was listed on the Colombo Stock Exchange.

MILESTONES THAT DEFINE US



A FUTURE OF ENDLESS POSSIBILITIES

As CALT celebrates this remarkable milestone, we remain committed to innovation, sustainable growth, and financial excellence. With a strong foundation built over twenty-four years, we are poised to lead the industry into the future - creating new opportunities, empowering businesses, and driving economic progress. Our journey is far from over, and we look forward to the next chapter of success with our clients, partners, and stakeholders by our side.

AWARDS AND ACCOLADES

As we celebrate 24 years of excellence in the financial sector, we take immense pride in the recognition we have received for our unwavering commitment to innovation, integrity, and customer-centric solutions. Our dedication to setting industry benchmarks has been acknowledged through numerous prestigious awards over the years, reinforcing our position as a leading investment bank.



These accolades stand as a testament to the hard work and dedication of our team, the trust of our clients, and our unwavering pursuit of excellence. As we move forward, we remain committed to setting new industry standards and driving sustainable growth in the financial sector.

HIGHLIGHTS OF FY 2024/25:

- Most Respected Entities in Sri Lanka for Sector Winner – Investment Banking from LMD
- Great Place to Work – March 2024 to March 2025



AWARDS AND ACCOLADES



- Silver Partner for 2024/2025 by CFA Society Sri Lanka



- AAT Affiliated Training Partner Recognition



- Certificate of Recognition from LankaPay

PAST RECOGNITIONS:

- AICPA & CIMA Training Partner
- Top 20 Employers for 2022 by CFA Society Sri Lanka



ANNUAL REPORT AWARDS

- 2022 - Emerging Listed Companies Compliance Award (Capital Alliance PLC)

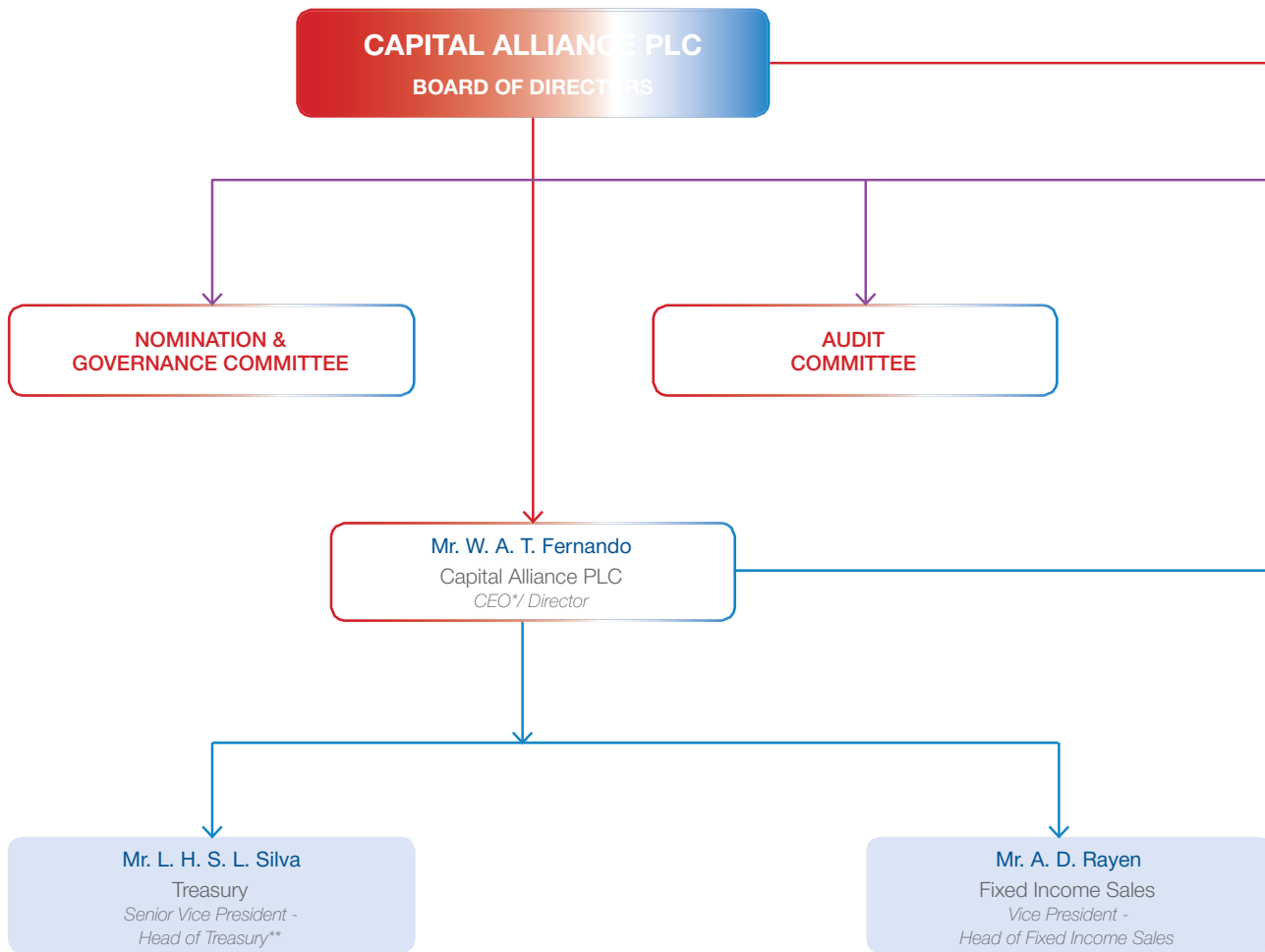


BRAND FINANCE - THE MOST VALUABLE AND STRONGEST SRI LANKAN BRANDS 2023

- Top 100 most valuable Sri Lankan brands

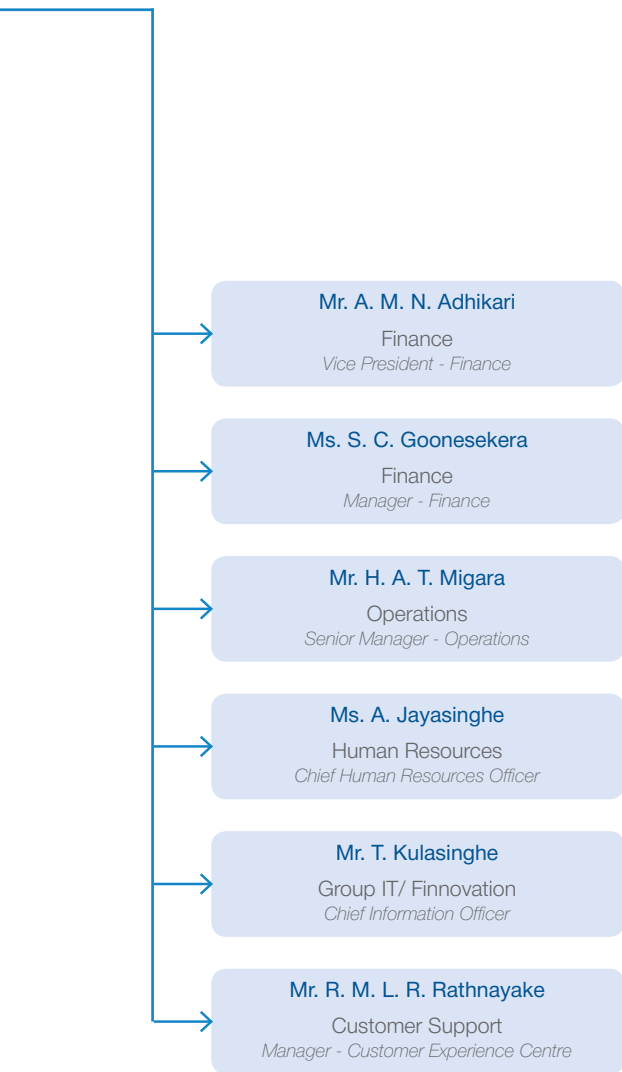
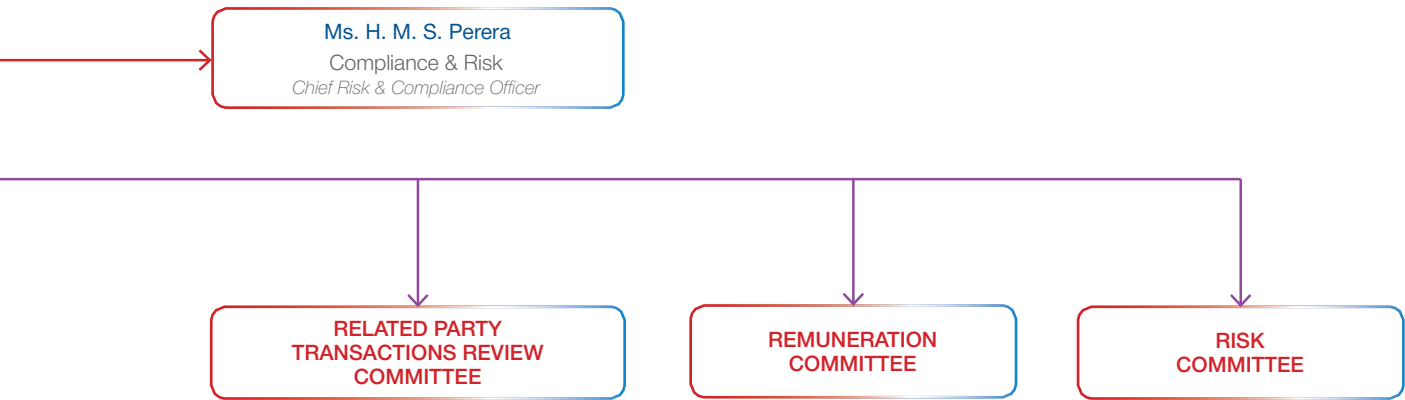


MANAGEMENT STRUCTURE



* w.e.f. 11th April 2025, Mr. W. A. T. Fernando had stepped down as Chief Executive Officer and continues to serve on the Board.

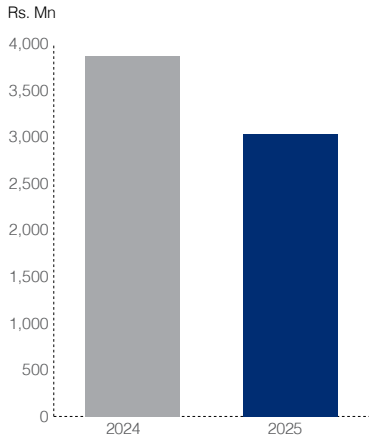
** w.e.f. 11th April 2025, Mr. L. H. S. L. Silva was appointed as the CEO of the Company.



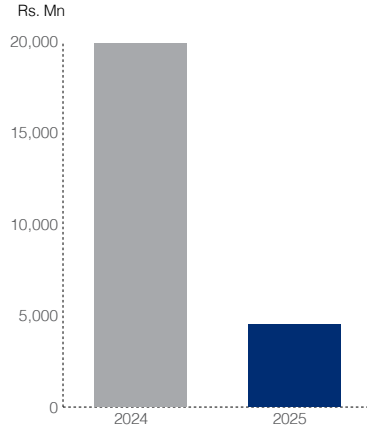
FINANCIAL HIGHLIGHTS

INDICATOR		2025 Rs.	2024 Rs.	Change %
Operating Results:				
Net Interest Income (NII)	Rs.	3,032,531,062	3,863,146,893	-22%
Net Operating Income	Rs.	7,570,227,383	23,729,173,866	-68%
Profit Before Tax (PBT)	Rs.	6,371,114,682	20,098,011,431	-68%
Profit After Tax (PAT)	Rs.	4,420,593,984	13,893,183,492	-68%
Total Comprehensive Income for the year	Rs.	4,422,903,455	13,884,796,319	-68%
Financial Position:				
Assets				
Financial Assets	Rs.	105,265,778,989	61,166,141,536	72%
Other Assets	Rs.	90,754,749	92,086,081	-1%
Total Assets	Rs.	105,356,533,738	61,258,227,617	72%
Liabilities				
Financial Liabilities	Rs.	88,933,301,791	40,097,609,423	122%
Other Liabilities	Rs.	2,027,090,123	4,763,731,087	-57%
Total Liabilities	Rs.	90,960,391,914	44,861,340,510	103%
Equity	Rs.	14,396,141,824	16,396,887,107	-12%
Statutory Ratios:				
Capital Adequacy Ratio (CAR)	%	16.15%	43.59%	-63%
Investor Ratios:				
Basic Earnings per Share (EPS)	Rs.	13.42	42.17	-68%
Diluted Earnings per Share (EPS)	Rs.	13.42	42.17	-68%
Market Price Per Share	Rs.	54.80	53.00	3%
Market Capitalization	Rs.	18,052,100,043	17,459,147,852	3%
Net Asset Value Per Share	Rs.	43.70	49.78	-12%
Dividend Per Share	Rs.	19.50	9.04	116%
Dividend Payout Ratio	%	145.31%	21.43%	578%
Other Ratios:				
Return on Equity (ROE)	%	28.71%	126.95%	-77%
Return on Assets (Before Tax) (ROA)	%	7.65%	40.48%	-81%
Debt to Equity Ratio	Times	6.10	2.28	168%
Interest Yield	%	10.84%	21.53%	-50%
Interest on Borrowings	%	9.34%	19.41%	-52%
Interest Spread	%	1.50%	2.12%	-29%

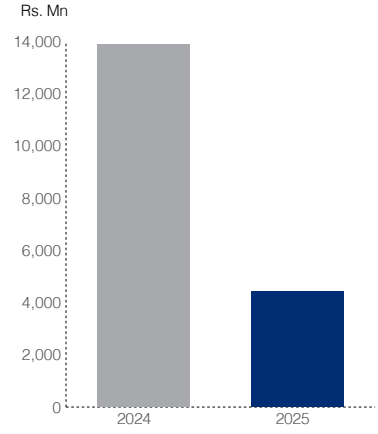
Net Interest Income



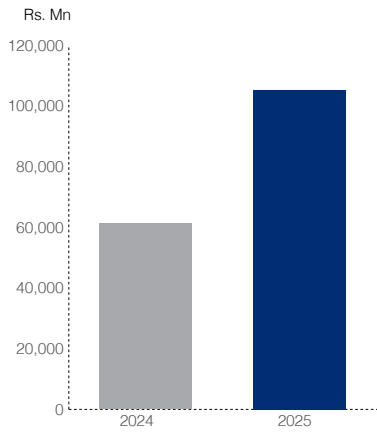
Net Gain/ (Loss) on Trading



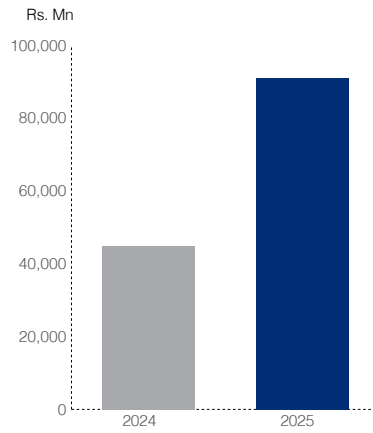
Profit After Tax



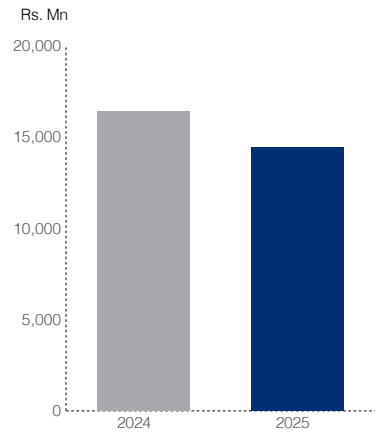
Total Assets



Total Liabilities



Total Equity



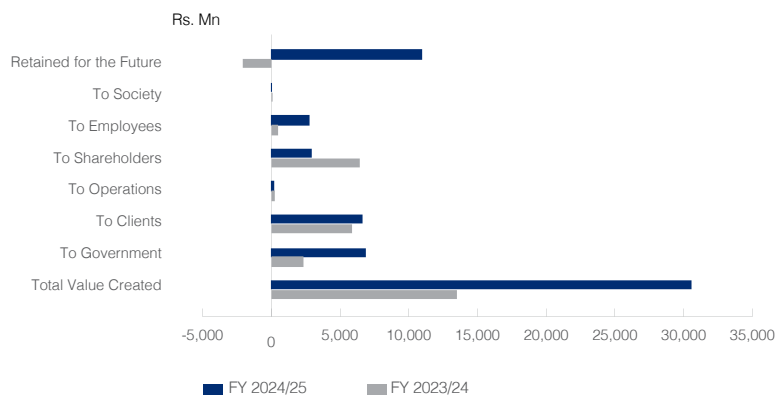
ECONOMIC VALUE-ADDED STATEMENT

GRI 3-3, 201-1

Economic value-added statement is provided with the aim of disclosing value creation and value distribution of the Company among its key stakeholders.

	FY 2024/25	%	FY 2023/24	%
	LKR '000		LKR '000	
VALUE CREATED				
Interest income	8,874,907	66%	10,504,519	35%
Trading and Remeasurement Gains/(losses)	4,541,598	34%	19,879,765	65%
Other operating income	38,779	0%	19,336	0%
Total Direct Economic Value Generated	13,455,284	100%	30,403,620	100%
VALUE DISTRIBUTED				
Operating costs	(269,932)	2%	(221,597)	1%
To clients as interest payments	(5,842,376)	38%	(6,641,372)	34%
To employees as salaries wages and other benefits	(554,471)	4%	(2,775,753)	14%
To the Government as income tax, SSCL and VAT on FS	(2,356,662)	15%	(6,860,465)	35%
To providers of capital as dividend	(6,423,649)	42%	(2,977,938)	15%
To Society as Corporate Social Responsibility	(11,250)	0%	(11,250)	0%
Total Economic Value Distributed	(15,458,339)	100%	(19,488,374)	100%
Economic Value Retained / (Distributed)	(2,003,055)		10,915,246	

Distribution of Value Added



The image features a white background with several abstract elements. A thick, solid blue vertical line runs down the right side. A thick, solid magenta vertical line runs down the left side. In the center, there are two wavy, overlapping lines made of many thin, parallel lines. The left wave is light blue, and the right wave is light pink. The text 'WAVELENGTHS OF VISION' is centered over these waves. 'WAVELENGTHS OF' is in a small, black, sans-serif font. 'VISION' is in a large, bold, sans-serif font, with 'V' in magenta, 'I' in light blue, 'S' in light blue, 'I' in light blue, 'O' in light blue, and 'N' in dark blue.

WAVELENGTHS OF

VISION



CHAIRMAN'S MESSAGE

THE SRI LANKAN ECONOMY

In 2024/25, Sri Lanka's economy transitioned from a phase of early recovery to a phase of measured stabilization, supported by strong policy reforms and improving macroeconomic fundamentals. Real GDP growth rebounded sharply to 5.0% in 2024, outperforming expectations and marking a significant turnaround from the contractions experienced in previous years. Key sectors such as services, industry and agriculture recorded notable expansions, driven by improved investor confidence, rising consumption and a gradual return on business activity. Inflation, which had posed major challenges in prior years, contained below 5% throughout the year, aided by consistent monetary policy and a reduction in domestic energy costs.

WE RECOGNIZE THAT SRI LANKA IS UNDERGOING A PIVOTAL TRANSFORMATION, AND WE ARE ENCOURAGED BY THE MOMENTUM OF REFORM AND RESILIENCE NOW SHAPING THE COUNTRY'S PATH FORWARD.

Foreign exchange reserves improved substantially, ending 2024 at USD 6.1 billion, exceeding the IMF's year-end forecast of USD 5.6 billion and reflecting strengthened external sector stability. The Sri Lankan Rupee also remained relatively stable, supported by robust remittance inflows and a resurgence in tourism. Meanwhile, the successful third review under the IMF's Extended Fund Facility program in February 2025, along with progress in bilateral debt restructuring, including a key USD 2.5 billion deal with Japan reinforced global confidence in Sri Lanka's reform trajectory. However, despite these gains, fiscal consolidation remains a central challenge, with a projected budget deficit of 6.7% of GDP, falling short of the IMF target of 5.2% of GDP.

Overall, this year marked a year of encouraging progress but the sustainability of Sri Lanka's recovery hinges on continued adherence to structural reforms, enhanced revenue generation and fiscal measures that ensure broad-based economic resilience and social stability.

CALT VALUES

At CALT, our values – Integrity, Fairness, Dynamism, and Teamwork - remain the compass that guides us through every challenge and opportunity. These core principles continued to shape our culture, influence our decisions and strengthen our position as a leader in the primary dealer industry. Our unwavering commitment to ethical conduct and transparency has deepened trust among clients, regulators and all stakeholders, reinforcing our reputation as a dependable and principled institution.

Integrity continues to be the bedrock of our operations, while our belief in staying agile and forward-thinking is captured in the well-known CALT adage: "We are only two years away from irrelevance." This mindset pushes us to innovate constantly, evolve with market dynamics and stay ahead of the curve. It is the spirit of collaboration and unity that has empowered us to overcome uncertainty and deliver consistent value. The strategic successes we have achieved are a testament to the collective strength and determination of our employees.

Guided by our mission to develop capital markets as a viable alternative to traditional banking and our vision to lead in frontier markets, we remain committed to shaping a future defined by resilience, purpose and meaningful growth. FY24/25 reaffirmed that living our values is not just aspirational, it's instrumental to sustained success.

WHAT THE FUTURE HOLDS

As we look ahead to the new financial year, our commitment to innovation continues to evolve, with a sharpened focus on new product development, cutting-edge research, and the automation of key operational processes. We believe that by driving progress in technology and operational excellence, we can contribute meaningfully to the advancement of Sri Lanka's financial sector and support the broader economic revival of the nation.

While the past year brought its share of volatility, our outlook for the future remains optimistic. We recognize that Sri Lanka is undergoing a pivotal transformation, and we are encouraged by the momentum of reform and resilience now shaping the country's path forward. With the right policy environment and sustained economic discipline, we believe the nation is poised for a period of renewed growth and stability. We extend our sincere gratitude to our employees, clients and shareholders for their continued trust and partnership. With a spirit of innovation and a united vision, we look forward to building a stronger, more vibrant future together.



Mr. D. A. De Zoysa
Chairman
29th July 2025



CHIEF EXECUTIVE OFFICER'S REVIEW

As we reflect on the financial year 2024–2025, I take this opportunity to recognize the resilience, adaptability and continued commitment of the entire CALT team in what was yet another transformative year for both our Company and the country. Coming off the back of 2023–2024, which marked the most successful year in CALT's history, expectations were understandably high. The bar had been set and sustaining that momentum in a rapidly evolving economic and political landscape was no small feat. Despite a more normalized market environment and narrower spreads across fixed income instruments, we successfully delivered a satisfactory bottom-line performance of LKR 4.4 billion, demonstrating our ability to adapt, stay focused and continue creating value for all stakeholders. We remained focused on our core strengths and strategic objectives, navigating a volatile yet opportunistic environment with clarity and discipline. The broader Sri Lankan economy recorded a commendable 5% GDP growth, marking a decisive turnaround from recent years of contraction.

Amidst this recovery, the introduction of a unified monetary policy rate of 8% in November 2024 signaled a key step in simplifying monetary policy, while inflation, though in negative territory for part of the year showed signs of easing by March 2025. The approval of the IMF's third review of the USD 2.9 billion bailout program and the successful finalization of a USD 2.5 billion debt restructuring deal with Japan further reinforced market confidence, enabling resumed development projects and bolstering foreign reserves to over \$6 billion by year-end. On the political front, the election of President Anura Kumara Disسانayake and the National People's Power (NPP) coalition's supermajority created a stable governance environment that allowed for accelerated reform, including a forward-looking fiscal budget focused on transformation and debt sustainability.

Despite headwinds such as intermittent market volatility in the lead-up to elections and persistent fiscal

constraints, CALT delivered a strong performance, responding to changes in monetary policy and market sentiment with agility. Our technology-driven solutions, including the continued scaling of CALT Portal, played an integral role in expanding access to fixed income investments, particularly across the retail segment. As we close this chapter, I extend my sincere gratitude to our Board of Directors for their guidance, the Central Bank and other regulators for their partnership, our clients, shareholders and partners for their unwavering trust, and finally to our employees for their commitment to making this year a successful one.

While we celebrate this year's achievements, we remain grounded in our belief that the pursuit of excellence is an ongoing journey. In line with this, we are setting our sights on innovation, operational scale and client-centricity as we build the future of capital markets in Sri Lanka. As always, we move forward with resilience, dynamism and a unified vision for success, delivering lasting value and playing a leading role in our nation's economic growth.



Mr. L. H. S. L. Silva
*Chief Executive Officer**
 29th July 2025

*Appointed as Chief Executive Officer
 w.e.f. 11th April 2025

BOARD OF DIRECTORS



Mr. D. A. De Zoysa
Chairman,
Non-Executive
Non-Independent Director



Mr. W. A. T. Fernando
Chief Executive Officer,
Executive Director *



Mr. R. J. Arasaratnam
Non-Executive
Non-Independent Director



Mr. C. S. R. S. Anthony
Non-Executive
Non-Independent Director

* On 11th April 2025, Mr. W. A. T. Fernando had stepped down as Chief Executive Officer and continues to serve on the Board of Directors as a Non-Executive Non-Independent Director.



Ms. A. I. C. Nandasena
Non-Executive
Independent Director



Ms. K. A. D. Siriwardene
Non-Executive
Independent Director



Mr. J. M. Jayasuriya
Non-Executive
Independent Director

BOARD OF DIRECTORS

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At the helm of our Company is a distinguished Board of Directors, whose collective expertise and strategic vision have been instrumental in shaping CALT's success over the past 24 years. Their leadership, industry insights, and commitment to excellence have guided CALT in navigating market complexities, driving innovation, and delivering sustainable value to its stakeholders.

Comprising seasoned professionals with extensive experience in banking, finance, capital markets, and corporate governance, the CALT Board provides oversight and direction to ensure that we continue to uphold the highest standards of integrity, financial performance, and regulatory compliance. Their strategic guidance has enabled CALT to remain agile, resilient, and forward-thinking in an ever-evolving financial landscape.

As CALT approaches a quarter-century of excellence, the Board remains dedicated to fostering growth, strengthening governance, and driving long-term value creation for its clients, shareholders, and the economy. Their leadership is the cornerstone of CALT's continued success, positioning CALT as a trusted and dynamic force in the investment banking sector.

The Board of Directors of CALT consists of seven (07) Directors, including three (03) Non-Executive Independent Directors, three (03) Non-Executive Non-Independent Directors and one (01) Executive Director.

The members of the Board of Directors as of 31st March 2025 are as follows.

Name	Designation
Mr. D. A. De Zoysa	Chairman - Non-Executive Non-Independent Director
Mr. W. A. T. Fernando	CEO - Executive Director *
Mr. R. J. Arasaratnam	Non-Executive Non-Independent Director
Mr. C. S. R. S. Anthony	Non-Executive Non-Independent Director
Ms. A. I. C. Nandasena	Non-Executive Independent Director
Ms. K. A. D. Siriwardene	Non-Executive Independent Director
Mr. J. M. Jayasuriya	Non-Executive Independent Director

* On 11th April 2025, Mr. W. A. T. Fernando had stepped down as Chief Executive Officer and continues to serve on the Board of Directors as a Non-Executive Non-Independent Director.

MR. D. A. DE ZOYSA

Chairman - Non-Executive Non-Independent Director

Date of Appointment: 10 January 2003

Mr. De Zoysa has been a Director since 2003 and currently serves as the Chairman of Capital Alliance Holdings PLC and Capital Alliance PLC. He is the Managing Director of AEC Ltd and has extensive industry experience in a career spanning over 30 years. Mr. De Zoysa serves as a Board Member of several companies across risk and insurance brokering, hotel management and travel services, real estate development and HR consulting services. Mr. De Zoysa is a Trustee and Board Member of Musaeus College, Colombo.

He holds a Bachelor of Business (Finance and IT) from the University of Technology, Sydney and an MSc in Insurance and Sustainable Risk Management from Glasgow Caledonian University, London.

Membership of Board Subcommittees

- Member - Remuneration Committee (Resigned from the position of Chairman of the Board Committee on 30th September 2024)
- Member - Nomination and Governance Committee

Other Directorships Held

Associated Electrical Corporation Ltd, Capital Alliance Holdings PLC, A E C Properties (Pvt) Ltd, Commercial Agencies (Ceylon) (Pvt) Ltd, Ajita De Zoysa and (Company) (Pvt) Ltd, ADZ Insurance Brokers (Pvt) Ltd, Corporate Druids (Pvt) Ltd, Uga Escapes (Pvt) Ltd, Uga Escapes Colombo (Private) Limited, Uga Escapes Hatton (Private) Limited, Uga Escapes Management (Private) Limited, Uga Escapes Negombo (Private) Limited, Uga Escapes Sigiriya (Private) Limited, Uga Escapes Yala (Private) Limited, Ulagalla Walawwa Resort (Private) Limited, Yala Holiday Resorts (Private) Limited, Wizard Entertainment (Pvt) Ltd, The Fabulous Gateway (Pvt) Ltd, Aurora Amicitia (Pvt) Ltd, Granite Capital (Pvt) Ltd, SLT Campus (Pvt) Ltd, Tempest Two (Pvt) Ltd, Park Street Social (Pvt) Ltd, Pepper Life (Pvt) Ltd, TFG Management Services (Pvt) Ltd, TFG Transport Services (Pvt) Ltd, Associated Resort Developers (Private) Limited, Jungle Beach Resort (Private) Limited, Finco Holdings (Pvt) Ltd and Trust Door (Pvt) Ltd.

MR. W. A. T. FERNANDO

*Outgoing Chief Executive Officer,
Executive Director*

Date of Appointment: 30 July 2000

Mr. Ajith Fernando has served in the capacity of Executive Director since founding the Company in October 2000. He was the Chief Executive Officer (CEO) of the Company till 11th April 2025. On 11th April 2025, Mr. Fernando had stepped down as Chief Executive Officer and continues to serve on the Board of Directors as a Non-Executive Non-Independent Director. He has over 30 years of experience in the Primary Dealing industry. Mr. Fernando also serves as the Chairman of Logicare (Pvt) Limited and CAL Securities Limited (Bangladesh). He is a Fellow of the Chartered Institute of Management Accountants (UK) and holds an MA in Financial Economics from the University of Colombo.

Other Directorships Held

Asothi Holdings (Pvt) Ltd, Capital Alliance Holdings PLC, CAL Investment Consultancy FZ-LLC (UAE), CAL Securities Limited (Bangladesh), CAL Bangladesh Limited (Bangladesh), Ceylon Tea Brokers PLC, Logicare (Pvt) Ltd, ADZ Insurance Brokers (Pvt) Ltd, The Metal Factor, Sri Lanka Technology Campus (Pvt) Ltd, Rockland Distilleries (Pvt) Ltd and Hemas Holdings PLC.

MR. R. J. ARSARATNAM

*Non-Executive Non-Independent
Director*

Date of Appointment: 8 January 2003

Mr. Arasaratnam hails from the field of Accountancy prior to embarking on a career in the travel trade and counts over 40 years of experience in the field of travel, tour operations, and other travel related fields. Mr. Arasaratnam is an Executive Director of Jetwing Travels. He specialises in the Marketing functions of the Group.

Other Directorships Held

Capital Alliance Holdings PLC, Jetwing Travels (Pvt) Ltd, Jetwing Air (Pvt) Ltd, Jetwing Eco Holidays, Go Vacation Sri Lanka and Total Holiday Options.

MR. C. S. R. S. ANTHONY

*Non-Executive Non-Independent
Director*

Date of Appointment: 9 July 2014

Mr. Sanjeewa Anthony is an Attorney-at-Law of the Supreme Court of Sri Lanka, Notary Public, Commissioner for Oaths, and a Registered Company Secretary. He is also a Fellow Member of the Chartered Institute of Management Accountants (FCMA) UK, Chartered Global Management Accountant (CGMA), an Associate Member of the Institute of the Chartered Accountants of Sri Lanka (ACA), a Fellow Member of The Institute of Certified Management Accountants of Sri Lanka (FCMA) and a Fellow Member of Certified Professional Managers (FCPM). He commenced his career at PricewaterhouseCoopers, prior to joining Jetwing Hotels Limited as Finance Manager in 1996 and is currently an Executive Director. He is also serving several Directorates including two publicly quoted companies. He is a Life Member of the Bar Association of Sri Lanka ("BASL").

**Membership of Board
Subcommittees**

- Member - Audit Committee (Resigned from the Chairman position on 28th November 2024)
- Member - Risk Management Committee
- Member - Related Party Transactions Review Committee

Other Directorships Held

Jetwing Hotels Limited, The Lighthouse Hotel PLC, Negombo Landmark (Pvt) Ltd, The First Resort (Pvt) Ltd, Jetwing Eco Holidays (Pvt) Ltd, Jetwing Relief Fund (Guarantee) Ltd, Ranagala Hotels (Pvt) Ltd, Jetwing Kiwi Ltd, Jetwing Kiwi Management Ltd, Thaladena Villas (Pvt) Ltd, Jetwing Zinc Journeys Lanka (Pvt) Ltd, Jetwing Kaduruketha (Pvt) Ltd, Jet Enterprises (Pvt) Ltd, Capital Alliance Holdings PLC, Jetwing Academy (Pvt) Ltd

MS. A. I. C. NANDASENA

Non-Executive Independent Director

Date of Appointment: 23 August 2021

Ms. Aloka Nandasena is a Partner of M/s. D. L. & F. De Saram, Attorneys-at-Law, and Notaries Public, specialising in corporate and commercial law, banking and finance, and projects and infrastructure. Her diverse work experience, exceeding 10 years, includes three and a half years at the Colombo Stock Exchange (CSE). She has several academic qualifications which include LL. B (Hons), University of London, LL.M (University of Colombo), Attorney-at-law of Supreme Court of Democratic Socialist Republic of Sri Lanka and Notary Public of Colombo.

**Membership of Board
Subcommittees**

- Chairperson - Related Party Transactions Review Committee
- Chairperson - Remuneration Committee (w.e.f. 30th September 2024)
- Member - Nomination and Governance Committee
- Member - Risk Committee
- Member - Audit Committee

BOARD OF DIRECTORS

MS. K. A. D. SIRIWARDENE*Non-Executive Independent Director***Date of Appointment: 23 August 2021**

Ms. Siriwardene counts for over two decades of experience in enterprise-driven strategy implementation, organisational process excellence and implementation of large-scale IT systems, overseen by corporate governance and practical risk management in delivering client satisfaction across a plethora of industries in corporate and non-profit sectors both in Sri Lanka and overseas. She holds a MSc in Business Computing from the University of Westminster, London, UK.

She is currently the Co-Founder and Director at Advik Consulting, where she handles all facets of management consulting in areas of Strategy Execution, Project Management Office implementation and Business Process excellence.

Previously, she served as a Board Director and Group CEO of Davora Group of Companies, Strategy Implementation Consultant at Stax (Pvt) Ltd, Vice President of Delivery and Governance at Brandix i3 (Pvt) Ltd, Associate Director at Navantis IT (Pvt) Ltd. She is a former part-time lecturer at the University of Westminster London, UK. She is a member of the Women's Chamber of Industry and Commerce, SLASSCOM-Wtech, and Sri Lanka Institute of Directors. As a Rotarian, she was formerly the President of the club and is the current Secretary to the Board.

Membership of Board Subcommittees

Chairperson	- Nomination and Governance Committee (w.e.f. 30th September 2024)
Member	- Related Party Transactions Review Committee
Member	- Audit Committee
Member	- Remuneration Committee
Member	- Risk Committee

Other Directorships Held

Advik Consulting (Pvt) Ltd

MR. J. M. JAYASURIYA*Non-Executive Independent Director***Date of Appointment: 28 November 2024**

Mr. Jayasuriya was appointed to the CALT Board on 28th November 2024. He currently serves as the youngest member of the Executive Committee at MAS Capital (Pvt) Ltd - Intimates, the largest intimate apparel manufacturer in South Asia. In his capacity as Chief Marketing Officer, Mr. Jayasuriya gives leadership to all customer interface functions of MAS Capital (Pvt) Ltd - Intimates across all global locations. Having served at MAS for over 17 years, Mr. Jayasuriya has played multiple senior management roles, including stints as Business Director and Financial Controller of the organization.

Armed with an MBA with distinction from Manchester Business School, UK Mr. Jayasuriya is an Honors Management Graduate of the University of Colombo whose well-rounded academic record also covers both CIMA & CIM qualifications. In addition, he has received Executive Education at the Harvard Business School and Kellogg School of Management in the US, Indian Institute of Management, Bangalore & Professional Lean Manufacturing training at AOTS-Nagoya, Japan.

Mr. Jayasuriya continues to maintain versatility in his interests, taking an active interest in sports administration, having served as the Hon. Treasurer of the Amateur Boxing Association of Sri Lanka, as well as the Manager of the Sri Lankan Boxing Team. He has also worked closely with National Olympic Committee and was appointed as a NOC Ambassador for Sri Lanka at the 15th Asian Games held in Doha, Qatar. Mr. Jayasuriya has also contributed as a lecturer for CIMA and a visiting lecturer at the University of Colombo. In recognition of his all-round achievements, Mr. Jayasuriya was honoured by the Chartered Institute of Management Accountants (CIMA, UK) awarding him the Gold Medal for CIMA Young Star of the Year for 2007.

Membership of Board Subcommittees

Chairman	- Audit Committee (w.e.f. 28th November 2024)
Chairman	- Risk Committee

Other Directorships Held

MAS Intimates Kenya (EPZ) Ltd

HEADS OF DEPARTMENTS

**MR. SANURA SILVA***Chief Executive Officer***MR. DAMIEN RAYEN***Vice President - Head of Fixed Income Sales***MS. H. M. S. PERERA***Chief Risk & Compliance Officer - CALT***MR. THARINDRA KULASINGHE***Chief Information Officer - Company and Group***MS. ANUSHI JAYASINGHE***Chief Human Resources Officer - Company and Group***MR. NISHANTHA ADHIKARI***Vice President - Finance***MR. MIGARA HETTIARACHCHI***Senior Manager - Operations***MS. SHALINI GOONESEKERA***Manager Finance*

HEADS OF DEPARTMENTS

MR. SANURA SILVA*Chief Executive Officer*

Mr. Sanura was appointed as Chief Executive Officer of Capital Alliance PLC on 11th April 2025. Having joined CALT in 2017, he presently leads the trading team, overseeing the management of the Company's Fixed Income Portfolio and handling client investments in Government Securities. Throughout his tenure, Sanura has played a crucial role in spearheading the Company's macroeconomic research efforts, which have significantly influenced the Group's investment strategies. Furthermore, he actively steers CALT's investment decision-making process.

He holds a Bachelor and Master of Science from the University of Melbourne, Australia. He is also a registered Investment Advisor licensed by The Securities and Exchange Commission of Sri Lanka and has completed CFA Level 2.

MR. DAMIEN RAYEN*Vice President - Head of Fixed Income Sales*

Mr. Rayen is the Head of Fixed Income Sales at Capital Alliance PLC. Starting his career in 2016 with CALT, he has been an integral part of CALT's growth story over the last 9 years. He has played a pivotal role in building a strong client base for CALT to invest and trade in government securities. With his macroeconomic analyst and fixed-income trader expertise, Damien has been a key member of the dealing team over the years. He played an instrumental role in introducing CALT Portal, the online trading platform for clients to invest in government securities.

Damien is an associate member of the Chartered Institute of Management Accountants (CIMA UK) & Registered Investment Advisor with the Securities and Exchange Commission of Sri Lanka. He is currently a Level 2 candidate of CFA.

MS. H. M. S. PERERA*Chief Risk & Compliance Officer - CALT*

Drawing on 24-plus years of experience in the financial services industry, Ms. Perera is a founding member of CALT and has been an integral member since its establishment in 2000.

Reporting directly to the Board Risk Management Committee while being responsible for the effectiveness and compliance aspects of statutory reporting requirements, she has led the implementation of a comprehensive risk framework encompassing Company and Group-wide risk avenues. This is of key strategic importance in realising the Company's future goals, where new levels of income and market share are measured in line with the risk-reward balance.

She started her career at Hatton National Bank in January 1984 where she held the position of Banking Assistant until January 1990. She was Manager – Margin Trading at Seylan Merchant Bank from January 1994 to January 1998 and was Assistant Manager - Treasury at Vanik Incorporation until January 2000.

An Associate Member of the Chartered Institute of Management Accountants (UK), Ms. Perera also serves on the Boards of Capital Alliance Investments Limited, Capital Alliance Securities (Pvt) Limited, Capital Alliance Partners Limited, Finnovation (Pvt) Limited, Ceylon Tea Brokers PLC and Logicare (Private) Limited.

MR. THARINDRA KULASINGHE*Chief Information Officer - Company and Group*

As CALT leverages information technology to accelerate growth and capitalize on expanding the market opportunities both domestically and internationally, Mr. Kulasinghe leads the comprehensive transformation of the Company and Group's IT ecosystem. His leadership spans technology infrastructure, fintech solutions, product development, digital transformation, and cybersecurity initiatives. He provides strategic direction for the conception, implementation, management, and support of all technology-driven initiatives across the organization.

Mr. Kulasinghe holds a Master of Engineering in Mechanical Engineering and Business Management, a Bachelor of Engineering in Mechanical Engineering, and PRINCE2 Project Management Professional certification. His distinguished career includes key leadership roles at premier technology firms such as MillenniumIT (now LSEG - London Stock Exchange Group Technology), where he spearheaded the implementation of capital markets systems for organizations including the London Metal Exchange. At Brandix i3 (now Fortude), he played an instrumental role in implementing ERP systems for global organizations across Malaysia and the United States.

With extensive expertise in integrating innovative technologies throughout CAL's operations and business functions, his contributions enable the Company and Group to consistently challenge industry conventions while pioneering new pathways in financial services markets. Mr. Kulasinghe serves as a Board Member for Finnovation (Pvt) Ltd, Fixed Income Investment I (Pvt) Ltd, and Fixed Income Investment II (Pvt) Ltd.

MS. ANUSHI JAYASINGHE*Chief Human Resources Officer - Company and Group*

Ms. Jayasinghe currently serves as the Chief Human Resources Officer at CAL. She is an experienced HR leader with expertise in talent management, employee engagement, and aligning HR with business strategy, who has held leadership roles at Hela Apparel Holdings, Heineken Lanka, and MAS Holdings, leading HR functions across multiple countries.

With an MBA from the University of Colombo and executive training from Stanford and the National University of Singapore (NUS), she brings strategic insight and a commitment to aligning CAL's HR strategies to foster growth and a positive workplace culture.

She is also a Fellow Member of the Chartered Institute of Management Accountants (UK) who counts for over 12 years of experience in the areas of management accounting and finance at MAS Holdings prior to her shift to Human Resources.

MR. NISHANTHA ADHIKARI*Vice President - Finance*

Mr. Nishantha Adhikari is a qualified professional with a BSc. Accounting (Special) degree from the University of Sri Jayewardenepura. He holds prestigious memberships with CA Sri Lanka, ACCA, and CMA Sri Lanka, showcasing his commitment to excellence in the field of accounting and finance.

With a wealth of experience, he has previously served as a Manager at KPMG Sri Lanka, where he contributed his expertise to various financial endeavors. His professional journey also includes a significant role as the former Financial Controller of Ceylon Tea Brokers PLC, demonstrating his proficiency in managing financial operations for a prominent organization.

MR. MIGARA HETTIARACHCHI*Senior Manager - Operations*

Mr. Hettiarachchi has over 16 years of diverse experience with CAL and currently heads the Operations Department of multiple CAL Group Companies dealing in Primary Dealing, Stock Brokering and Asset Management.

He is responsible for back-office functions relating to Government and Corporate Debt Securities, Money Market operations, SWIFT settlements, Unit Trust, and Equity Market Settlements.

He is a Member of Chartered Management Institute - UK (CMI).

MS. SHALINI GOONESEKERA*Manager Finance*

Ms. Goonesekera has over 17 years of expertise in Financial Reporting and Analysis, IFRSs, Financial Planning and Budgeting, Corporate Finance and Treasury Operations, Audit and Assurance, and Risk and Compliance.

She began her career at PwC Sri Lanka in 2008, acquiring over five years of experience in Audit and Assurance across diverse industries. She joined CAL Group in 2013 as an Accountant and was subsequently elevated to the role of Manager Finance.

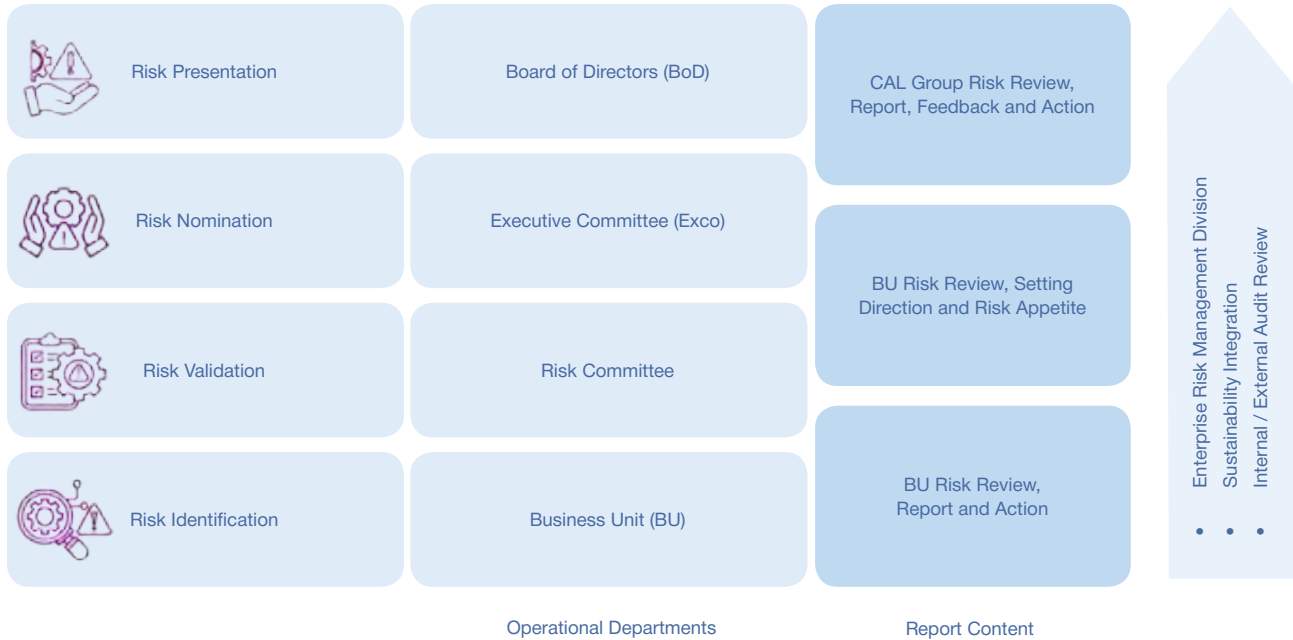
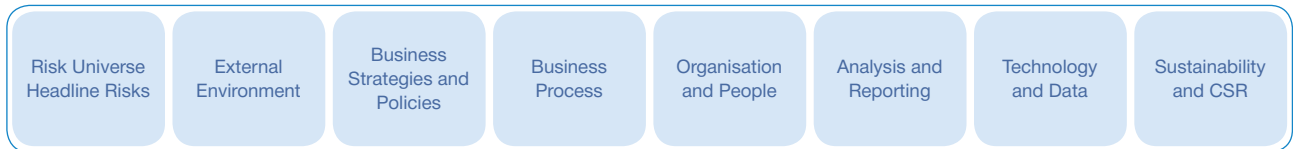
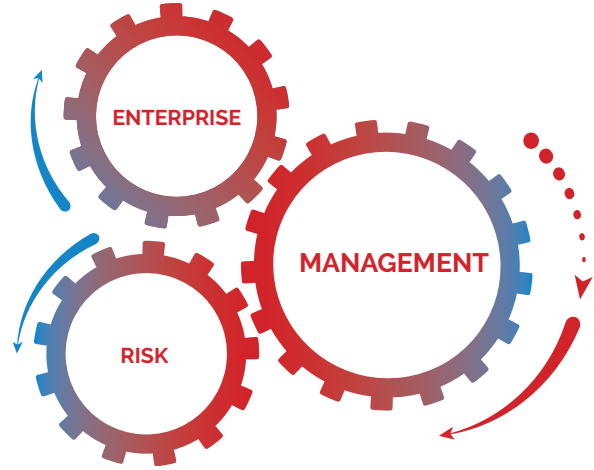
She is a Fellow of the Institute of Chartered Accountants of Sri Lanka (FCA), an Associate of the Chartered Institute of Management Accountants (ACMA, UK), and a Chartered Global Management Accountant (CGMA). She also holds an MBA from the University of Southern Queensland, Australia, and a BSc in Business Administration from the University of Sri Jayewardenepura.

RISK MANAGEMENT

ENTERPRISE RISK MANAGEMENT (ERM)

At CALT, our approach to risk management is a fundamental part of our strategy, ensuring that we remain resilient, compliant, and competitive in the ever-changing financial landscape. We have developed a comprehensive risk strategy that is aligned with CALT's broader business goals, rooted in its Enterprise Risk Management (ERM) policy. This strategy focuses on key risk areas that are crucial to the ongoing success of our Company, including Financial/Earnings Volatility, Regulatory Compliance, Governance, Reputation and the Brand, Business Continuity, Health and Safety, and Employee Satisfaction.

Our ERM framework is built on a systematic, four-step process designed to identify, assess, mitigate, and monitor risks effectively across all aspects of the business. This structured approach ensures that risks are proactively managed and are integrated into our overall governance and decision-making processes.



OUR ENTERPRISE RISK MANAGEMENT PROCESS

1. Risk Identification

The first step in CAL ERM process is the identification of risks. Each Business Unit conducts quarterly Risk Control Self-Assessment (RCSA), which helps pinpoint potential risks specific to their operations. This process is vital for recognizing both external and internal risks that could impact the Company. These risks are systematically gathered and reviewed by our Risk and Compliance Unit, ensuring that all possible risk factors are considered.

2. Risk Validation

Once risks have been identified, they are submitted to the Group Executive Committee for validation. This phase involves a thorough review to ensure that all identified risks are accurately captured and categorized. The validation process ensures that the risks are aligned with our strategic objectives and governance framework.

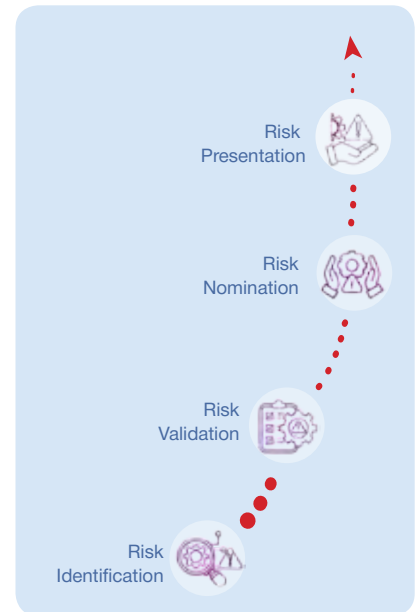
3. Risk Normalization

After validation, we move to the Risk Normalization stage. In this phase, ownership and management responsibilities are assigned to specific risks. This ensures that risks are internalized within the organization, with clearly defined accountability for managing and mitigating each risk. This step is essential in ensuring that the risks are addressed at the appropriate levels, empowering business units and departments to take ownership of their specific risk management duties.

4. Risk Presentation

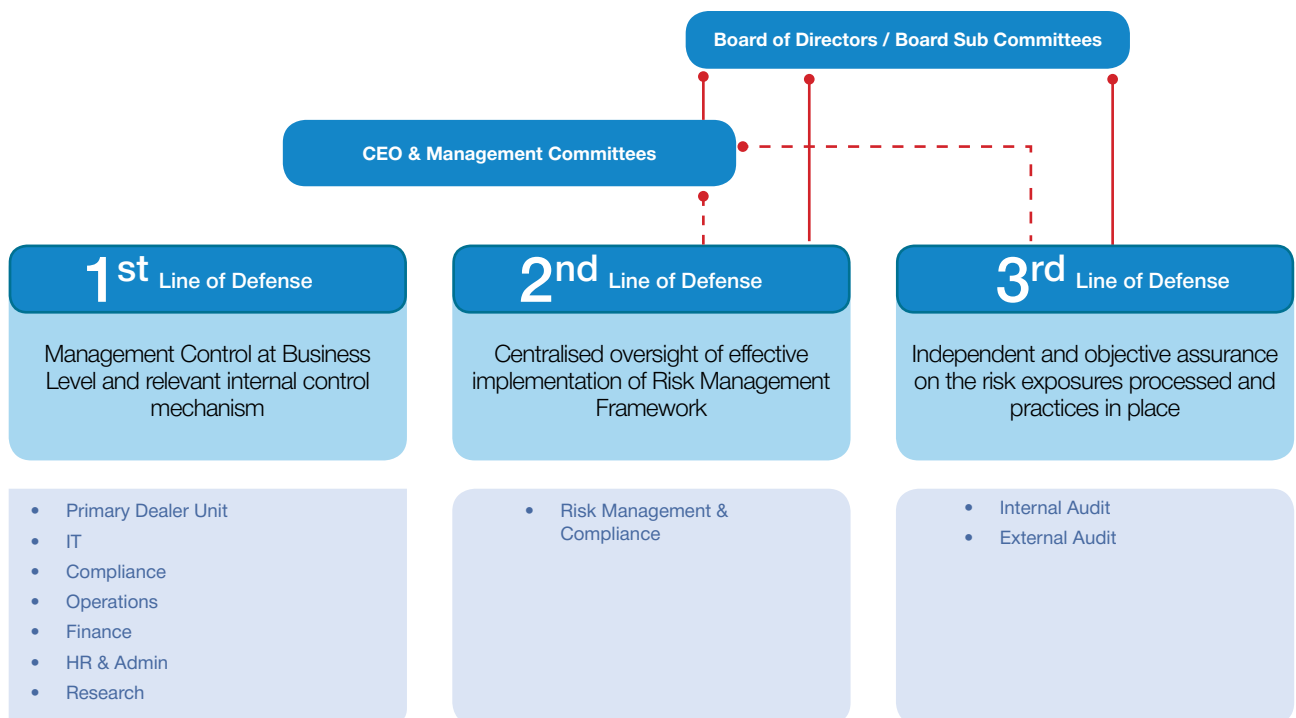
The final step of our ERM framework is Risk Presentation, where the focus shifts to continuous monitoring, reporting, and governance. We maintain a system of regular updates and reporting on risks to the Board and senior management. This ongoing process ensures that risks are actively managed, mitigated, and controlled, providing transparency and governance to support strategic decision-making.

Through this robust Enterprise Risk Management framework, CALT enables proactively identify and manage risks across key areas critical to our operations. This structured process empowers CALT to mitigate potential threats while ensuring the continued stability and growth of our business, protecting CALT clients, employees, and stakeholders.



THREE-LINES-OF-DEFENSE MECHANISM

The ERM Framework operates through a robust three-lines-of-defense mechanism to ensure effective risk management and control.



RISK MANAGEMENT

First Line of Defense:

Employees, along with their unit heads, serve as the frontline in risk management. They are responsible for managing risks on a daily basis, ensuring compliance with Board-approved policies, guidelines, and instructions.

Second Line of Defense:

This line consists of the Group Risk Committee and the Risk and Compliance Unit. Their role is to provide oversight, monitoring, and support, ensuring that risk mitigation strategies are effectively implemented.

Third Line of Defense:

The Internal Audit function forms the third line, reporting independently to the Board Audit Committee. They conduct assurance activities to evaluate and strengthen the Company's risk management, control, and governance processes.

By integrating these three lines of defense, the organization maintains a resilient risk management framework, fostering accountability, proactive risk mitigation, and independent assessments to uphold a strong risk culture.

RISK GOVERNANCE

Role of the Board

The CALT Board has appointed a Risk Committee to oversee the Company's risk and compliance matters. However, the Board of Directors holds ultimate responsibility for the organization's risk management.

Risk and Compliance Unit

The Risk and Compliance Unit (RCU) is a key pillar of CALT's risk management framework, overseeing the identification, assessment, and management of risks in alignment with Board policies. As custodians of the Risk Registers, the RCU monitors evolving risks, ensuring proactive mitigation through quarterly reviews with the Executive Committee.

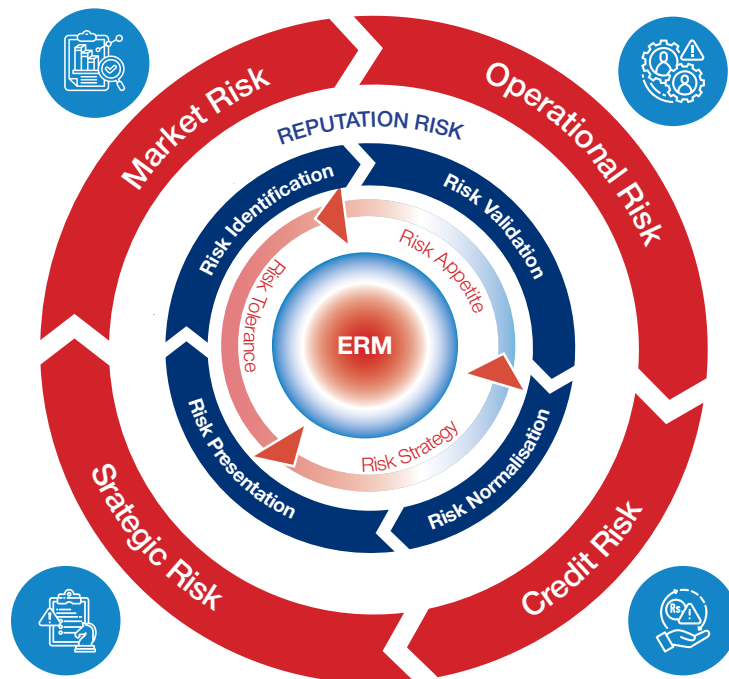
Risk management at CALT goes beyond compliance - it is embedded in the business strategy, fostering a risk-aware culture amid regulatory shifts, market changes, and technological advancements. With robust reporting mechanisms, the RCU enhances decision-making, ensuring resilience, adaptability, and sustainable growth.

Risk Appetite

The CALT's risk appetite defines the level of risk the Company is willing to take to achieve its strategic objectives while maintaining financial stability. CALT balances the risk and return within regulatory boundaries, managing risks related to market volatility, liquidity, interest rates, and credit exposure. The Central Enterprise Risk Management Division oversees implementation and monitoring, ensuring risk-taking aligns with compliance, resilience, and sustainable profitability.

Risk Strategy

The Risk Strategy of the Company emphasizes the establishment of structured mechanisms to efficiently recognize risks, leverage potential opportunities they offer, and alleviate any negative impacts associated with those risks. This strategy is enacted by integrating risk management into everyday business activities and integrating it into the strategic decision-making process.



Types of Risks Faced by the Company

MARKET RISK

Market risk pertains to the possible financial losses resulting from fluctuations in the value of financial instruments due to changes in market variables such as interest rates, exchange rates, equity prices, and commodity prices. Within the domain of market risk, the primary risk encountered by the Company is interest rate risk.

Interest Rate Risk

Interest rate risk encompasses the potential for unexpected fluctuations in interest rates that could affect the Company's outlook. To oversee interest rate risk, the Company has set up risk thresholds aligned with its risk appetite.

Cut loss policies

The Company maintains maximum loss limits for its portfolio through cut loss policies. Each trading position taken by the Company is assigned a cut loss limit, ensuring that the maximum loss is capped.

Value at Risk (VaR) limit

VaR is a mathematical model used to forecast the potential loss the portfolio may experience with a 95% probability within a predetermined limit set by the Board of Directors. This limit is monitored daily by the dealing team and management.

Target Duration and Convexity

The duration of the portfolio depends on the maturity profile of bills and bonds held. It is determined based on the prevailing interest rate outlook. Managing interest rate risk involves factoring in the average duration of holding a portfolio to spread the risk associated with different tenor bonds.

Scenario analysis limits

Through data systems and market experience, CALT performs scenario analysis to gauge market conditions. This analysis helps in making informed decisions about the interest rate outlook.

Continuous and ongoing monitoring combined with in-depth research and statistical modelling forms the basis of the interest rate risk management strategy.

Risk dashboards reflecting risk limits set on trading limits are updated daily and presented quarterly to the Board Risk Committee.

Post-decision reviews and guidance from the Board Risk Committee also play a crucial role in managing interest rate risk over time.

Liquidity Risk

Liquidity risk is the risk of non-compliance with payment obligations on time or doing so at excessive cost.

A Board-approved trading policy serves as the foundation for managing the Company's liquidity risk. The policy dictates specific limits, including Value at Risk, PV01, Modified Duration, single-entity exposure, cut-loss, and maximum holding period, etc.

All indicators are monitored daily by the RCU and reported to the Board Risk Committee every quarter. Furthermore, a contingency plan is in place to safeguard against the possibility of a liquidity shortfall.

CREDIT RISK

Considering the Company's involvement in Government Securities within a tightly regulated context, the credit risk is linked with the primary dealing operation is minimal. CALT has implemented protocols for managing and overseeing counterparty risk.

Counterparty Risk

The risk of a counterparty failing to honour their side of a transaction presents risks if the counter party fails to honour the transaction, where CALT could be short of security or cash, on the settlement date. Senior management sets Counterparty Limits, based on the Board recommended guidelines when setting these counterparty limits.

Concentration Risk

CALT reduces the risk of losses stemming from excessive concentration in a single type of security by diversifying its portfolio. A set percentage of the maximum portfolio limit may be allocated to securities within the same maturity bucket, provided other constraints are met. Any temporary adjustments to these limits, whether increases or decreases, necessitate approval from the CEO, followed by review by the Board.

OPERATIONAL RISK

Human Resource Risk

Human resource risk emerges from the possible detriment to the Company caused by employees' incapacity to collaborate effectively and fulfil their designated responsibilities. CALT addresses human resources risk by employing a robust Human Capital Development model. This model cultivates a dynamic work atmosphere, offering employees challenging experiences and avenues for a fulfilling career trajectory within the Company.

Business Continuity Risk

Business continuity risk encompasses the potential detriment to the Company stemming from the breakdown of internal systems, including IT infrastructure. CALT addresses this risk by implementing a thoroughly documented Business Continuity Plan (BCP) subject to annual audits. Regular business impact analyses and risk assessments are conducted to tackle identified critical issues promptly, with reports provided to relevant department heads for requisite action.

RISK MANAGEMENT

System & Information Risk

System and information risk denotes the potential loss of data and information resulting from external cyber-attacks or internal breaches. CALT allocates resources to advanced information security measures, including firewalls and data leakage prevention software, while enforcing two-factor authentication protocols for critical applications and accounts. Continuous monitoring of antivirus software, periodic user-level matrix assessments, and annual vulnerability assessments carried out by an independent third-party aid in mitigating this risk.

Regulatory & Compliance Risk

Regulatory and compliance risk stems from the possibility of failing to adhere to regulatory obligations. CALT operates under the purview of the Central Bank of Sri Lanka (CBSL), the Securities and Exchange Commission of Sri Lanka (SEC), and Colombo Stock Exchange (CSE), continually reviewing and managing these risks. The Risk and Compliance unit ensures continuous monitoring of updates in pertinent regulatory guidelines and circulars.

The internal process manuals undergo regular updates and are compared to industry best practices. Quarterly compliance reports are provided to the Board of Directors, and any instances of non-compliance are reported to the respective regulators, along with suggested remedial measures for assessment.

REPUTATIONAL RISK

Reputational risk refers to the potential damage to the Company's public image, which can impact customers, investors, and other stakeholders. These risks are crucial to business continuity, and several measures have been implemented to effectively mitigate them.

STRATEGIC RISK

Strategic risk refers to the potential for the Company's actual performance to significantly differ from the expected outcomes outlined in its strategy and business plan, due to changes in the business environment and the risks linked to strategic decisions. To address this, the Board of Directors of CALT holds quarterly meetings focused on strategy, performance, and integrated risk management. The Management Committee and Board regularly review and oversee the effective implementation of the strategy, monitor changes in the business environment, and discuss necessary corrective actions when required.

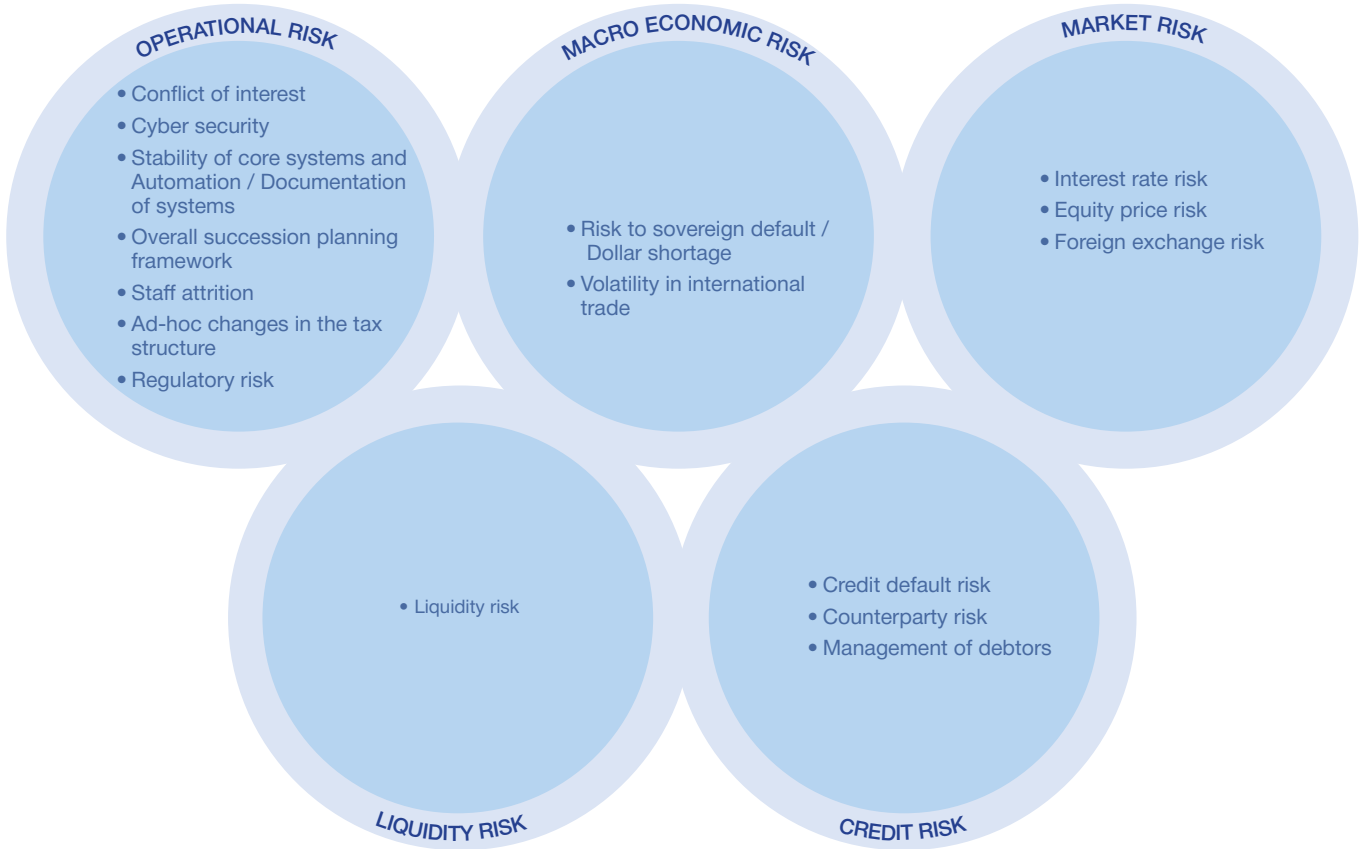
Risk Tolerance

CALT has implemented a comprehensive set of risk management and mitigation policies, demonstrating the Company's commitment to make informed and disciplined trading decisions within the risk management framework established by the Board of Directors, with the goal of minimizing potential losses.

RISK MANAGEMENT MATRIX

GRI 201-2

The Risk Management Matrix serves as a comprehensive tool for CALT to systematically identify, assess, and manage potential risks that could impact our organization. By categorizing and evaluating various risks across multiple dimensions - such as likelihood, impact, and mitigation strategies - the matrix provides a clear and structured approach to managing uncertainties. It allows CALT to prioritize risks effectively, ensuring that resources are allocated to mitigate the most critical threats while maintaining overall business resilience. This tool is essential for supporting informed decision-making, fostering a proactive risk management culture, and ensuring that the Company can navigate challenges while pursuing its strategic objectives.



Managing risk involves assessing both the likelihood of occurrence and the potential impact on the Company. Risks with a high likelihood and significant impact require immediate attention, with proactive mitigation strategies such as robust internal controls, insurance, or contingency planning. Moderate risks, which may have either a lower likelihood or a lesser impact, should be monitored regularly and managed through preventive measures such as policy adjustments or employee training. Low-likelihood, high-impact risks necessitate strategic planning, including crisis management frameworks and disaster recovery plans.

By systematically evaluating risks based on these two dimensions, companies can prioritize resources effectively, minimize disruptions, and ensure long-term resilience as follows:

Likelihood of Occurrence	Almost Certain	Yellow		Orange	Red	
	Likely	Green	3, 4	Orange	2	
	Possible	Green	7	1, 5, 6, 8, 10, 11, 12, 13, 14, 15	Red	
	Unlikely	Green		Yellow		
	Rare	Green				Yellow
		Insignificant	Minor	Moderate	Major	Extreme
Impact to CALT						

RISK MANAGEMENT MATRIX

MANAGING KEY RISK

SN	Risk Category	Risk Item	Headline Risk	Impact	Risk Rating		Our Response
					FY 2024/25	FY 2023/24	
1	Macroeconomic risk	Risk of Sovereign Default/ Dollar Shortage & required remedial fiscal measures & its impact on the economy	External Environment	Potential catastrophic impacts to macro-economic fundamentals. Including a rapid rise in interest rates, rapid currency depreciation, large pressure on the banking system and collapsing of the economy.	Medium	Medium	<ul style="list-style-type: none"> Continually forecast and assess the likelihood of occurrence. Forecast the granular details of how the macro factors will play out and take the best possible mitigation processes for the Company
2	Market risk	Interest Rate risk	External Environment	Negative impact on Financial Profitability to CALT due to unfavourable changes in Interest Rates	Ultra-High	Ultra-High	<ul style="list-style-type: none"> Manage portfolios Interest rate forecasts Past interest rate trends Data modelling and review of market trends Stop loss limits.
3		Equity price risk	External Environment	Negative impact on Financial Profitability due to unfavourable changes in share prices	Medium	Medium	<ul style="list-style-type: none"> Manage portfolios Review of market trends Risk exposure limits Stop loss limits.
4		Foreign exchange risk	External Environment	Loss of profits and increase in budgeted expenses	Medium	Medium	<ul style="list-style-type: none"> Planning and control of all payments in foreign currency.
5	Credit Risk	Credit risk (in investments) Default risk	External Environment	Loss of reputation & brand image resulting in loss of profits	Medium	Medium	<ul style="list-style-type: none"> Due diligence Continuous monitoring Restructuring liability Relationship management
6		Counterparty risk	Business Process	Delays in a settlement, defaults could lead to loss of business and profits	Medium	Medium	<ul style="list-style-type: none"> Comprehensive evaluation of issuers
7		Management of Debtors for CALT	Business Process	Loss of Revenue/ loss of business relationships with clients	Medium	Medium	<ul style="list-style-type: none"> Monitoring debtors, and approximate probable loss limits Providing accurate and timely information to all debtors

SN	Risk Category	Risk Item	Headline Risk	Impact	Risk Rating		Our Response
					FY 2024/25	FY 2023/24	
8	Liquidity risk	Liquidity risk	Business Strategies and Policies	Inability to make payments due to mismatches in investments which could result in reputational risk for CALT if unable to wind down positions	Medium	Medium	<ul style="list-style-type: none"> Monitoring liquidity requirements Have contingency funding lines in place Monitoring of borrowings in Repurchase Agreements for CALT including maturity profiles. Effective treasury management is in place
9	Operational Risk	Conflict of interest	Business Process	Brand reputation and possible legal implications	Low	Low	<ul style="list-style-type: none"> Ensure that there is independence between the different strategic business units in CAL Group
10		Cyber Security	Technology and Data	Loss of data and reputation	Medium	Medium	<ul style="list-style-type: none"> Continuous training on cyber security risks to CALT staff Conducting vulnerability assessments and audits in collaboration with external consultants. Continuously monitoring antivirus protections.
11		Stability of core systems and automation/documentation of systems	Business Process	Disruption to business activities	High	High	<ul style="list-style-type: none"> Continuous monitoring of systems and connectivity Establishing system documentation to prevent disruptions in operations. Ongoing automation to eliminate manual processes and mitigate the risk of fraud.

RISK MANAGEMENT MATRIX

GRI 207-3

SN	Risk Category	Risk Item	Headline Risk	Impact	Risk Rating		Our Response
					FY 2024/25	FY 2023/24	
12		Overall succession planning framework	Organisation and People	Disruption to smooth transitioning of key roles with the Company	Medium	High	<ul style="list-style-type: none"> Establishing a framework for succession planning (based on competencies and skills) within the current staffing across all levels.
13		Staff attrition	Organisation and People	Disruption to continuity of smooth business operations	Medium	High	<ul style="list-style-type: none"> Focus on human resource development activities Monitor staff turnover SOPs in place for new staff to take over processes Efficient processes in staff hiring.
14		Ad-hoc changes in the Tax Structure	Business Process	Loss of profitability. Inability to meet budgeted profits for the Company	Medium	High	<ul style="list-style-type: none"> Implemented effective tax planning strategies to mitigate the impact of tax adjustments. Continuous communication with external consultants to acquire effective tax advisory services.
15		Regulatory risk	Business Process	<p>Failure to adhere to laws, regulations, and directives issued by the CBSL, CSE, SEC, IRD, and other governing bodies.</p> <p>Revocation of licenses and imposition of penalties, resulting in reputational damage and financial losses for CALT.</p>	Medium	Medium	<ul style="list-style-type: none"> Thorough and efficient monitoring of regulations set forth by all regulatory bodies.

ANNUAL REPORT OF THE BOARD OF DIRECTORS

The Board of Directors of Capital Alliance PLC is pleased to present the Annual Report and the Audited Financial Statements for the financial year ended 31st March 2025, as approved on 29th July 2025.

REVIEW OF BUSINESS

During the year under review, the Company recorded a Net Operating Income of LKR 7,570 million, compared to LKR 23,729 million in the previous year.

The Company concluded the financial year ended 31st March 2025 with a post-tax profit of LKR 4,421 million, a significant decline from the post-tax profit of LKR 13,893 million reported in the previous year. Profitability declined mainly as a result of a more moderate interest rate reduction during the year, in contrast to the substantial decline experienced in the prior year.

FUTURE DEVELOPMENTS

The Chairman's Message (Pages 20 - 21), Chief Executive Officer's Review (Pages 22 - 23), and the Operating Landscape (Pages 80 - 82) provide an overview of the Company's future developments.

PRINCIPAL ACTIVITIES

The main activity of the Company is operating as a Primary Dealer in Government Securities.

LEGAL STATUS

Capital Alliance PLC was incorporated on 10th August 2000 under the provisions of the Companies Act No. 17 of 1982 and re-registered under the Companies Act No. 7 of 2007. It was listed on the Colombo Stock Exchange (CSE) on 15th December 2021 and there onwards the Company is trading its shares in the market.

FINANCIAL RESULTS

The Company achieved a post-tax profit of LKR 4,421 million, compared to a net profit after tax of LKR 13,893 million in the FY 2023/24.

A summary of the financial results for the year is set out below.

	2025 LKR million	2024 LKR million
Net Operating Income	7,570	23,729
Profit Before Tax	6,371	20,098
Profit After Tax	4,421	13,893
Total Comprehensive Income	4,423	13,885

The Financial Statements of the Company are set out on pages 150 - 201 of the Annual Report.

BOARD OF DIRECTORS

Directorate

The following were the Directors of the Company as at 31st March 2025.

Mr. D. A. De Zoysa - Chairman
(Non-Executive Non-Independent Director)

Mr. W. A. T. Fernando – Chief Executive Officer (Resigned on 11th April 2025)
(Executive Director*)

Mr. R. J. Arsaratnam
(Non-Executive Non-Independent Director)

Mr. C. S. R. S. Anthony
(Non-Executive Non-Independent Director)

Ms. A. I. C. Nandasena
(Non-Executive Independent Director)

Ms. K. A. D. Siriwardene
(Non-Executive Independent Director)

Mr. J. M. Jayasuriya
(Non-Executive Independent Director)

The profiles of the Directors are given on pages 24 - 28 of the Annual Report.

ANNUAL REPORT OF THE BOARD OF DIRECTORS

Interest in Shares

The shareholdings of Directors/ Chief Executive Officer were as listed below.

Name	Designation	Shareholding	
		31- Mar-2025	31- Mar-2024
Mr. W. A. T. Fernando	Director/ CEO *	Nil	Nil
Mr. R. J. Arasaratnam	Director	3,312	3,312
Mr. D. A. De Zoysa	Director/ Chairman	Nil	Nil
Mr. C. S. R. S. Anthony	Director	2,600	2,600
Ms. A. I. C. Nandasena	Director	Nil	Nil
Ms. K. A. D. Siriwardene	Director	Nil	Nil
Mr. J. M. Jayasuriya	Director	Nil	Nil

* On 11th April 2025, Mr. W. A. T. Fernando had stepped down as Chief Executive Officer and continues to serve on the Board of Directors as a Non-Executive Non-Independent Director.

Other Directorship/ Significant Positions of Directors

Information on other directorships and significant positions held by the current Directors of the Company are available on pages 24 - 28.

RELATED PARTY TRANSACTIONS

Related party transactions were disclosed during Directors' meetings and are detailed in Note 28 of the financial statements. The Directors confirm that the Company complied with Section 9 of the Colombo Stock Exchange (CSE) Listing Rules concerning related party transactions for the financial year 2024/25.

DIRECTORS' INTERESTS

In compliance with the Companies Act No. 7 of 2007, the Company upheld an Interests Register throughout the reviewed period. All Directors have duly made declarations as stipulated in Section 192(2) of the aforementioned Companies Act. The Interest Register is accessible for inspection as mandated by the Companies Act.

The Company carries out transactions in the ordinary course of business with entities in which the Director of the Company is a Director. The transactions with entities where the Director of the Company either has control or exercises significant influence have been classified as related party transactions and disclosed in Note 28 to the Financial Statements.

REMUNERATION AND FEES

Details of Directors' remuneration and fees are set out in Note 28.3 to the financial statements. All fees and remuneration have been duly approved by the Board of Directors of the Company.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors has ensured that an effective and comprehensive system of internal controls is in place to monitor, control, and manage the risks faced by the Company. This system enables the Company to conduct its business in an orderly manner, safeguard its assets, and ensure the reliability and accuracy of its records.

EXPOSURE TO RISK

The Company's risk exposure was disclosed in Note 31 to the financial statements.

CORPORATE GOVERNANCE

The Directors recognize their responsibility for the Company's corporate governance and internal control systems, ensuring accountability to shareholders by providing strategic direction and safeguarding the Company's assets. The Board is satisfied with the effectiveness of the internal control system as of the date of signing the financial statements. Details on compliance with recommended corporate governance practices can be found on pages 105 - 127 of the Annual Report.

The Company's performance is continuously monitored through review meetings to ensure alignment with established targets. Additionally, regular Board meetings enhance this oversight, reinforcing the review process and ensuring compliance with all statutory and regulatory requirements.

DIVIDEND

For the financial year 2024/25, the Company distributed dividends totaling LKR 6,423 million under review out of the profits of the Company.

DONATIONS

The donations made by the Company are disclosed under Note 10 to the Financial Statements.

SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied in preparing the financial statements are outlined on pages 157 - 201. There were no changes in the Company's accounting policies during the year under review.

GOING CONCERN

The Board of Directors has assessed the Company's business plans and is confident that it has sufficient resources to sustain operations in the foreseeable future. Therefore, the financial statements have been prepared on a going concern basis.

CAPITAL EXPENDITURE

Details of equipment and their movements during the year are given in Note 20 to the financial statements.

RESERVES

The movements in reserves during the financial year 2024/25 have been presented in the statement of Changes in Equity on page 155 of the Annual Report.

INCOME TAX EXPENSES

Income tax expenses have been computed in accordance with the provision of the Inland Revenue Act No. 24 of 2017 and subsequent Amendment Act No. 14 of 2023 as disclosed in Note 11 to the financial statements.

STATED CAPITAL

The stated capital of the Company as at 31st March 2025 was LKR 723,348,421 consisting of 329,417,884 ordinary shares. (2024 - 329,417,884 ordinary shares – LKR 723,348,421).

SHARE INFORMATION AND SUBSTANTIAL SHAREHOLDERS

Details required by the CSE Listing Rules, including the distribution of shareholding with respective percentages, the top 20 major shareholders, public holding and ratios, and market price information, are stated under Investor information on pages 203 - 205 of the Annual Report.

STATUTORY PAYMENTS AND COMPLIANCE WITH LAWS AND REGULATIONS

The Directors, to the best of their knowledge and belief, are satisfied that all statutory payments due to the Government and employees have been made on time, and that the Company has not engaged in any activities that violate laws and regulations.

EQUAL OPPORTUNITIES

The Company is committed to providing equal opportunities to all employees irrespective of their gender, marital status, age, religion, race, or disability. It is the Company's policy to give full and fair consideration to persons, with respect to applications for employment, continued employment, training, career development and promotion, having regard for each individual's particular aptitudes and abilities.

EVENTS OCCURRING AFTER THE REPORTING DATE

There were no material events after the financial reporting period which require an adjustment to or a disclosure in the financial statements and refers to the Note 30 to the financial statements.

ESG RISKS AND OPPORTUNITIES

The Company's business operations may have both direct and indirect environmental impacts. Our policy is to carry out these activities in an environmentally responsible manner, minimizing negative effects and ensuring compliance with all relevant regulations.

ENVIRONMENT PROTECTION

The Company has not engaged in any activities which have caused detriment to the environment or activities they have carried out on environment protection.

APPOINTMENT OF AUDITORS

A resolution for the re-appointment of the Messrs. KPMG, Chartered Accountants, as auditors of the Company for the year 2025/26 will be proposed at the Annual General Meeting. As far as the Directors are aware, the Auditors do not have any relationship (other than that of an auditor), with the Company providing audit and tax services.

AUDITORS' REMUNERATION

The Auditors' fees and expenses paid for the statutory audit and non-audit services are disclosed under the Note 10 in the Financial Statements.

AUDITOR'S RIGHT TO INFORMATION

Every individual serving as a Director of the Company at the time of this report's approval affirms that, to the best of their knowledge, there is no pertinent audit information that the Company's Auditors are unaware of.

Each Director has fulfilled their responsibilities by taking all necessary measures to become acquainted with any pertinent audit information and to ensure that the Company's Auditors are aware of that information.

OUTSTANDING LITIGATION

There were no material litigations or claims that could have a material impact to the financial position of the Company.

CONTINGENCY LIABILITIES

The material contingent liabilities are disclosed in Note 29 in the Financial Statements.

ANNUAL REPORT OF THE BOARD OF DIRECTORS

ANNUAL GENERAL MEETING

The Annual General Meeting of the Company is scheduled for the 28th August 2025. The notice calling for the Meeting and the agenda can be found on page 224 of the Annual Report.

ACKNOWLEDGEMENT OF THE CONTENT OF THE REPORT

In accordance with Section 168 (1) (k) of the Companies Act No. of 2007, this Report is signed on behalf of the Board of Directors by two Directors and the Company Secretaries, as authorized by the Board Resolution passed on 29th July 2025, after acknowledging the contents of this Annual Report.

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



Mr. L. H. S. L. Silva
Chief Executive Officer




Mr. D. A. De Zoysa
Chairman



**S S P Corporate Services (Private)
Limited**
Company Secretaries

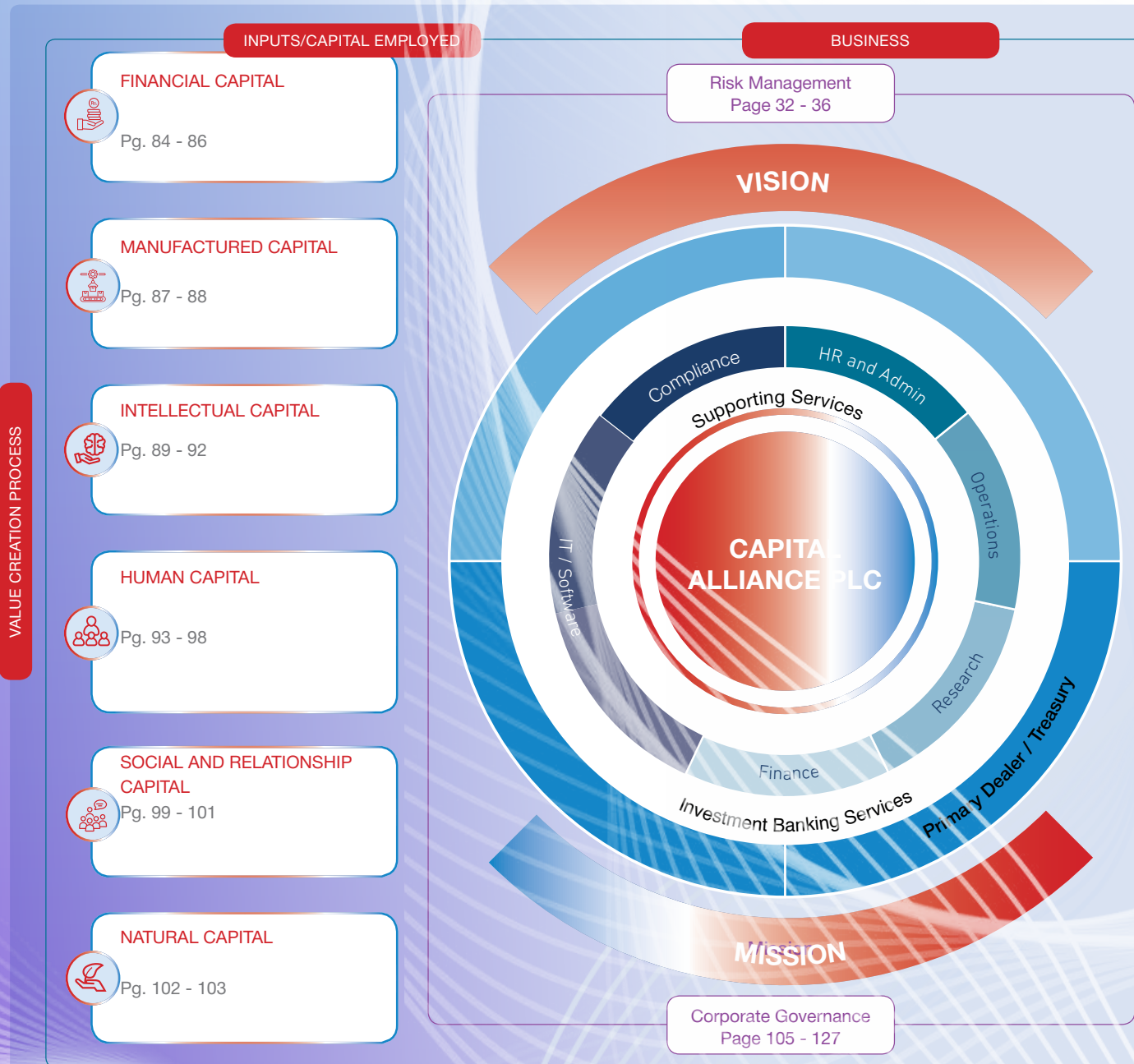
29th July 2025

An abstract graphic design featuring two overlapping funnel-like shapes, one blue and one pink, meeting at a central point. The shapes are composed of concentric, slightly irregular lines. A solid blue vertical line runs down the right side, and a solid pink vertical line runs down the left side. The text 'HARMONY OF OUR HOLDINGS' is centered over the graphic.

HARMONY OF OUR
HOLDINGS

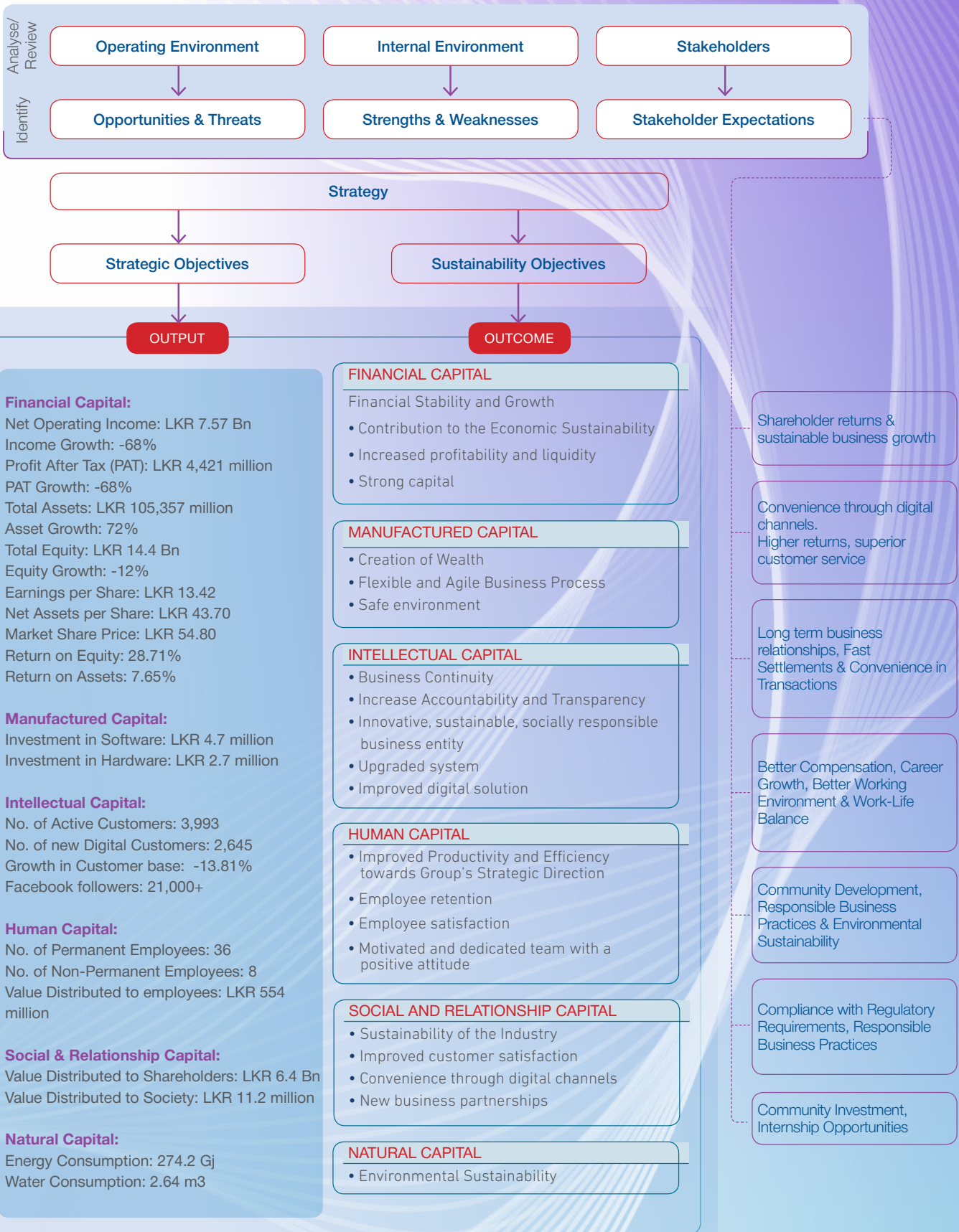
BUSINESS MODEL

Our operational framework details how we generate value by utilizing our capital and converting it through our business activities, thus impacting our stakeholders, society, and the environment. We continuously assess our external environment to identify risks and opportunities pertinent to CALT, prompting necessary adjustments to our business model and strategies. As responsible corporate citizens, we constantly enhance our processes and technology to minimize any negative social and environmental impacts that may result from our business model.



Sustainable Development Goals





HUMAN CAPITAL		Employee Empowerment (EE)										Refer the pages 93 - 98	
Indicator	Value Creation Status											Key Drivers	
No. of employees	2024/25												<ul style="list-style-type: none"> • Annual Workforce Plan • Annual Training Budget • Group HR Function • Compliance and best practices • HR Policy Framework • Recruitment and Selection • Remuneration and Benefits • Performance Management • Training and Development • Employee Relations • Employee Engagement • Employee Health and Safety • Work-Life Balance
	2023/24												
No. of new recruits	2024/25												
	2023/24												
Total employee benefits paid	2024/25												
	2023/24												
Total training hours	2024/25												
	2023/24												
Membership subscriptions	2024/25												
	2023/24												
Staff covered by the health plan (%)	2024/25												
	2023/24												

MANUFACTURED CAPITAL		Inspired Innovations (II)										Refer the pages 87 - 88	
Indicator	Value Creation Status											Key Drivers	
No. of Recurring Users of CAL Online Web App	2024/25												<ul style="list-style-type: none"> • Technology Roadmap
	2023/24												
No. of new customers to CAL onboarded digitally	2024/25												
	2023/24												
Cost of Investment - Computer Software (Rs.)	2024/25												
	2023/24												
Cost of Investment - Computer & IT Equipment (Rs.)	2024/25												
	2023/24												

INTELLECTUAL CAPITAL		Inspired Innovations (II) / Client Centricity (CC)										Refer the pages 89 - 92	
Indicator	Value Creation Status											Key Drivers	
Awards	Most Respected Entities in Sri Lanka for Sector Winner – Investment Banking by LMD Certificate of Recognition from LankaPay Great Place to Work Certification Mar 2024 – Mar 2025 AICPA & CIMA Official Training Partner One of the Top 20 Employers for 2023 by CFA Society Sri Lanka											<ul style="list-style-type: none"> • Industry Standing • Regulatory Compliance • Ethics and Integrity • Partner Networks • Research • IT Infrastructure • Information Security Systems 	
	2024/25												
	2023/24												
	CAL Brand (Ranking)	2024/25											
	2023/24												
	Top 100 most valuable Sri Lankan brands in Sri Lanka by ranking as; 2023 – No. 95 and Brand Rating as AA-												

SNAPSHOT OF OUR CAPITAL POSITION AND STRATEGIC OUTCOMES

GRI 418-1

SOCIAL & RELATIONSHIP CAPITAL		Client Centricity (CC), Social Sustainability (SS)	Refer the pages 99 - 101	
Indicator	Value Creation Status	Key Drivers		
Growth in Customer base (%)	2024/25	<ul style="list-style-type: none"> Client Relationships Transparency of information Customer Privacy Value Added Services CAL Foundation Corporate Social Responsibility Activities Internship Programme 		
	2023/24			
No. of Reported incidents pertaining to the breach of customer privacy	2024/25 - None			
	2023/24 - None			
CAL Foundation	The CAL Foundation has been given the mandate to uplift and enable differently-abled kids in Sri Lanka to realize their full potential.			
Corporate Social Responsibility Services	Settlement of utility bills of "Sith Sevana Mentally Handicapped Children's Development Society" at Thanamalwila.			
	Donations to "Centre For Handicapped"			
	Donation to Spectacle camp			
Value of Total Donations (Rs.)	2024/25			
	2023/24			
Summer Internship Programme (No. of Interns Recruited)	2024/25			
	2023/24			
NATURAL CAPITAL		Social Sustainability (SS)	Refer the pages 102 - 103	
Indicator	Value Creation Status	Key Drivers		
Paper Usage (No. of sheets used)	2024/25	<ul style="list-style-type: none"> Technology adoption Automation to minimize paper-based processes 		
	2023/24			
Electricity Consumption (KWh)	2024/25			
	2023/24			
Paperless office	<ul style="list-style-type: none"> Process automation Emphasis on the reuse of paper before it is recycled 			

STAKEHOLDER ENGAGEMENT

GRI 2-29

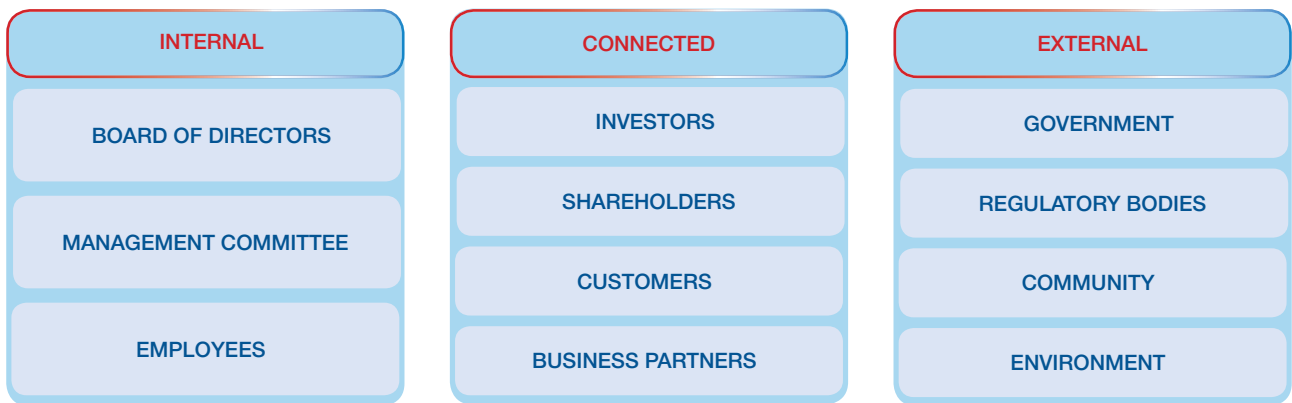
OUR STAKEHOLDERS

At CALT, we recognize that our stakeholders play a pivotal role in shaping our business strategy, market presence, and long-term sustainability. As a primary dealer, we operate in a highly-regulated and dynamic financial ecosystem where trust, transparency, and accountability are paramount. Our stakeholders - including investors, regulatory bodies, clients, employees, financial institutions, and the broader market - directly influence and are impacted by our operations.

In line with our commitment to Environmental, Social, and Governance (ESG) principles, we actively engage with stakeholders to foster sustainable financial practices, uphold ethical standards, and contribute to a resilient economic system. We prioritize responsible investing, risk management, and regulatory compliance while striving to create long-term value for all our stakeholders.

By maintaining open communication and aligning our business objectives with stakeholder expectations, we ensure a balanced approach that integrates financial performance with sustainability considerations. Through collaboration and continuous engagement, we aim to drive positive economic impact while upholding our ESG commitments and reinforcing our role as a trusted financial intermediary.

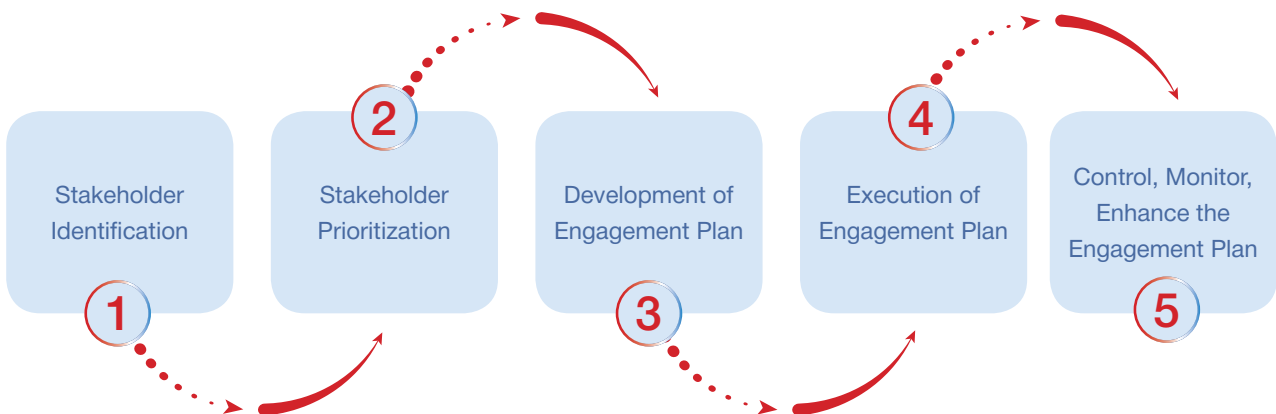
CALT has identified eleven key stakeholder groups that are significantly impacted by its business activities, outcomes, or outputs, or whose actions play a crucial role in shaping CALT's ability to generate long-term value.



STAKEHOLDER ENGAGEMENT PROCESS

We recognize stakeholder engagement is essential for sustainable growth, regulatory compliance, and responsible financial practices. We operate in a dynamic and highly-regulated environment, which requires proactive interaction with key stakeholders, including regulatory bodies, investors, clients, financial institutions, employees, and market participants.

Our engagement process is structured to foster transparency, trust, and collaboration, ensuring that stakeholder concerns are addressed while aligning our operations with long-term value creation. A core aspect of this process is integrating Environmental, Social, and Governance (ESG) principles, reinforcing our commitment to ethical business practices, financial stability, and sustainable development.



STAKEHOLDER ENGAGEMENT

By continuously assessing stakeholder expectations and market developments, we refine our engagement strategies to align with evolving financial, regulatory, and ESG landscapes. Our commitment to stakeholder dialogue ensures that we uphold market integrity, strengthen relationships, and contribute to a stable and sustainable financial system.

POWER	High	KEEP SATISFIED <ul style="list-style-type: none"> • Governments • Regulators 	MANAGED CLOSELY <ul style="list-style-type: none"> • Shareholders • Investors • Customers • Business Partners
	Low	MINIMAL EFFORTS <ul style="list-style-type: none"> • Community • Environment 	KEEP INFORMED <ul style="list-style-type: none"> • Employees
		Low	High
Interest			

Outlined below are the various communication channels CALT uses to promote transparent interactions and cultivate mutually beneficial relationships while consistently gathering feedback from our stakeholders. Through these engagements, CALT actively enhances financial literacy and addresses capacity-building needs, reflecting our commitment as a primary dealer dedicated to achieving the nation's 'Sustainable Development Goals' (SDGs).

Stakeholder	Ways of Engagement	Frequency of Engagement	Key Concerns	Reference to the Annual Report
Shareholders/ Investors	<ul style="list-style-type: none"> Annual General Meeting Annual Report Interim Financial Statements Corporate Website Extraordinary General Meetings Press Conferences/ Press Releases Social Media Platforms 	<ul style="list-style-type: none"> ● ● ● ● ● ● ● 	<ul style="list-style-type: none"> Credibility and Financial Position Credit Rating Competitive Strengths Cost management Capital and liquidity management IT security and fraud management Digitization and process automation Risk management Regulatory compliance and disclosures Business ethics and anti-corruption Compliance with laws and regulations, including the laws governing money laundering and terrorist financing Human and labour rights 	<ul style="list-style-type: none"> Financial capital Social and relationship capital Financial reports Corporate governance Investor information Materiality assessment

SDG Impact:



Customer	<ul style="list-style-type: none"> Relationship Managers One-on-one meetings Press Conferences/ Press Releases Corporate Website Social Media Platforms 	<ul style="list-style-type: none"> ● ● ● ● ● 	<ul style="list-style-type: none"> Timeliness and relevance of Product and Services Availability of market information Service Excellence Digital Access Information Security and Customer Privacy 	<ul style="list-style-type: none"> Intellectual capital Social and relationship capital Financial capital Manufactured capital Materiality assessment
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SDG Impact:



● Annually ● Quarterly ● Monthly ● Weekly ● As and when required ● Continuous and Ongoing

STAKEHOLDER ENGAGEMENT

GRI 207-3

Stakeholder	Ways of Engagement	Frequency of Engagement	Key Concerns	Reference to the Annual Report
Employees	<ul style="list-style-type: none"> Espresso Meetings Formal and informal discussion Internal communication channels Training programs Recreational activities Town Hall sessions Incontro Meetings Counselling Awards Ceremonies 	<ul style="list-style-type: none"> ● ● ● ● ● ● ● ● ● 	<ul style="list-style-type: none"> Pay and Benefits Human and labour rights Development opportunities Career Prospects Connectivity to Management Diversity and Inclusion Job Satisfaction Work-life Balance 	<ul style="list-style-type: none"> Human capital Social and relationship capital Financial capital Intellectual capital Corporate governance Materiality assessment

SDG Impact:



Business Partners	<ul style="list-style-type: none"> One-on-one meetings Networking Corporate Website Social Media Platforms 	<ul style="list-style-type: none"> ● ● ● ● 	<ul style="list-style-type: none"> Credibility and Financial Position Credit Rating Competitive Strengths IT security and fraud management Regulatory compliance and disclosures Business ethics and anti-corruption Compliance with laws and regulations, including the laws governing money laundering and terrorist financing 	<ul style="list-style-type: none"> Financial capital Social and relationship capital Intellectual capital Annual report of the Board of Directors Corporate governance Materiality assessment
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SDG Impact:



● Annually ● Quarterly ● Monthly ● Weekly ● As and when required ● Continuous and Ongoing

Stakeholder	Ways of Engagement	Frequency of Engagement	Key Concerns	Reference to the Annual Report
Community and Environment	<ul style="list-style-type: none"> Press Conferences/Press Releases Corporate Website Social Media Platforms Annual Report Community Initiatives 	<ul style="list-style-type: none"> ● ● ● ● ● 	<ul style="list-style-type: none"> Community development Internships 	<ul style="list-style-type: none"> Social and relationship capital Natural capital Corporate governance Our approach towards sustainable development Materiality assessment

SDG Impact:



Government and Regulators	<ul style="list-style-type: none"> Regulatory Audits Interim Financials Annual Report Regulatory submissions/filings Other meetings 	<ul style="list-style-type: none"> ● ● ● ● ● 	<ul style="list-style-type: none"> Business ethics and anti-corruption Compliance with laws and regulations, including the laws governing money laundering and terrorist financing Security Human and labour rights 	<ul style="list-style-type: none"> Natural capital Intellectual capital Financial reports Corporate governance Materiality assessment
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SDG Impact:



● Annually ● Quarterly ● Monthly ● Weekly ● As and when required ● Continuous and Ongoing

MATERIALITY ASSESSMENT

GRI 3-1

MATERIALITY

Material issues are aspects that significantly impact the sustainability of our value creation process in the short, medium, and long term. We recognize that these issues influence our financial performance, risk profile, and broader responsibilities as a primary dealer.

The foundation of our strategy lies in addressing the needs, expectations, and key concerns of our stakeholders. Our materiality assessment identifies critical financial and ESG (Environmental, Social, and Governance) factors, ensuring that our business remains resilient, responsible, and aligned with global sustainability goals.

We actively engage with our internal and external stakeholders to gain deep insights into their priorities and concerns regarding economic, environmental, governance, and social matters as follows:

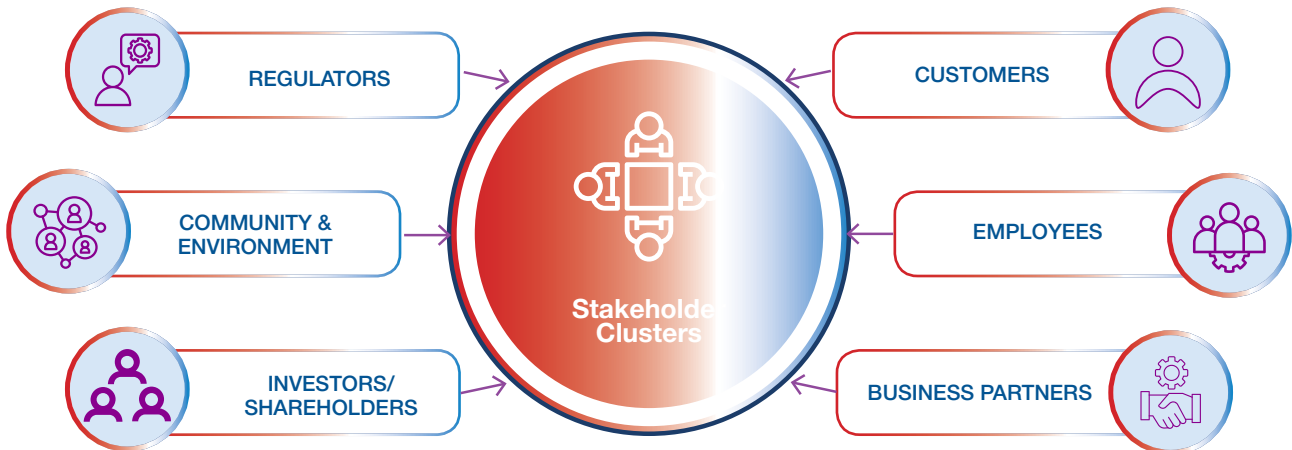


MATERIALITY DETERMINATION PROCESS

Analyzing materiality is a crucial process for CALT, allowing us to identify key issues of critical importance to both our business and stakeholders, across internal and external domains. Engaging with stakeholders is a vital aspect of strong sustainability practices, aiding in the identification and resolution of:

- Significant impacts related to business operations and strategy;
- Stakeholders significantly affected; and
- Stakeholders with substantial potential to influence CALT.

CALT includes six unique stakeholder clusters as follows:



This process serves as a foundation for improving performance, refining our sustainability framework, and implementing corporate governance practices throughout CALT. Through materiality analysis, CALT identifies aspects of utmost importance to both its stakeholders and itself, aligning with its economic, social, and environmental agenda aimed at promoting sustainable value creation.

KEY ESG DRIVEN MATERIAL ISSUES

	 Environment	 Social	 Governance
Financial materiality	<ul style="list-style-type: none"> Sustainable investment opportunities 	<ul style="list-style-type: none"> Employee well-being, diversity, and inclusion Investor protection 	<ul style="list-style-type: none"> Regulatory compliance Board accountability
Impact materiality	<ul style="list-style-type: none"> Energy efficiency and responsible resource management Digital transformation Identification and mitigation of climate-related financial risks ESG reporting and disclosure requirements (SLFRS S1 & SLFRS S2) 	<ul style="list-style-type: none"> Corporate social responsibility (CSR) programs Responsible stakeholder engagement Ethical business practices Ethical culture and compliance training 	<ul style="list-style-type: none"> Transparency in corporate governance Adequate financial disclosures Anti-corruption measures

By embedding ESG considerations into the CALT materiality framework, we strengthen our commitment to the long-term financial performance, responsible market participation and sustainable economic growth. Our approach ensures that CALT remains a trusted partner in the primary dealer industry, while contributing to the nation’s broader sustainability objectives.

OPPORTUNITIES TO BE CAPITALIZED

IMPORTANCE TO STAKEHOLDERS	High		3, 6, 8, 10, 11, 14	12, 13, 16, 20, 21, 22, 23, 24, 25, 28
	Moderate		18, 29	26, 27
Low				
		Low	Moderate	High
		Importance to the Company		

RISKS TO BE MITIGATED

IMPORTANCE TO STAKEHOLDERS	High		7	1, 2, 5, 6, 8, 14, 17
	Moderate		4, 9, 29	15, 19
Low				
		Low	Moderate	High
		Importance to the Company		

MATERIALITY ASSESSMENT

	STAKEHOLDER	POLITICAL	ECONOMIC	SOCIAL	TECHNOLOGICAL	ENVIRONMENTAL	LEGAL
Investors/ Shareholders	1. Lack of political and policy consistency		5. Economic slowdown	11. Increased influence of social media	24. Increased demand for Digital Technology and Strategic Resources		
	2. Lack of desired level of transparency and accountability		6. Depreciating currencies	12. Demand for non-financial information	20. Higher regulatory capital requirements		
			7. Downgrading of the credit rating	13. Demand for more transparency and accountability			21. New compliance requirements
			8. Rising inflation and interest rates	23. Increased demand for Sustainable Financial Performance			
				28. Need to improve business resilience			
Customers	3. Changes in Tax Policies			14. Changing customer expectations	17. Cybersecurity threats		22. Compliance requirements for digitalized client onboarding
				25. Increased importance of Brand Equity and organizational Reputation			
Employees				15. Staff recruitment and retention becoming more challenging	18. Technology driving change in job skills		
				27. Employee Empowerment			
Society and environment	4. Corruption		9. Declining global competitiveness of Sri Lanka	16. Need to commit to Sustainable Development Goals (SDGs)	19. Import restrictions related to IT equipment	29. Environmental threats and disasters	
Business partners			10. A more collaborative approach	26. Strategic partnerships			
Government	1. Lack of political and policy consistency						

MATERIAL TOPIC	IMPACTED CAPITAL
1. Lack of political and policy consistency	Financial Capital
2. Lack of desired level of transparency and accountability	Financial Capital
3. Changes in Tax Policies	Financial Capital
4. Corruption	Financial Capital, Social & Relationship Capital
5. Economic slowdown	Financial Capital, Social & Relationship Capital
6. Depreciating currencies	Financial Capital
7. Downgrading of the credit rating	Financial Capital
8. Rising inflation and interest rates	Financial Capital
9. Declining global competitiveness of Sri Lanka	Financial Capital, Social & Relationship Capital
10. A more collaborative approach	Social & Relationship Capital
11. Increased influence of social media	Intellectual Capital
12. Demand for non-financial information	Social & Relationship Capital, Natural Capital
13. Demand for more transparency and accountability	Financial Capital
14. Changing customer expectations	Social & Relationship Capital, Natural Capital
15. Staff recruitment and retention becoming more challenging	Human Capital
16. Need to commit to Sustainable Development Goals (SDGs)	Financial Capital, Human Capital, Intellectual Capital, Social & Relationship Capital, Natural Capital
17. Cybersecurity threats	Manufactured Capital
18. Technology driving change in job skills	Manufactured Capital, Human Capital
19. Import restrictions related to IT equipment	Manufactured Capital, Social & Relationship Capital
20. Higher regulatory capital requirements	Financial Capital, Intellectual Capital
21. New compliance requirements	Intellectual Capital
22. Compliance requirements for digitalized client onboarding	Intellectual Capital, Social & Relationship Capital
23. Increased demand for Sustainable Financial Performance	Financial Capital
24. Increased demand for Digital Technology and Strategic Resources	Manufactured Capital, Intellectual Capital
25. Increased importance of Brand Equity and Organizational Reputation	Intellectual Capital, Social & Relationship Capital
26. Strategic partnerships	Social & Relationship Capital
27. Employee Empowerment	Human Capital
28. Need to improve business resilience	Financial Capital, Human Capital, Intellectual Capital, Social & Relationship Capital, Natural Capital
29. Environmental threats and disasters	Natural Capital

MATERIALITY ASSESSMENT

MANAGEMENT APPROACH

CALT systematically addresses its material concerns through strategic planning, ensuring accountability and resource allocation align with their significance in achieving strategic objectives. Department Heads are assigned responsibility, and resources are distributed accordingly to enhance the organization's long-term value.

To drive goal achievement on material matters, CALT incorporates relevant objectives and targets into the Key Performance Indicators (KPIs) of Key Management Personnel, subject to regular review.

A robust framework of policies guides employees in conducting business ethically, transparently, and responsibly, ensuring alignment with material concerns. Compliance is reinforced through internal and external audits and verifications, which assess adherence to internal controls, policies, and procedures. Findings are consistently reported to the Board of Directors and/or Management Committees, facilitating informed decision-making and enabling timely corrective actions when necessary.

MATERIALITY ASSESSMENT

We recognize that material issues impact both our financial performance and the broader economic, environmental, and social landscape. Our Double Materiality Assessment ensures that we evaluate the material issues from two key perspectives as follows:

- Financial Materiality on how the ESG factors affect CALT's value, risk profile, and long-term financial performance.
- Impact Materiality on how our business activities influence the Economy, Society, and Environment.

Capital	Stakeholder	Impact on Corporate Value creation	Current Impact	Future Impact
Financial Capital	<ul style="list-style-type: none"> • Shareholders/ Investors 	Revenue: <ul style="list-style-type: none"> • Trading and investment • Leverage • Market making • Client services 	<ul style="list-style-type: none"> • Financial stability and performance by maintaining liquidity • Managing risks • Regulatory compliance • Strategic decision making 	<ul style="list-style-type: none"> • Increase in regulatory compliance • Integration of ESG Factors • Technological advancements such as AI, big data analysis • Market volatility and economic shifts • Stakeholder expectations and transparency
		Cost: <ul style="list-style-type: none"> • Economies of scale • Operational efficiency • Funding costs 	<ul style="list-style-type: none"> • Costs associated with implementing regulatory frameworks • Operational costs • Environmental and social costs • Investments in new technology 	<ul style="list-style-type: none"> • Technological advancements • Sustainability and ESG costs • Fluctuations in global economic condition • Costs associated with market risk management • Attracting and retaining skilled personnel
		Risks: <ul style="list-style-type: none"> • Buffer against losses • Creditworthiness and counterparty risk • Regulatory compliance • Risk management 	<ul style="list-style-type: none"> • Market volatility • Creditworthiness • Liquidity management • Regulatory compliance 	<ul style="list-style-type: none"> • Technological and cyber risks • Climate change and environmental risks • Market and risk volatility

Capital	Stakeholder	Impact on Corporate Value creation	Current Impact	Future Impact
Manufactured Capital	<ul style="list-style-type: none"> Shareholders Customers 	Revenue: <ul style="list-style-type: none"> Advanced trading platforms Market access Customer satisfaction and retention Value-added Services 	<ul style="list-style-type: none"> Invest in advanced trading platforms, risk management systems, and other technological infrastructure Operational scalability Maintenance and upgradation of facilities 	<ul style="list-style-type: none"> Cybersecurity and data protection Regulatory compliance and risk management Innovation and competitive edge Advanced technology integration
		Cost: <ul style="list-style-type: none"> Operational efficiency Maintenance and downtime Scalability Automation 	<ul style="list-style-type: none"> Costs of maintaining and upgrading the technological infrastructure Regulatory compliance costs Cybersecurity expenditures Environmental and sustainability costs 	<ul style="list-style-type: none"> Enhanced cyber security needs Sustainability and environmental costs Continued technological advancements Operational resilience investments
		Risks: <ul style="list-style-type: none"> Operational risk Regulatory compliance Market risk management Technology risk Liquidity risk 	<ul style="list-style-type: none"> Increasing focus on sustainability and environmental regulations Evaluating the potential financial losses from any technology disruptions and the costs of mitigating these risks. Maintain sufficient capital buffers and liquidity reserves to manage these risks 	<ul style="list-style-type: none"> Need to account for the increased complexity and potential vulnerabilities of new technologies. To invest in advanced compliance systems and ensure their infrastructure meets evolving regulatory standards. Impact of market and credit risks on the value and stability of manufactured capital and ensure adequate risk management measures are in place.
Intellectual Capital	<ul style="list-style-type: none"> Employees 	Revenue: <ul style="list-style-type: none"> Expertise and Skills Innovative Financial Products Client Relationships Brand Reputation 	<ul style="list-style-type: none"> Value of intellectual capital and its direct impact on revenue Consider investments in more efficient and profitable trading strategies Brand equity and customer loyalty Value and impact of research and analytical functions on revenue generation. 	<ul style="list-style-type: none"> Invest in intellectual capital to develop, integrate, and maintain these technologies. Investment in data analytics Continuous learning and talent development on intellectual capital and revenue Client relationship management
		Cost: <ul style="list-style-type: none"> Operational Efficiency Automation and Technology Training and Development Employee Retention 	<ul style="list-style-type: none"> Talent acquisition and retention Research & development cost Employee training and development 	<ul style="list-style-type: none"> Investment in advanced technologies and cybersecurity Acquire advanced analytics tools

MATERIALITY ASSESSMENT

Capital	Stakeholder	Impact on Corporate Value creation	Current Impact	Future Impact
		Risks: <ul style="list-style-type: none"> • Risk Management Expertise • Regulatory Compliance • Crisis Management • Data Security 	<ul style="list-style-type: none"> • Evaluate the adequacy of cybersecurity measures and their effectiveness in mitigating these risks. • The costs associated with maintaining regulatory compliance • Effectiveness of risk management strategies and the role of intellectual capital in minimizing potential losses • Risks associated with technological advancements. 	<ul style="list-style-type: none"> • Substantial investments in R&D • Climate change and ESG compliance • Advanced cybersecurity threats • Market volatility
Human Capital	• Employees	Revenue: <ul style="list-style-type: none"> • Expert Trading and Market Analysis • Client Relationships • Product Innovation • Advisory Services Cost: <ul style="list-style-type: none"> • Operational Efficiency • Technology Utilization • Training and Development • Attrition and Retention Risks: <ul style="list-style-type: none"> • Risk Management Expertise • Regulatory Compliance • Crisis Management • Ethical Standards 	<ul style="list-style-type: none"> • Training & retention • Effective client relationship management • Investments in human capital for innovation and product development • Operational efficiency • Investments in hiring, training, and retaining skilled employees • Impact on financial performance, risk management, and overall business strategy • Fluctuations in labor market conditions • Risks associated with strategic workforce planning, talent acquisition, and succession planning 	<ul style="list-style-type: none"> • Investment in upskilling employees • ESG expertise • Ongoing professional development and continuous learning • Mandatory specific disclosures • Track and report on ESG-related human capital metrics and impact on overall cost. • Require initial capital expenditures and ongoing operational costs. • Manage and disclose ESG-related human capital metrics • Invest in reskilling and upskilling programs to address skill gaps
Social and Relationship Capital	<ul style="list-style-type: none"> • Professional Bodies • Regulators • Investments Banking and • Financial Industry Associations • Business Collaborations 	Revenue: <ul style="list-style-type: none"> • Client Relationships • Market Access • Strategic Partnerships 	<ul style="list-style-type: none"> • Client retention and loyalty • Market Reputation and Brand Value • Adhere to ethical standards, regulatory requirements, and risk management practices 	<ul style="list-style-type: none"> • Increasing emphasis on client experience • Adoption of advanced technologies • Focus on ESG and Corporate Responsibility • Digital Transformation and Client Engagement

Capital	Stakeholder	Impact on Corporate Value creation	Current Impact	Future Impact
		Cost: <ul style="list-style-type: none"> Operational Efficiency Employee Retention 	<ul style="list-style-type: none"> Training and development programs Ongoing monitoring and reporting of Key Performance Indicators (KPIs) Investments in technology infrastructure 	<ul style="list-style-type: none"> Digital transformation initiatives Regulatory developments Client experiences enhancements ESG considerations Talent management strategies
		Risks: <ul style="list-style-type: none"> Crisis Management Reputation Management 	<ul style="list-style-type: none"> Regulatory compliance Cybersecurity and data privacy Employee relations and talent management Operational resilience Interconnectedness of client relationships 	<ul style="list-style-type: none"> Advancements in technology Regulatory developments ESG considerations Evolving client expectation Talent management strategies
Natural Capital	Environment	Revenue: <ul style="list-style-type: none"> Environmental Factors in Investments Green Investments 	<ul style="list-style-type: none"> Client demand for ESG integration Cost savings and efficiency Commitment to environmental stewardship and sustainable business practices 	<ul style="list-style-type: none"> Integration of natural capital in risk management practices Enhanced market reputation Technological innovation
		Cost: <ul style="list-style-type: none"> Regulatory Compliance Sustainable practices 	<ul style="list-style-type: none"> ESG integration Technology adoption CSR initiatives 	<ul style="list-style-type: none"> Opportunities for operational efficiencies ESG integration Advancements in technology
		Risks: <ul style="list-style-type: none"> Environmental stewardship Climate change and natural disasters 	<ul style="list-style-type: none"> Ensure operational resilience Protecting financial performance Maintaining stakeholder trust Safeguarding reputation 	<ul style="list-style-type: none"> Climate change Market dynamics Technological advancements Stakeholder expectations

OPERATING CONTEXT AND OUR RESPONSES

The past year presented a dynamic and evolving financial landscape, shaped by macroeconomic fluctuations, regulatory developments, and market volatility. Global economic uncertainties, inflationary pressures, and interest rate adjustments influenced investor sentiment and market liquidity. The Central Bank policy adjustments and liquidity management measures played a critical role in influencing market yields and investor sentiment. The regulatory bodies continued to emphasize transparency, risk management and compliance, necessitating adaptive strategies for CALT to maintain its operational efficiency and market stability.

STRENGTHS	IMPACT TO CALT	OUR RESPONSES
Skilled workforce	Capability to deliver advanced services and solutions that drive business growth.	Strengthened workforce capabilities through continuous development. Providing clients with data-driven market insights for informed decision-making amid volatility.
High caliber governance body and Senior Management	Outstanding strategic planning and execution.	Implemented professional development programs and talent strategies to cultivate leadership from within and externally.
Regulatory environment	CALT operates under strict regulatory requirements, emphasizing risk management, compliance, and transparency.	Invested in compliance training and resources to foster integrity and accountability.
Robust governance structure & risk management practices	Reduces fraud, risk, and reputational damage from non-compliance.	Focus on risk management through assessments, stress testing, and scenario analysis to mitigate various risks.
Strong business and client relationships	Boosts ability to deliver tailored services, enhancing CAL's reputation and service quality.	Allocating resources to enhance customer relationships and management through training.
Brand name	A strong brand name enhances customer retention and acquisition.	Expand digital marketing to enhance CALT's recognition in the industry.
Diversified business segments	Diversification in investment banking reduces profit volatility and addresses varied customer needs.	A skilled workforce fosters market opportunities, innovation, and client engagement.
State-of-the-art technology and innovation	Advancements in AI and data analytics are reshaping industry practices and client expectations.	Leveraging automation, AI, and data analytics to enhance efficiency, trading, and client solutions at CALT.
Financial stability	A strong balance sheet enables CALT to uphold credit ratings and capitalize on opportunities.	Managing risks and diversifying funding to navigate market fluctuations.

WEAKNESSES	IMPACT TO CALT	OUR RESPONSES
Difficulty retaining skilled personnel due to prevailing economic conditions.	Leads to disruptions, delays, and higher expenses, lowering efficiency.	Implementing automation to minimize manual tasks and improve employee well-being through competitive pay and flexibility.
OPPORTUNITIES	IMPACT TO CALT	OUR RESPONSES
Opportunities for process automation	The automation of processes will enhance productivity across all business functions.	Adopt a proactive approach and embrace new technology.
Increasing digital adoption by clients	Utilizing digital platforms to broaden and diversify client interactions.	Improved digital products and services focused on delivering better customer experience.
Digital adoption allows businesses to expand beyond geographical limits.	Building a diverse, proactive team to meet evolving customer needs.	Staff training and development in IT, including new AI/ML techniques.
Commitment to Sustainable Development Goals (SDGs)	Enhancing CALT's brand value.	Adopt an ESG framework.
THREATS	IMPACT TO CALT	OUR RESPONSES
Talent outflow risk amid economic downturn	Higher employee turnover and challenges in attracting qualified professionals.	Boost staff welfare through competitive pay, flexibility, and an expanded bench program.
Cybersecurity risk	Increased cybercrime and malware risks, jeopardizing the Company's reputation.	Enforced stricter monitoring protocols and increased cybersecurity audits.
Economic deceleration	Decline in market turnover, investment activity, and client transactions.	Expand CALT's international operations while managing costs effectively.
Exchange rate fluctuations	An increase in foreign currency expenses alongside rising revenue generated in foreign currencies.	Strengthen CALT's foreign divisions and optimize currency hedging strategies.
Regulations on currency and limitations on imports.	Difficulty in foreign currency payments and higher import costs in dollars.	Shift to cost-effective alternatives while maintaining service quality.
Volatility in interest rates	Rising asset market volatility affecting margins and capital.	Enhancing asset-liability alignment and managing interest rate risk.
Increased interest rates/funding costs	Rising funding expenses limiting growth and raising operational costs.	Efficient working capital management and exploring alternative funding for business expansion.
Increasing penalties and sanctions for non-compliance.	Rising regulatory costs affect financial metrics.	Engagement in industry groups supporting regulatory reforms.

OUR STRATEGY AND STRATEGIC IMPERATIVES

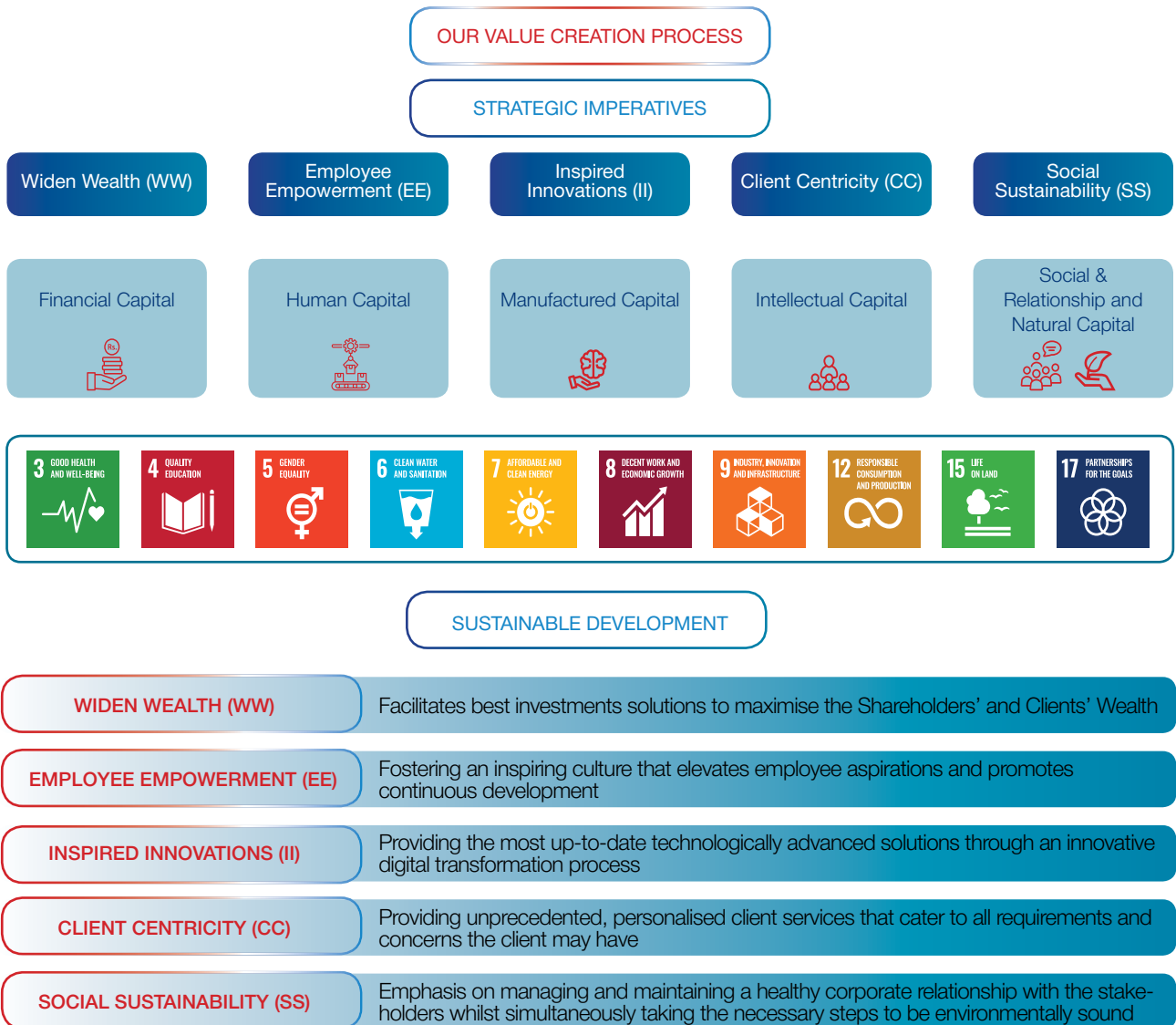
OUR STRATEGY

Our strategy is focused on building a resilient, forward-looking organization capable of delivering long-term value in a rapidly evolving financial landscape. At CALT, we are committed to translating our purpose into meaningful action by embedding our values and culture into every layer of our strategic framework. Informed by a deep understanding of market dynamics, regulatory expectations, and the evolving needs of our clients, our strategy defines the path toward achieving our corporate objectives while sustaining our leadership in the primary dealer space. Central to this approach are our five strategic imperatives, which serve as the guiding pillars for our decisions, priorities, and pursuit of operational and strategic excellence.

Short Term Stability and Optimization	Medium Term Growth and Differentiation	Long Term Leadership and Impact
<ul style="list-style-type: none"> • Enhance operational efficiency through targeted process improvements and automation initiatives to streamline workflows and reduce turnaround times. • Expand market share across key fee-based business verticals by leveraging strategic partnerships, innovation, and client-focused solutions. • Develop an integrated digital ecosystem to enable scalability, improve client experience, and support the growth of our fee-based offerings. • Attract, retain, and nurture a high-performing team with an innovation-driven mindset, fostering a culture of continuous learning and agile thinking. 	<ul style="list-style-type: none"> • Expand our overseas operations by introducing new business verticals aligned with our core competencies and growth strategy. • Launch innovative investment banking and derivative products tailored to the evolving needs of the Sri Lankan and Bangladesh markets. • Strengthen the balance sheet to support the growth of leverage-based business opportunities and enable strategic expansion. 	<ul style="list-style-type: none"> • Establish a strong presence in selected frontier markets with the strategic objective of becoming the leading investment bank across the regions.

OUR STRATEGIC IMPERATIVES

CALT has consistently sustained its success by aligning its efforts around clearly defined strategic imperatives that address the core dimensions of its business. These imperatives reflect CALT's ongoing commitment to integrating sustainability into day-to-day decision-making, creating long-term value for all stakeholders while proactively managing and mitigating any adverse impacts arising from its operations.



CALT's strategy and strategic imperatives provide a focused roadmap for achieving our corporate objectives while sustaining a competitive edge in Sri Lanka's primary dealer industry. In a dynamic financial landscape shaped by regulatory developments, evolving investor expectations, and global macroeconomic shifts, our strategy is built on agility, foresight, and responsible growth.

Grounded in our core principles of integrity, performance excellence, and market discipline, we remain committed to innovation, client-centric solutions, and operational efficiency. At the same time, we recognize the increasing importance of Environmental, Social, and Governance (ESG) considerations in shaping the future of financial services. Our strategy integrates ESG principles across all business activities-ensuring ethical trading, transparency, inclusive access to financial markets, and a low-impact operational footprint.

Our five strategic imperatives: Client Centricity, Inspired Innovation, Employee Empowerment, Widening Wealth, and Social Sustainability, serve as the foundation for long-term value creation. They guide our efforts to scale responsibly, support national financial market development, and contribute meaningfully to the broader socio-economic progress of the country.

As we look to the future, we remain committed to delivering stakeholder value through a strategy that is resilient, growth-oriented, and aligned with global ESG best practices.

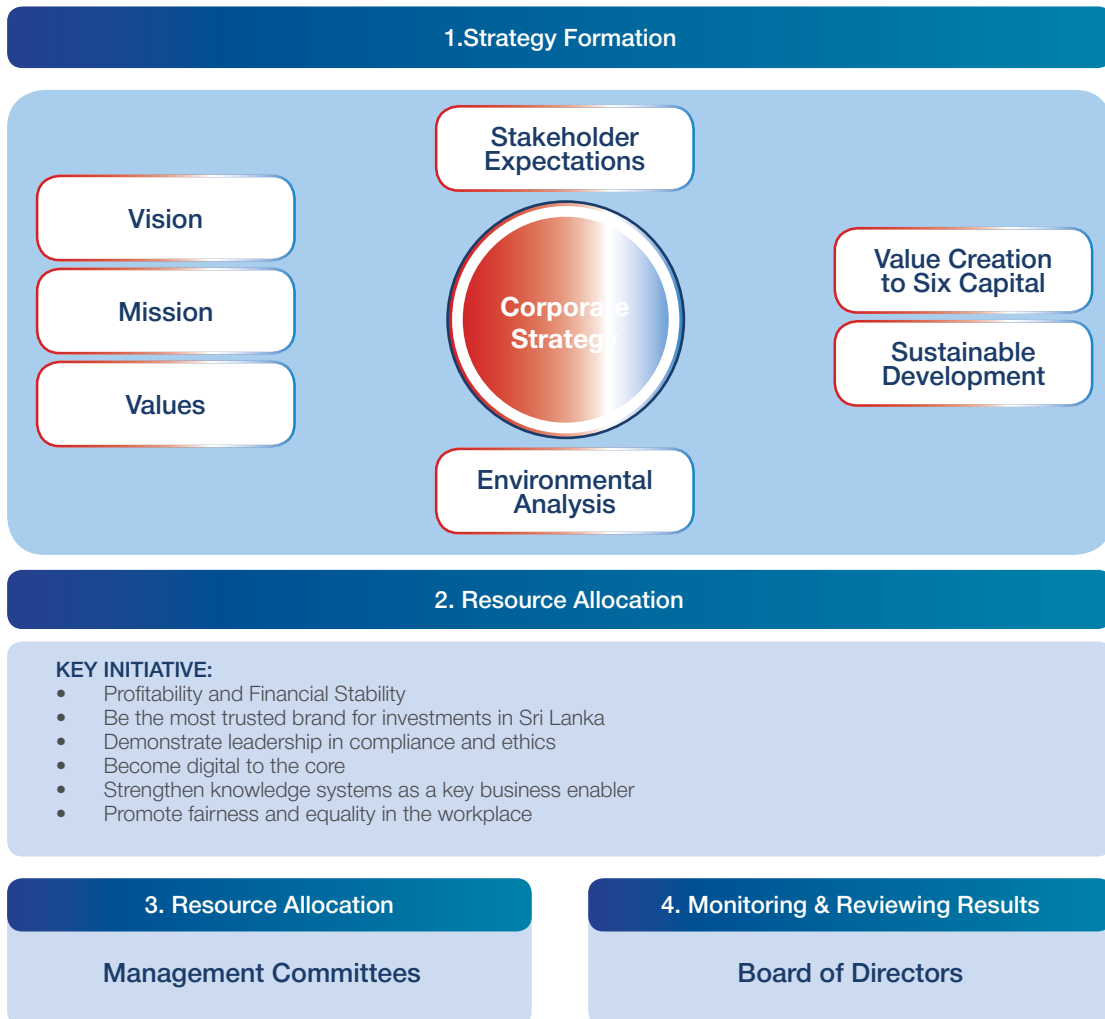
STRATEGY AND RESOURCE ALLOCATION

In the dynamic environment of the primary dealer industry, strategy and resource allocation play a crucial role in driving organizational success. This document serves as a comprehensive guide to understanding how CALT formulates the investment decisions, allocates resources, and pursues its strategic objectives. The main goal driving this initiative is to secure CALT’s continued growth over the medium to long term, while optimizing resource allocation. Aligned with the corporate plan, the following sections outline the specific areas designated for prioritized resource allocation in the upcoming years.

- **Strategic Objectives:** CALT’s strategy is guided by clear and defined strategic objectives that are aligned with the mission and vision. These objectives serve as the foundation for CALT’s decision-making processes and resource allocation strategies.
- **Performance Analysis:** We conduct a thorough analysis of CALT’s overall performance trajectory to assess its strengths, weaknesses, opportunities, and threats. This analysis informs strategic direction and resource allocation decisions of CALT.
- **Capital Allocation Methodologies:** We employ various methodologies to allocate capital for investments, including risk-adjusted returns analysis, portfolio optimization techniques, and scenario planning. These methodologies help CALT to prioritize investment opportunities and maximize returns while managing risks effectively.

By aligning CALT’s strategy with the mission and vision, prioritizing risk management, embracing innovation, and integrating sustainability principles, we position ourselves for sustainable growth and success in the ever-evolving marketplace.

The strategy and resource allocation of CALT can be delineated into four distinct phases of activities.



Our strategy stems from the CALT vision “to be the leading capital market solution provider in the frontier markets”. Our strategy is guided by six key pillars as follows.



**PROFITABILITY AND
STABILITY**



**BE THE MOST TRUSTED
BRAND FOR INVESTMENT
IN SRI LANKA**



**DEMONSTRATE LEADERSHIP
AND COMPLIANCE IN ETHICS**

**BECOME DIGITAL TO
THE CORE**




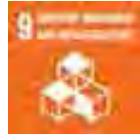


**STRENGTHEN KNOWLEDGE
SYSTEMS AS A KEY ENABLER**





**PROMOTE FAIRNESS AND
EQUALITY IN THE WORK-
PLACE**



STRATEGY AND RESOURCE ALLOCATION

Profitability and Financial Stability	
Key Initiatives for FY 2024/25	Key Outputs for FY 2024/25
Strategically utilize market position and take advantage of the downward adjusting yield curve to generate significant capital gains within its trading portfolio.	Refer Financial Highlights on pages 16 - 17.
Implementing rigorous cost control measures with the goal of reducing operational expenses.	
Embraced digital operations to reduce administrative costs.	
Balance Sheet Management	
Focus for the Future	
Explore opportunities to broaden fund-based revenue streams.	Deploying Robotic Process Automation (RPA) tools for enhanced internal process automation to boost productivity and decrease operational expenses.
Capital Impacted	Financial Capital
Contribution to SDGs	   

Be the most trusted brand for investments in Sri Lanka	
Key Initiatives for FY 2024/25	Key Outputs for FY 2024/25
Implemented a fully functional virtual trading room and maintained uninterrupted operations throughout the year.	<ul style="list-style-type: none"> Fulfilled bid commitments in the primary auctions. Achieved ZERO downtime throughout the year. Awarded for the 'Most Respected Entities in Sri Lanka for Sector Winner – Investment Banking' from LMD
Focus for the Future	
Leveraged on the CALT's new brand identity to position as a leading frontier market in Sri Lanka.	Refer page 101 for the 'social media footprint' under Social and Relationship Capital
Capital Impacted	<ul style="list-style-type: none"> Intellectual Capital
Contribution to SDGs	 

Demonstrate leadership in compliance and ethics

Key Initiatives for FY 2024/25

- Conducted quarterly verifications to evaluate the full compliance status of CALT.
- Performed bi-annual internal audits
- Deployed a new digital monitoring tool to efficiently track compliance with all regulatory requirements set by the Central Bank of Sri Lanka (CBSL).
- Compliance training and ongoing awareness on ethics and integrity
- Conducted vulnerability assessments every quarter to evaluate the threat level for a potential information security breach

Key Outputs for FY 2024/25

- a. the total number of significant instances of non-compliance with laws and regulations during the reporting period, and a breakdown of this total by:
 - i. instances for which fines were incurred - None
 - ii. instances for which non-monetary sanctions were incurred - None
- b. the total number and the monetary value of fines for instances of non-compliance with laws and regulations that were paid during the reporting period, and a breakdown of this total by:
 - i. fines for instances of non-compliance with laws and regulations that occurred in the current reporting period - None
 - ii. fines for instances of non-compliance with laws and regulations that occurred in previous reporting periods - None
- c. the significant instances of non-compliance - None

Focus for the Future

Introduction in new tools and techniques to enable regular vulnerability assessments to be conducted internally

Incorporated mandatory information security training as a routine exercise for all staff

Capital Impacted

- Intellectual Capital
- Human Capital
- Social and Relationship Capital

Contribution to SDGs



STRATEGY AND RESOURCE ALLOCATION

Become digital to the core

Key Initiatives for FY 2024/25

Enhancements were made to the CAL Online mobile and web app to provide customers with comprehensive digital experience.

Opened a new Customer Experience Center at Jetwing House 1, Level 2, 46/26, Nawam Mawatha, Colombo 02

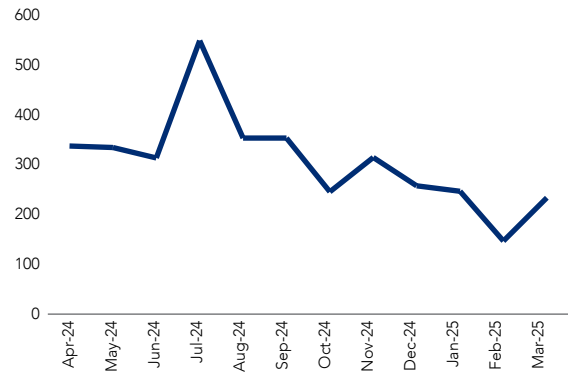
The customer on-boarding process was integrated into the CAL Online mobile and web app.

Key Outputs for FY 2024/25

- Refer pages 87 - 88 for the manufactured capital.
- Introduced CAL Online 2.0

Number of Investments Made Through the Portal (month-wise)

#Portal Investments



The customer on-boarding process was integrated into the CAL Online mobile and web app

- Introduce CAL GPT - an AI powered chatbot which enables customers to question the most risk-free government securities and the benefits they can provide.

Transferred the process of employee recruitment and onboarding to digital platforms.

Work-from-home was integrated into the mainstream work practices

Focus for the Future

Enhanced the onboarding process by incorporating video technology to streamline the KYC process.

Enhanced employee experience by integrating digital solutions across all stages of the employment lifecycle.

Enhanced the existing customer experience through the utilization of the Customer Portal and other digital channels.

Implemented further internal process automation through Robotic Process Automation tools to boost productivity.

Capital Impacted

- Manufactured Capital
- Intellectual Capital

Contribution to SDGs



Strengthening knowledge systems as a key business enabler

Key Initiatives for FY 2024/25

The social media presence of CALT underwent a revitalization, featuring a greater emphasis on research-based content to enhance customer engagement.

Key Outputs for FY 2024/25

- CAL Research was recognized as the ‘Best Research Team’ at the CFA Capital Market Awards for the fourth time in a row.
- Awarded ‘Certificate of Recognition’ from LankaPay in recognition of the pioneering efforts towards enabling transactions via ‘JustPay’.

Initiated the foundational steps for establishing a centralized research database aimed at creating a unified research portal. This portal is intended to streamline sharing of research data across all Group businesses for improved functional collaboration.

Substantial investments were allocated to training and development programs aimed at enhancing the macro forecasting expertise of the Market Intelligence Unit (MIU) team, led by seasoned international economists.

Focus for the Future

Create additional client-facing analytics utilizing the internal business intelligence platform.

Invested resources to bolster the capabilities of the analytics unit by implementing AI-based machine learning models.

Capital Impacted

- Manufactured Capital
- Intellectual Capital
- Social and Relationship Capital

Contribution to SDGs



Promote fairness and equality in the workplace

Key Initiatives for FY 2024/25

Recruited 5 males and 1 female permanent staff in FY 2024/25
Work-from-home was seamlessly integrated into the standard work practices.

Key Outputs for FY 2024/25

- No. of reported incidents of discrimination - ZERO
- No. of grievances reported – ZERO
- Refer pages 93 - 98 under Human Capital

Focus for the Future

Enhance the culture of performance by fostering increased employee engagement and fostering better collaboration among teams.

Emphasized the importance of efficient succession planning.

Capital Impacted

- Human Capital
- Social and Relationship Capital

Contribution to SDGs



OUR APPROACH TOWARDS SUSTAINABLE DEVELOPMENT

GRI 2-7, 303-5, 401-1, 403-9, 403-10

At CALT, we recognize that financial institutions play a crucial role in driving sustainable economic growth. As a primary dealer, we are committed to integrating sustainability into our core operations, ensuring that our financial activities contribute to long-term economic stability while fostering environmental and social well-being.

Our approach to sustainable development is anchored in responsible financial stewardship, ethical business practices, and a commitment to Environmental, Social, and Governance (ESG) principles. We believe that by embedding sustainability into our decision-making processes, we can create long-term value for our stakeholders while supporting a resilient and inclusive financial ecosystem.

COMMITMENT TO ESG PRINCIPLES

Our ESG framework serves as a guiding force in aligning our operations with global sustainability standards. We actively evaluate the environmental and social impact of our financial decisions, ensuring that our investments and market activities contribute to sustainable progress. Key aspects of our ESG approach include:



Environmental Performance

We are committed to minimizing our carbon footprint by adopting energy-efficient practices.

Indicator		2023/24	2024/25
Paper Usage	No.	1,736	2,170
Water Consumption	m ³	4.31	2.64
Energy Consumption	Gj	101.7	274.2



Social Performance

We foster financial inclusion, ethical business conduct, and community engagement to promote social well-being and economic empowerment.

Indicator		2023/24	2024/25
EMPLOYEES			
Total Employees	No.	27	36
Permanent Employees	No.	22	28
Non-permanent Employees	No.	5	8
Total employee benefits	LKR Bn	2.8	0.5
Female representation in total workforce	%	23	25
Total no. of injuries	No.	None	None
Employee Turnover / Transfer	%	17	11
Employee Retention	%	83	89
Total employee benefits distributed	LKR million	2,776	554
No. of permanent staff recruited	No.	4	5
Male	No.	3	4
Female	No.	1	1
No. of Interns	No.	3	5
Employee Age for Permanent Staff			
Below 30 years	No.	6	9
30 – 50 years	No.	13	16
Over 50 years	No.	3	3
Training and Development	LKR million	2.18	6.34
COMMUNITY			
Donations & Other Social Contributions	LKR million	11.25	11.25
Income Tax Paid	LKR million	2,341	4,713



Governance Performance

Strong governance practices, transparency, and compliance with regulatory standards remain at the core of our operations, ensuring trust and accountability.

Indicator		2023/24	2024/25
BOARD & EXECUTIVE GOVERNANCE			
Board Members	No.	6	7
Executive Directors	No.	1	1
Non-Executive Independent Directors	No.	2	3
Non-Executive Non-Independent Directors	No.	3	3
Representation of Independence Directors	%	50	43
Board Members – Gender-wise			
Male	No.	4	5
Female	No.	2	2
Female representation in Board	%	33%	29%
RISK MANAGEMENT & REGULATORY COMPLIANCE			
Major non-compliances	No.	Zero	Zero
Audit Committee Meetings Conducted	No.	4	5
Audits Conducted on Management Systems	No.	3	3
Policy on environmental, social and governance sustainability	Yes/No	No	Yes
Policy on Whistleblowing	Yes/No	Yes	Yes
Policy on Anti-Money laundering (AML) & Know Your Customer (KYC)	Yes/ No	Yes	Yes



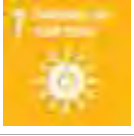
ALIGNMENT WITH THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (SDGs)

As a responsible financial institution, we acknowledge our role in advancing the United Nations Sustainable Development Goals (UN SDGs). Sustainability principles are deeply embedded in our operations, making sustainable value creation a core element of CALT’s growth strategy. In alignment with our business model and stakeholder interests, our sustainability objectives correspond to 13 of the 17 SDGs.

By embedding sustainability into our corporate strategy, we ensure that our financial activities not only drive economic growth but also contributes to a more sustainable and equitable future. Moving forward, we remain dedicated to strengthening our ESG commitments, enhancing sustainable financial practices, and fostering long-term value creation for all our stakeholders.

SUSTAINABLE DEVELOPMENT GOALS (SDGs)



SDGs	Activities achieved in FY 2024/25
	<ul style="list-style-type: none"> Offering employees a salary well above Sri Lanka's minimum wage to ensure financial stability and a better quality of life.
	<ul style="list-style-type: none"> Provided comprehensive healthcare options, promoted healthy lifestyles, and maintained high workplace standards. Invested LKR 5 million (2024 – LKR 3.7 million) to enhance healthcare facilities, benefiting 36 employees (2024 – 27). Extended leave provisions for illnesses, complications, or potential health risks. Offered workplace facilities and flexible working hours to support employee well-being. Maintained a safe and supportive work environment with zero occupational diseases or work-related fatalities.
	<ul style="list-style-type: none"> Offered learning opportunities to all team members to enhance their skills, knowledge, and commitment to sustainable development and lifestyles. Invested LKR 6.3 million (2024 – LKR 2.2 million) in training and development to strengthen employee capabilities. Allocated LKR 0.54 million (2024 – LKR 0.43 million) for staff professional membership reimbursements. Provided youth with employment opportunities, educational support, and training to enhance their employability.
	<ul style="list-style-type: none"> CALT upholds gender equality by providing equal opportunities for both men and women, recruiting 4 males (2024 – 3) and 1 female (2024 – 1) as permanent staff during the year. The permanent workforce comprises 79% males and 29% females, reflecting our commitment to diversity and inclusion.
	<ul style="list-style-type: none"> Installed water purifiers within office premises to ensure access to clean drinking water for employees. Introduced initiatives to promote water conservation, reduce wastage, and maintain a hygienic office environment.
	<ul style="list-style-type: none"> Energy consumption for FY 2024/25 was 274.2 GJ, compared to 101.7 GJ in FY 2023/24. Increased employee awareness on energy conservation and implemented measures to improve energy efficiency.
	<ul style="list-style-type: none"> Foster a fair and inclusive work environment, providing equal opportunities for both men and women. Our commitment to non-discrimination applies to all aspects of employment, including recruitment, selection, training, and development, irrespective of age, marital status, religious beliefs, or any other legally protected status. Maintain a safe, discrimination-free workplace with a zero-tolerance policy towards sexual harassment. Our Policy on Sexual Harassment, Discrimination, Bullying, and Harassment sets clear guidelines for leadership to uphold a culture of respect and dignity for all employees. Uphold strict opposition to child labor and condemn all forms of forced labor. At CALT, employment is voluntary, and employees have the freedom to leave in accordance with their contracts. We are committed to maintaining a workplace that upholds fairness, integrity, and human rights.

SDGs

Activities achieved in FY 2024/25



- Our dedicated tech team at CAL is constantly driving innovation and advancing research and development.
- Transitioned to cloud technology, implemented a state-of-the-art CRM platform, introduced robotic process automation, and developed our proprietary data analytics platform, along with a digital investment banking product, CAL Portal.



- Ensure fairness in Company decisions and policy matters



- Use separate garbage bins based on bio gradable and non-bio gradable in office premises.



- Energy consumption for FY 2024/25 was 274.2 GJ, compared to 101.7 GJ in FY 2023/24.



- For information on CALT's sustainability business partners, please refer to page 101 of this annual report.
- Collaborated with various organizations to advance our sustainability objectives and support the achievement of the Sustainable Development Goals.

VALUE CREATION SUPPORTED BY OUR ESG FRAMEWORK

GRI 2-23, 2-24

VALUE CREATION SUPPORTED BY OUR ENVIRONMENTAL, SOCIAL AND GOVERNANCE FRAMEWORK

Our Environmental, Social, and Governance (ESG) framework offers essential insights into our business's impact on society and the environment through effective corporate governance. By leveraging this framework, we can identify and understand industry-wide challenges and address them strategically. This approach not only opens up new opportunities but also empowers us to contribute positively towards achieving sustainable environmental goals.

Central to our business strategy is a robust ESG framework that drives value creation. It provides critical insights into the effects of our operations on society and the environment, guiding CAL Group in implementing strong corporate governance practices.

VALUE CREATION ON ESG FRAMEWORK

WIDEN WEALTH (WW)

- Reduce carbon footprint
- Conserve resources
- Promote stewardship

SOCIAL RESPONSIBILITY

- Access social impact
- Foster inclusivity
- Support community

GOVERNANCE EXCELLENCE

- Ensure transparency
- Accountability
- Ethical conduct

STRATEGIC ADVANTAGE

- Mitigate risks
- Uncover opportunities
- Drive innovation

POSITIVE IMPACT AND SUSTAINABLE GOALS

- Informed decision making
- Balanced growth
- Sustainable access

Environmental Stewardship

Our ESG framework guides us in understanding and mitigating the environmental impact of our activities. By identifying key areas for improvement, CAL can develop and implement sustainable practices that reduce our carbon footprint, conserve resources, and promote environmental stewardship. This commitment not only aligns with global sustainability goals but also enhances our reputation as a responsible corporate citizen.

Social Responsibility

We recognize the significant influence our business has on the communities in which we operate. Our ESG framework allows us to assess and address social issues, ensuring that we contribute positively to society. By fostering inclusive and equitable practices, supporting community initiatives, and promoting employee well-being, we strengthen our social license to operate and build lasting relationships with stakeholders.

Governance Excellence

Strong governance is the foundation of our ESG efforts. Through rigorous governance practices, we ensure transparency, accountability, and ethical conduct in all our operations. Our ESG framework provides the structure needed to uphold these principles, helping CAL navigate industry challenges and regulatory landscapes with integrity and foresight.

Strategic Advantage

The insights gained from our ESG framework inform our strategic planning, allowing CAL to anticipate and adapt to industry-wide challenges. By integrating ESG considerations into our decision-making processes, we not only mitigate risks but also uncover new opportunities for innovation and growth. This strategic advantage positions CAL to lead our industry while achieving sustainable success.

Positive Impact and Sustainable Goals

Our ESG framework is instrumental in driving CAL towards its sustainable environmental goals. By leveraging this framework, we make informed decisions that balance economic growth with ecological and social responsibility. This balanced approach ensures the creation of long-term value for CAL shareholders while contributing to a sustainable future for all.

In summary, our ESG framework is a critical tool for value creation, offering the insights and guidance needed to navigate complex challenges and capitalize on opportunities. It reinforces our commitment to environmental stewardship, social responsibility, and governance excellence, ultimately supporting our mission to achieve sustainable success and positive impact.

ENVIRONMENTAL	SOCIAL	GOVERNANCE
<p>Paperless Office</p> <p>CAL has reduced paper usage in the daily operations. The transition to a more digitized business model has been a major factor in supporting these initiatives by:</p> <ul style="list-style-type: none"> • Process Automation • Emphasis on Reusing Paper Before Recycling <p>Energy Conservation</p> <p>Electricity from the national grid is the primary energy source for our daily operations. Refer pages 74 - 77 for "Our Approach towards Sustainable Development".</p> <p>Water Consumption</p> <p>Refer pages 74 - 77 for "Our Approach towards Sustainable Development".</p> <p>Managing Waste Disposal</p> <p>CAL ensures environmentally-friendly waste disposal, complying with regulations set by central environmental authorities.</p>	<p>Promoting Equality and Expanding Opportunities</p> <p>We prioritize gender equality and the prevention of discrimination to ensure equal opportunities for all employees, regardless of gender, religion, or race.</p> <p>Our workforce expansion has created more employment opportunities for the public.</p>	<p>Voluntary adhered to the Code of Best Practices in Corporate Governance – 2023.</p> <p>Our leadership and senior management emphasize the importance of good governance and sustainable development.</p>

OPERATING LANDSCAPE

GLOBAL ECONOMIC ENVIRONMENT

In the FY24/25, the global economy exhibited signs of resilience amidst a complex landscape marked by geopolitical tensions, trade disputes and fluctuating commodity prices. The International Monetary Fund (IMF), projected a global growth rate of 3.3% for both 2025 and 2026, slightly below the historical average of 3.7%. Advanced economies are anticipating moderate growth. The United States recorded a 2.8% GDP growth for 2024, but it is expected to slow down in 2025 due to factors such as trade policies, inflationary pressures and broader economic uncertainty. The Eurozone's growth is projected to rise modestly to 1.3% in 2025. In contrast, emerging markets and developing economies are forecasted to maintain growth rates around 4%.

Geopolitical conflicts, including the ongoing Russia-Ukraine war and renewed hostilities between Israel and Palestine, have contributed to some degree of global economic uncertainty. The reintroduction of aggressive trade policies by President Trump has led to escalating trade tensions, notably between the United States and China. The imposition of reciprocal tariffs has disrupted global supply chains, affecting business and consumer confidence worldwide.

Commodity markets have experienced notable fluctuations during this period. Gold prices have surged, surpassing USD 3,000 per troy ounce for the first time, driven by economic uncertainty and increased demand for safe-haven assets by Central Banks around the world. Conversely, crude oil prices have declined due to a combination of factors, including increased inventories and concerns over weakening demand. Global inflation rates have shown signs of stabilization. Major central banks have maintained steady interest rates amidst geopolitical tensions, balancing the need to support growth while keeping inflation in check.

SRI LANKAN SOCIO/ECONOMIC/INDUSTRY ENVIRONMENT

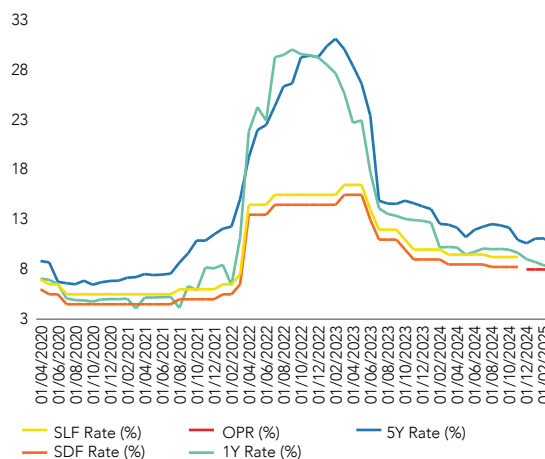
Economic Overview

Between April 2024 and March 2025, Sri Lanka made significant progress in stabilizing its economy, marked by robust growth, strategic fiscal policies and successful engagements with international financial institutions and bilateral creditors.

In 2024, Sri Lanka's economy expanded by 5%, indicating a strong recovery from previous economic challenges. This growth surpassed the International Monetary Fund's (IMF) forecast of 4.5%, reflecting resilience and effective policy interventions. The fourth quarter alone reached 5.4%. Within total output, **Agriculture** accounted for 8.3% of GDP, **Industry** for 25.5% of GDP, and **Services** for 57.5% of GDP. This economic upturn was bolstered by a USD 2.9 billion IMF bailout package secured back in March 2023.

Throughout 2024, inflation remained below the Central Bank's target of 5%, aligning with medium-term objectives as domestic demand strengthened. This stability enabled the Central Bank of Sri Lanka to implement strategic monetary policy reforms by gradually lowering the overnight policy rates. Notably, at the end of November 2024, the traditional interest rate corridor system was replaced with a fixed Overnight Policy Rate (OPR) set at 8.00% with a +/- 50 bps spread on the OPR to arrive at the SLF and SDF respectively. This shift aimed to simplify monetary policy implementation and enhance transparency in financial markets.

Government Securities Rates & Overnight Policy Rates



On September 21, 2024, Anura Kumara Dissanayake of the National People's Power (NPP) coalition won the presidency, signalling a shift away from traditional political forces and reflecting widespread public support for meaningful reform. Following his inauguration, he dissolved Parliament and called early parliamentary elections on November 14, 2024, where the NPP secured a commanding two-thirds majority by winning 159 out of 225 seats. This electoral success granted the new administration a strong mandate to pursue comprehensive reforms focused on combating corruption and restructuring the economy.

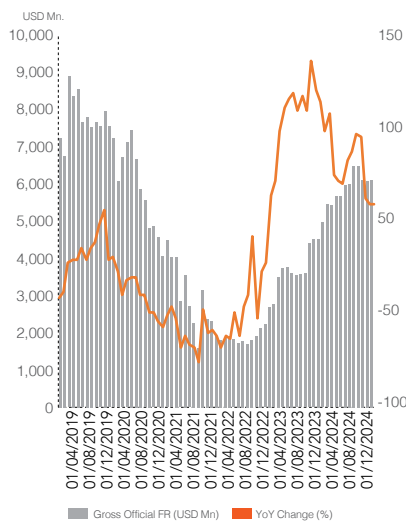
In February 2025, President Anura Kumara Dissanayake presented his administration's first full-year budget, focusing on economic transformation and debt repayment. The budget aimed at a primary surplus of 2.3% of GDP in line with IMF requirements. However, the budget projected a fiscal deficit of 6.7% of GDP. Total revenues were expected to rise by 23%, driven by higher tax and non-tax revenues, while expenditures were projected to increase by 17.3%, primarily due to higher salaries and interest expenses. The budget also emphasized enhancing public revenue, with plans to increase the revenue-to-GDP ratio to 15.1% by 2025, up from 11.4% in 2023. This objective underscores the government's commitment to fiscal consolidation and economic stability.

During the period from April 2024 to March 2025, Sri Lanka deepened its engagement with international financial institutions and bilateral partners to advance its economic recovery. The IMF completed its third review of the Extended Fund Facility in February 2025, disbursing USD 334 million and bringing total support to USD 1.34 billion, while emphasizing the need to sustain reform momentum and debt restructuring efforts. On the bilateral front, Sri Lanka signed a USD 2.5 billion debt restructuring agreement with Japan in March 2025, enabling the resumption of suspended development projects, and concluded a USD 5.8 billion debt deal with official creditors in June 2024, marking a key step toward restoring debt sustainability.

Industry Environment

The year began with gross foreign reserves at USD 5.4 billion and through consistent reserve building efforts, including heavy monthly CBSL dollar purchases averaging USD 160 million, gross foreign reserves climbed to USD 6.1 billion outperforming the 2024 year end IMF forecast of USD 5.6 billion. For this year, the IMF has forecasted a gross reserve forecast of USD 7.0 billion.

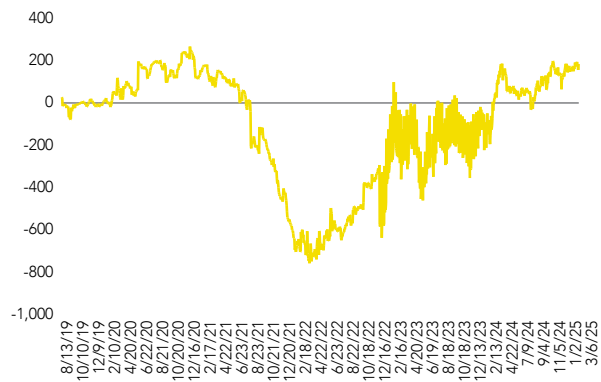
CBSL Gross Official Reserves and Y-o-Y Change



Despite the consistent dollar purchases from the CBSL, the rupee was appreciated by 3% in March 2025 when compared to the average spot rate in March 2024. The rupee appreciation was supported by strong worker remittances and tourism inflows. The annual volume of worker remittances grew by 10% Y-o-Y from USD 6,092 million in FY23/24 to USD 6,720 million in FY24/25. Similarly, the annual volume of tourism inflows grew by 19% Y-o-Y from USD 2,675 million in FY23/24 to USD 3,175 million in FY24/25 marking a strong recovery in dollar inflows to the country. Bolstered by the aforementioned dollar inflows, the spot rate for FY24/25 hovered between a minimum of LKR 290, maximum of LKR 305 and averaged at LKR 297 to the dollar without any major fluctuations.

In addition to the above factors, the influx of dollars led to significant rupee injections into the market, markedly improving liquidity conditions compared to the previous year. Where FY23/24 saw an average monthly liquidity deficit of -LKR 190 billion, FY24/25 witnessed a positive shift to an average monthly liquidity of LKR 100 billion.

Total Market Liquidity (Rs. Bn)



During FY24/25, Sri Lanka's domestic financial market experienced a mix of expansion, volatility and eventual stabilization. The volume of outstanding Treasury instruments increased notably, with Treasury bills rising from LKR 6.6 trillion in FY23/24 to LKR 7.8 trillion in FY24/25, and Treasury bonds increasing from LKR 2.2 trillion to LKR 2.5 trillion. In percentage terms, that is 18% more Treasury bills and 14% more Treasury bonds maturing compared to the previous fiscal year, contributing to heightened activity in the debt market.

Amidst ample market liquidity, yield rates followed a general downward trend, with the 1-year Treasury bill rate and 5-year bond rate bottoming in May 2024 at approximately 9.49% and 11.25%, respectively. However, from July to October 2024, yields saw temporary upward pressure due to elevated domestic debt concerns and pre-Presidential Election uncertainties. By September, at the peak of this volatility, 1-year and 5-year yields had climbed to 10.00% and 14.00%, respectively. Following the Presidential Election in late September, the appointment of President Anura Kumara Dissanayake and his alignment with IMF-recommended economic reforms helped restore investor confidence. Consequently, yields began a steady descent, with FY24/25 closing at 8.25% for the 1-year and 10.50% for the 5-year, reflecting renewed market stability and positive sentiment.

OPERATING LANDSCAPE

COMPANY PERFORMANCE

The Company concluded FY25 with a net profit of LKR 4.4 billion, supported by a net interest income of LKR 3 billion and Net Capital Gains of LKR 4.5 billion. While the interest rate dynamics that defined FY23/24 continued where government security yields remained above bank deposit rates the spread narrowed during the year.

Despite this moderation, CAL was able to sustain strong interest from corporate and individual clients in fixed income investments.

The appeal of government securities was partially offset by the resurgence in the equity market, with the ASPI rising sharply from 10,000 in September 2024 to 17,000 by January 2025, attracting some investor flows. Nevertheless, the Company maintained its strong market presence, facilitating client outright transactions amounting to LKR 430 billion across 3,500 transactions. We also went a step ahead to provide more financial services to our nation by conducting market awareness programs and educational videos for government securities. This year, we successfully conducted awareness programs to the 3rd year undergraduates of University of Kelaniya. The continued confidence placed in CALT by its clientele, along with the Company's operational efficiency and market research, enabled it to navigate a shifting financial landscape effectively.

CAL PORTAL'S ENHANCED INVESTMENT EXPERIENCE IN 2024

CALT's breakthrough investment platform – CAL Portal, continued to enhance the treasury investment experience throughout 2024. This year, we introduced significant upgrades to our platform, further empowering clients to manage their investments with even greater flexibility and efficiency.

In 2023, we launched the option for partial maturity reinvestments, enabling clients to withdraw or transfer the interest portion of the initial investment to unit trust funds while reinvesting the initial settlement amount back in government securities. Earlier, the minimum face value for the government security investments was LKR 1,000,000 and this year we reduced it to LKR 500,000 and we also allowed Just Pay clients to invest an amount between LKR 40,000 – 49,950 for multiple transactions enabling them to optimize their returns according to their individual financial capacities.

The CAL Portal has seen decent growth, catering to retail clients with over 3,700 transactions this year, handling a volume of LKR 7,300 million. Our CAL Portal client footprint has exceeded 4,500 accounts. These figures underscore the trust and reliability that our platform has established among our users.

RISK MANAGEMENT

In 2024/25, CAL continued to prioritize prudent risk management amidst a dynamic and evolving financial landscape. The Company fully complied with all relevant regulations, guidelines, and directives issued by the Central Bank of Sri Lanka (CBSL), reinforcing its commitment to regulatory excellence. Complementing this compliance, CAL's robust corporate governance framework enabled the proactive identification, assessment, and mitigation of risks across all facets of the business. This comprehensive approach to governance and risk management has allowed CAL to navigate market fluctuations with resilience and maintain stability in its operations, further strengthening stakeholder confidence.

FUTURE OUTLOOK

As of 2025, Sri Lanka's future outlook is one of cautious optimism, underpinned by a steady economic recovery, strong policy reforms and improved investor sentiment. The economy has shown meaningful progress, with GDP growth projected at 5.2% by Fitch Solutions, fuelled by increased domestic activity, investment, and a rebound in consumer confidence. The IMF has recognized Sri Lanka's progress, highlighting that the country has recovered nearly 40% of the output lost during its economic crisis. Key to this recovery are structural reforms supported under the IMF's Extended Fund Facility (EFF), with the government targeting a 2.3% primary surplus in 2025 and committing to improving tax revenue and public financial management.

On the monetary front, the Central Bank has maintained the policy rate at 8% to support growth, with inflation expected to return to positive territory by mid-2025. Meanwhile, Sri Lanka's external position has strengthened through debt restructuring efforts, including a landmark USD 2.5 billion deal with Japan. Politically, the newly elected government, led by President Anura Kumara Dissanayake, holds a strong parliamentary mandate to pursue governance and anti-corruption reforms. However, social challenges persist, with relatively low public spending on social welfare compared to global norms. Ensuring inclusive development through increased social investment will be essential to translating macroeconomic gains into broader societal well-being.

CONCLUSION

As we close this fiscal year, our outlook remains focused on innovation and expansion. CAL is poised to introduce a broader range of investment products, ensuring accessibility for institutional clients and retail investors. By aligning our efforts with our country's goals and leveraging cutting-edge technology, we aim to deepen investor engagement and elevate the capital market landscape of Sri Lanka. Our commitment to transparency, performance and empowerment will remain at the core of every step we take moving forward.

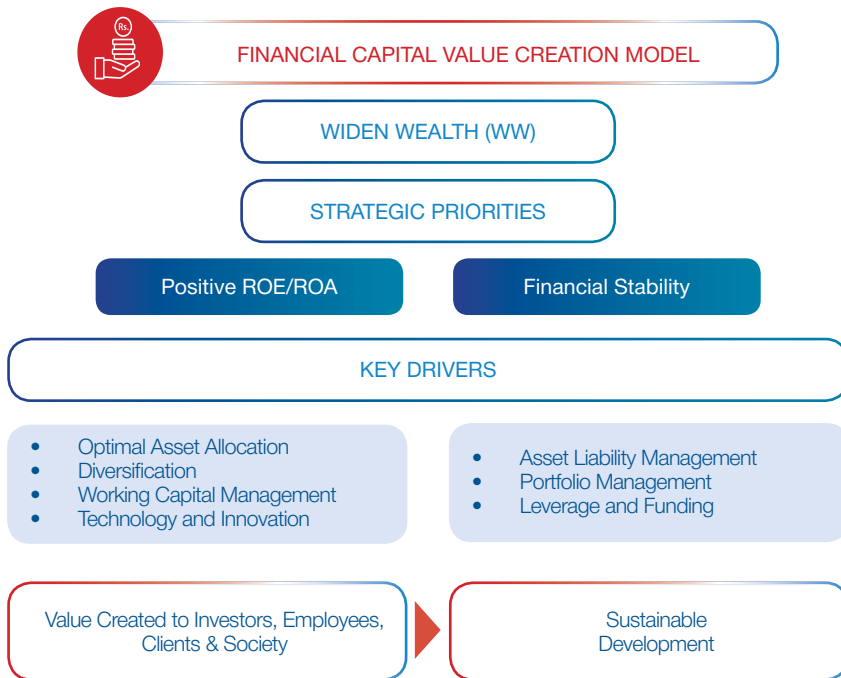
The image features a white background with a central graphic. Two vertical bars, one purple on the left and one blue on the right, extend from the top to the bottom. A series of wavy, concentric lines in shades of blue and purple flow between these bars, creating a sense of movement and depth. The lines are more densely packed in some areas and more sparse in others, giving the graphic a textured, organic appearance.

ECHOES OF OUR

ETHICS

FINANCIAL CAPITAL

Creating Value for all stakeholders by optimal allocation of resources.



KEY FINANCIAL PERFORMANCE REVIEW

Financial Review

For the financial year ended 31st March 2025, the Company recorded a post-tax profit of LKR 4,421 million, compared to LKR 13,893 million in the previous year. The decline in profitability is primarily attributed to the normalisation of interest rates, following the significant drop observed during FY 2023/24.

During the year under review, interest rate movements were relatively moderate, reflecting a more stable economic outlook within the country. This contrasts with the sharp decline in interest rates witnessed in the prior year, which contributed to exceptional gains. The current year's performance, therefore, reflects a return to more sustainable levels amid improving macroeconomic stability.

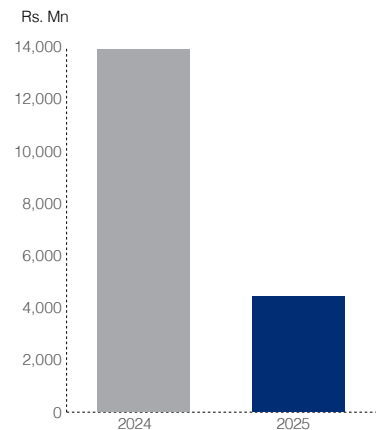
The Company also increased its asset base by 72%, reaching LKR 105,357 million as of 31st March 2025, compared to the previous year's asset base of LKR 61,258 million. This strategic decision was made to manage the Company's interest rate risk, as interest rates for government securities declined during the year.

INCOME STATEMENT ANALYSIS

Company Profitability

Capital Alliance PLC reported a profit after tax of LKR 4,421 million for the year ended 31st March 2025, reflecting a sustainable level of operational performance amidst a stabilising economic environment. The Company recorded a Net Operating Income of LKR 7,570 million, compared to LKR 23,729 million in the previous financial year (FY 2023/24).

Profit After Tax



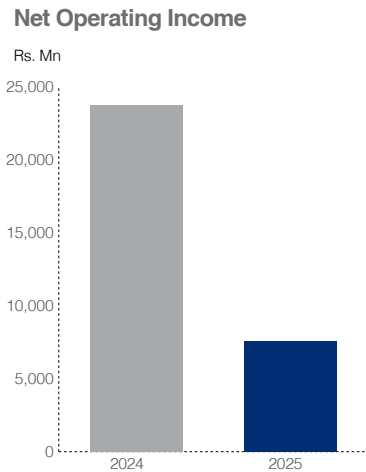
The current year's performance was primarily influenced by higher interest income, as well as net gains/(losses) arising from trading activities and the remeasurement of financial assets at fair value through profit or loss (FVTPL). While the prior year benefitted from exceptional market movements, the current year's results demonstrate the Company's ability to adapt and perform under more normalized market conditions.

As a result of the normalisation in market conditions, the Company's Return on Equity (ROE) declined to 28.71% for the financial year ended 31st March 2025, compared to an exceptionally high 126.95% recorded in FY 2023/24. Similarly, the Return on Assets (ROA) decreased to 7.65%, down from 40.48% in the previous year.

The significant year-on-year reduction in both ROE and ROA reflects the moderate decline in interest rates during the current financial year, as opposed to the more pronounced rate reduction experienced in the previous year, which had contributed to unusually elevated returns.

Net Operating Income

The key components of Net Operating Income are; Net Interest Income, Gains / (Losses) from trading and Net Fair Value Gains/(Losses) from Financial Assets at FVTPL.



The primary contributor to Net Operating Income during the financial year 2024/25 was net gains from trading, which amounted to LKR 6,096 million. This was largely driven by capital gains on treasury bills and bonds, totaling LKR 6,014 million, representing the predominant share of trading income. In addition, the Company recorded a fair value gain of LKR 82 million from its quoted equity portfolio.

The Company's overall profitability for the year was significantly influenced by trading gains from treasury securities. However, this was partially offset by a remeasurement loss of LKR 1,555 million on financial assets measured at

fair value through profit or loss (FVTPL), in contrast to a gain of LKR 875 million reported in the previous financial year.

In the current financial year, Net Interest Income decreased to LKR 3,033 million from LKR 3,863 million reported in 2023/2024.

Net Interest Income

The Company recorded a total interest income of LKR 8,875 million in FY 2024/25, representing a 15.5% decrease compared to LKR 10,505 million in the previous period. Interest expenses for the year were LKR 5,842 million, compared to LKR 6,641 million in FY 2023/24. Consequently, the Company achieved a net interest income (NII) of LKR 3,033 million.

The interest spread reduced to LKR 3,033 million in FY 2024/25 from LKR 3,863 million in FY 2023/24.

Net Gains/(Losses) on Trading

The Company's net capital gains on trading amounted to LKR 6,096 million in FY 2024/25, with LKR 5,977 million attributed to net capital gains on Treasury Bonds. In addition, in FY 2024/25, net capital gains on trading of quoted shares increased by LKR 87 million compared to the loss of LKR 5 million in FY 2023/24 due to capital gains on quoted shares, following a strategic diversification into quoted equity investments within allowable regulatory limits.

Net capital gains/(losses) on trading primarily comprise net capital gains/(losses) on Treasury Bills, Treasury Bonds, and quoted shares, all classified under financial assets measured at fair value through profit or loss (FVTPL). This classification allows the Company to reflect the fair value changes in these assets directly in the profit or loss, impacting overall profitability based on market.

Net Fair Value gains/(losses) from Financial Assets at FVTPL

The Company recorded remeasurement loss on government securities amounting to LKR 1,681 million in FY 2024/25. In total, the Company registered a net fair value loss from financial assets at fair value through profit or loss (FVTPL) of LKR 1,555 million in the current financial year, compared to a gain of LKR 875 million in the previous financial year. There was a remeasurement gain on quoted shares of LKR 127 million in the current financial year.

Net fair value gains/(losses) primarily consist of remeasurement gains/(losses) on government securities and quoted shares, classified under financial assets measured at FVTPL. This classification ensures that changes in the fair value of these financial assets are immediately reflected in the profit or loss, providing a transparent view of the Company's financial performance based on market valuation.

Operating Expenses

The Company's Operating Expenses decreased significantly by LKR 2,432 million during the financial year 2024/25. This reduction was primarily driven by a decline in Personnel Expenses by LKR 2,221 million, reflecting the Company's strategic decision to align performance-based compensation with profitability levels. This approach enabled greater flexibility in managing the cost-to-income ratio in a dynamic operating environment.

In addition, the decline in operating expenses was further supported by a reduction of LKR 214 million in other expenses, primarily due to lower Value Added Tax (VAT) on financial services and the Social Security Contribution Levy during the year.

FINANCIAL CAPITAL

Profit Before Tax (PBT) & Profit After Tax (PAT)

For the financial year ended 31st March 2025, the Company reported a pre-tax profit of LKR 6,371 million, representing a decline of LKR 13,727 million compared to the previous year. The post-tax profit stood at LKR 4,421 million, down from LKR 13,893 million recorded in the financial year 2023/24.

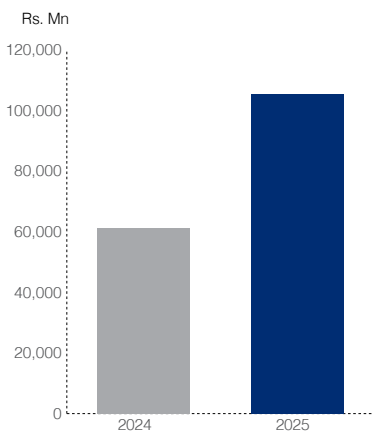
The total tax expense, inclusive of the deferred tax charge, amounted to LKR 1,951 million for the year under review.

FINANCIAL POSITION ANALYSIS

Assets

With favorable economic conditions positively impacting the Company's primary dealer unit, total assets increased by LKR 44,098 million in FY 2024/25, representing a 72% rise from the previous year. This growth was primarily driven by LKR 42,537 million increase in the value of the portfolio of financial assets (Government Securities) measured at fair value through profit or loss (FVTPL).

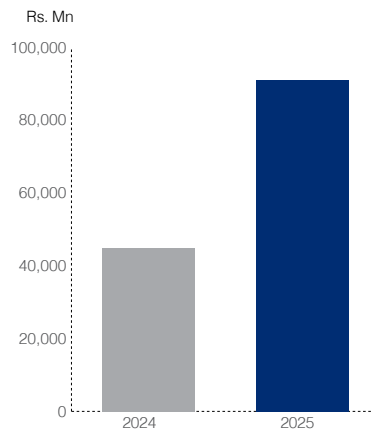
Total Assets



Liabilities

The Company's total liabilities increased by LKR 46,099 million in the current financial year, a 103% rise compared to the previous year. This increase was primarily due to the growth in securities sold under repurchase agreements which amounted to LKR 47,455 million.

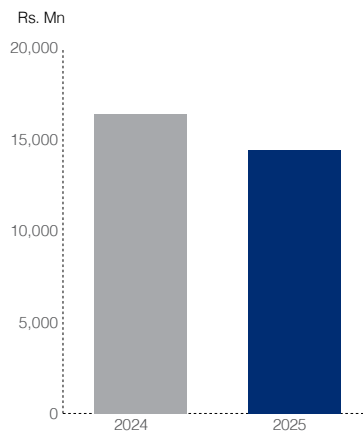
Total Liabilities



Equity

The total equity attributable to shareholders declined from LKR 16,397 million to LKR 14,396 million during the financial year. This reduction is primarily attributable to dividend payments totaling LKR 6,424 million made during the year.

Total Equity

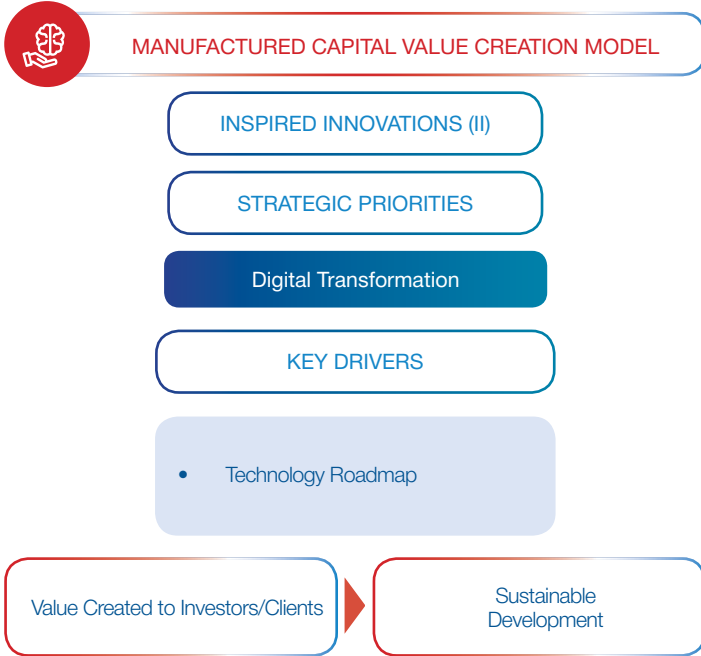


CONTRIBUTION TO SUSTAINABLE DEVELOPMENT GOALS (SDGS)



MANUFACTURED CAPITAL

GRI 203-1, 205-2, 404-2



RETAIL INVESTORS
 3,500+ DEALS
 LKR 7 BN VALUE

On the compliance front, we strengthened our internal controls by developing and integrating a secure reporting platform to monitor and track transactions, ensuring timely identification of potential risks and alignment with Anti-Money Laundering (AML) best practices. Cybersecurity remained a top priority throughout the year. We had conducted simulated phishing attacks and delivered extensive training programs to staff, raising awareness and strengthening defenses against cyber threats. Annual Vulnerability Assessment and Penetration Testing (VA/PT) exercises were carried out across all systems, complemented by a detailed review of CALT's cybersecurity posture.

The fiscal year 2024/25 marked another pivotal chapter in CALT's digital transformation journey, driven by a strategic focus on accessibility, performance, security, and regulatory compliance. Our continuous investment in technology allowed us to elevate client experiences while reinforcing the reliability and resilience of our digital infrastructure.

2,500+
 NEW CUSTOMERS
 ONBOARDED

A standout achievement this year was the successful enablement of Treasury Bill investments starting from as low as LKR 40,000 via JustPay. This move significantly lowered the entry barrier for retail investors, democratizing access to government securities and encouraging broader market participation. As a result, CALT experienced a substantial influx of new clients entering the investment space.

We enhanced both our digital portal and CAL Online mobile application with upgraded features and an improved user interface. These platforms collectively onboarded over 2,500 new clients, demonstrating their growing appeal and ease of use. Our digital channels continued to be the preferred mode of engagement for retail investors, who executed more than 3,500 deals amounting to over LKR 7 billion in value. To support this surge, we carried out an upgrade of our primary dealing system, boosting its capacity and performance to seamlessly manage high-volume transaction flows. Simultaneously, key backend services were optimized to ensure minimal latency and enhanced operational stability across all systems.

Efficiency was further enhanced through the automation of the bank payment process, resulting in faster turnaround times and streamlined internal operations. CALT also made significant investments in software and IT infrastructure to future-proof its technology stack and ensure uninterrupted business operations.



MANUFACTURED CAPITAL

GRI 203-1

We also rolled out customer awareness campaigns and regular training sessions focused on digital security best practices. Technical safeguards were further bolstered with the implementation of SSL encryption across internal systems and the activation of cloud-native threat detection tools, including Amazon GuardDuty and Microsoft Azure Defender, to enhance the security of our cloud environments. As CALT continues to evolve, these advancements reaffirm our commitment to building a secure, accessible, and performance-driven digital ecosystem for our clients - laying a strong foundation for sustainable growth in the years ahead.

Further, CALT is significantly investing in software and computer & IT equipment to ensure the continuous function of the business operations.

INVESTMENT IN COMPUTER SOFTWARE

LKR 4.7 million

(FY 2023/24 - LKR 3.9 million)

INVESTMENT IN COMPUTER HARDWARE

LKR 2.7 million

(FY 2023/24 - LKR 3.2 million)

FOCUS FOR THE FUTURE

Medium Term

Allow portal customers access to retail treasury bills/ bond purchases

Long Term

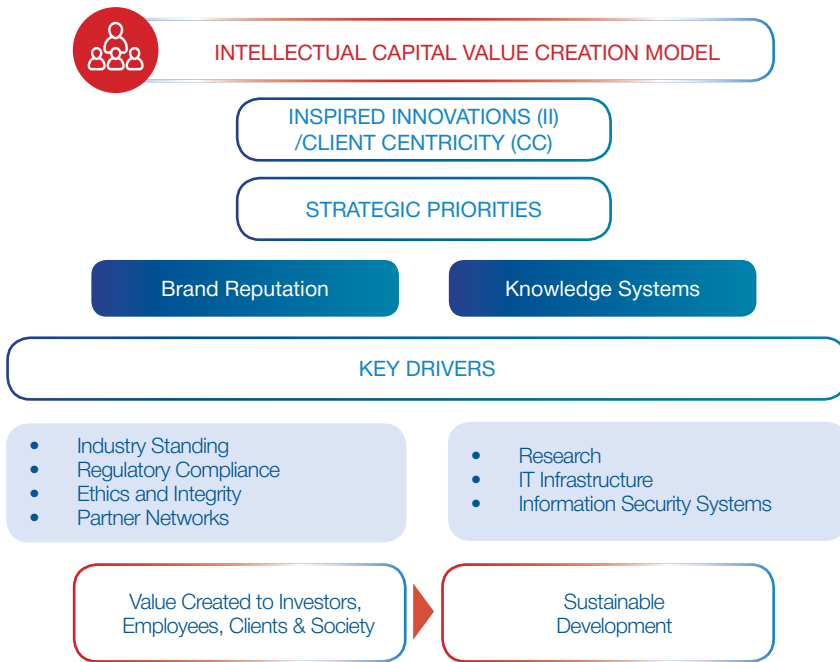
Build a complete digital capital market wealth management platform

CONTRIBUTION TO SUSTAINABLE DEVELOPMENT GOALS (SDGs)



INTELLECTUAL CAPITAL

GRI 203-1



In line with our commitment to regulatory standards and financial security, we developed and deployed a robust internal platform for transaction monitoring and reporting. This initiative plays a critical role in enhancing our Anti-Money Laundering (AML) framework and promoting greater transparency and accountability across our operations.

Together, these advancements reflect CALT's ongoing commitment to leveraging technology for a more efficient, secure, and customer-centric financial ecosystem.

TECHNOLOGICAL DEVELOPMENTS

During FY 24/25, CALT made significant strides in strengthening its digital infrastructure to support growth, efficiency, and regulatory compliance. Key backend services were upgraded to enhance system performance, ensuring faster processing times and improved platform stability across all operations.

A major milestone was the automation of bank payment processes, which streamlined operations and increased overall efficiency in handling customer transactions. Additionally, the investment process for Treasury Bills and Bonds was simplified through the introduction of a JustPay-enabled feature, allowing customers to invest starting from as low as Rs. 40,000 - making market access more inclusive.

INFORMATION SECURITY SYSTEMS

CALT continues to prioritize a resilient and proactive information security posture to combat the rising tide of global cyber threats targeting financial institutions. We maintain a strong focus on safeguarding data and information assets by continuously enhancing our security infrastructure and control environment.

INTELLECTUAL CAPITAL

GRI 404-2

To protect our systems from evolving threats, CALT has invested in advanced information security architecture, including access controls, firewalls, malware protection, and intrusion detection systems. We have also encrypted all client personal information to further strengthen the confidentiality and security of sensitive data across our platforms.

Our stringent access control policy enforces multi-layered security protocols, ensuring that only authorized personnel can access critical systems and financial data. To build a cyber-aware culture, we regularly conduct simulated phishing attacks and provide comprehensive training to staff, improving their ability to recognize and respond to cyber threats effectively.



We perform annual Vulnerability Assessments and Penetration Testing (VA/PT) across all systems and infrastructure to proactively identify and address potential weaknesses. Additionally, our CAL Cyber Security posture review serves as a continuous checkpoint to ensure our defenses remain robust and adaptive.

As part of our commitment to safeguarding customer data, we conduct mandatory regular cybersecurity training sessions for our customers to raise awareness about potential threats and promote the best practices in digital security. To further strengthen our security posture, we have implemented SSL encryption across internal systems, ensuring secure data transmission.

Aligned with the NIST Cybersecurity Framework, our approach emphasizes ongoing improvement, risk management, and operational resilience.

Through these measures, CALT remains steadfast in its commitment to the highest standards of information security, ensuring client trust and data protection remain uncompromised.

REGULATORY COMPLIANCE

As a licensed Primary Dealer, CALT operates in a highly-regulated environment and places significant emphasis on maintaining full compliance with all applicable laws, regulations, and directives. Regulatory compliance forms a key component of our intellectual capital, reflecting the collective expertise, discipline, and governance frameworks that underpin our operations.

CALT is highly-regulated. Laws and regulations applicable to the business are internalized through well-defined policies, procedures, and control mechanisms, supported by clear oversight structures. Each business head is accountable for ensuring that their respective areas operate in full compliance with applicable legal and regulatory requirements, including monitoring any new developments. These responsibilities are complemented by dedicated governance frameworks that provide enterprise-wide oversight and assurance, ensuring consistent and comprehensive regulatory adherence across all business activities.

Furthermore, based on the principle that compliance is a shared responsibility, we continued to foster a strong compliance culture across the organization by enhancing awareness and understanding among employees at all levels. This was achieved through ongoing training programmes, workshops, and knowledge-sharing initiatives aimed at equipping our teams with the necessary tools to identify, interpret, and act in accordance with regulatory expectations.

Throughout the year, we remained fully compliant with the regulatory standards set by the Central Bank of Sri Lanka (CBSL), the Securities and Exchange Commission (SEC), and other relevant authorities. Our compliance infrastructure is further strengthened through regular monitoring, internal audits, risk-based controls, and continuous upskilling on evolving regulatory requirements.

We view compliance not only as a statutory obligation but also as a pillar of sustainable value creation - essential for preserving market confidence, protecting our reputation, and enhancing stakeholder trust. By embedding regulatory knowledge and ethical conduct into our intellectual capital, we ensure long-term resilience and contribute meaningfully to the integrity of the financial system.

Further details of our compliance performance and governance measures can be found in the Compliance Report on pages 105 - 127 of this Annual Report.

Oversight Responsibility	
Laws, rules, regulations, directives and circulars issued by Central Bank of Sri Lanka	Compliance & Risk Department
Laws, rules, regulations, directives and circulars issued by Financial Intelligence Unit of Central Bank of Sri Lanka	Compliance & Risk Department
Securities and Exchange Act No. 36 of 1987 and other laws, rules, regulations, directives, circulars issued by the Securities and Exchange Commission of Sri Lanka	Compliance & Risk Department
Rules, directives and circulars issued by the Colombo Stock Exchange	Compliance & Risk Department
Rules, directives and circulars issued by the Colombo Stock Exchange through Central Depository System	Compliance & Risk Department
Companies Act No. 07 of 2007	Company Secretary Finance Department Compliance & Risk Department
Foreign Exchange Act No. 07 of 2017 and other related laws, regulations, directions and circulars issued by the Department of Foreign Exchange of Central Bank of Sri Lanka	Finance Department Compliance & Risk Department
Inland Revenue Act No. 24 of 2017 and other related laws, regulations, directions and circulars issued by the Inland Revenue Department of Sri Lanka	Finance Department
Laws, rules, directions and circulars governing labor and employment laws	Human Resource Department

ETHICS AND INTEGRITY

Ethics and integrity are fundamental pillars of CALT's intellectual capital and are deeply embedded in our culture, governance, and day-to-day operations. The commitment to ethical conduct is not a reactive measure - it is a proactive, enduring value that has shaped our identity since inception.

This commitment is ingrained in CALT's core values and forms the foundation of how we conduct business. Our Code of Conduct is the cornerstone of this commitment, serving as a comprehensive guide to conduct our operations legally, ethically,

and with integrity. It articulates the Group's position on critical matters such as confidentiality, fair dealing, conflicts of interest, anti-bribery and corruption, anti-money laundering, anti-competitive behavior, and intellectual property rights. As such, it serves as a principal reference point for all Directors and employees, helping them navigate complex situations and make sound ethical decisions in their daily responsibilities.

We reinforce these principles through regular training, awareness campaigns, and leadership-driven communication, ensuring that the expectations of ethical behavior are clearly understood and consistently applied across all levels of the organization. Senior management plays a pivotal role in setting the tone from the top, embedding ethical considerations into our business strategy, risk culture, and performance frameworks.




In addition, our Whistleblowing Policy provides a secure and confidential channel through which employees and Directors can report concerns or observations related to misconduct or unethical behavior. The policy is designed to protect whistleblowers and ensure impartial investigations. Notably, there were no incidents reported under CALT's whistleblowing mechanism during the current financial year, underscoring the strength of our ethical culture and internal controls.

We maintain a zero-tolerance stance towards unethical practices, supported by a robust governance and compliance framework. At CALT, ethics and integrity are not viewed merely as compliance obligations but as strategic assets that enhance our intellectual capital, reinforce stakeholder trust, and support the long-term sustainability of our business.

INTELLECTUAL CAPITAL

GRI 404-2

KEY PERFORMANCE INDICATORS

Indicator		FY 2023/24	FY 2024/25	Remarks
 IT Investment (LKR million)	3.9	4.7	Increased support to support digitization, automation, and internal system upgrades	
 System Availability / Uptime	100%	100%	Critical for uninterrupted trading, settlement, and customer-facing operations	
 Transaction Monitoring Enhancements Implemented	Fully deployed	Fully deployed	Strengthens AML/CFT compliance and governance infrastructure	
 AML Training	100%	100%	Ensures ethical decision-making and regulatory awareness across the organization by all staff	

Focus for the Future

Medium Term

Establish a robust internal vulnerability assessment framework by deploying advanced tools and methodologies, supporting a proactive approach to cybersecurity.

Enhance the digital customer journey by upgrading the Customer Portal and other online engagement channels to deliver seamless and intuitive user experience.

Develop an AI-powered data intelligence layer to detect trends, anomalies, and growth opportunities, with natural language queries and predictive analytics embedded into dashboards to enhance decision-making across the organization.

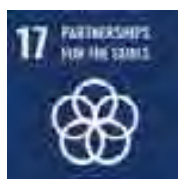
Long Term

Leverage AI and machine learning technologies to strengthen the capabilities of our analytics unit and support data-led decision-making across the organization.

Institutionalize information security awareness by embedding mandatory training programs into our corporate learning agenda, promoting a culture of compliance and cyber hygiene.

Introduce AI-powered workflow engines to streamline internal processes such as compliance checks, document verification, and exception handling.

CONTRIBUTION TO SUSTAINABLE DEVELOPMENT GOALS (SDGs)



HUMAN CAPITAL

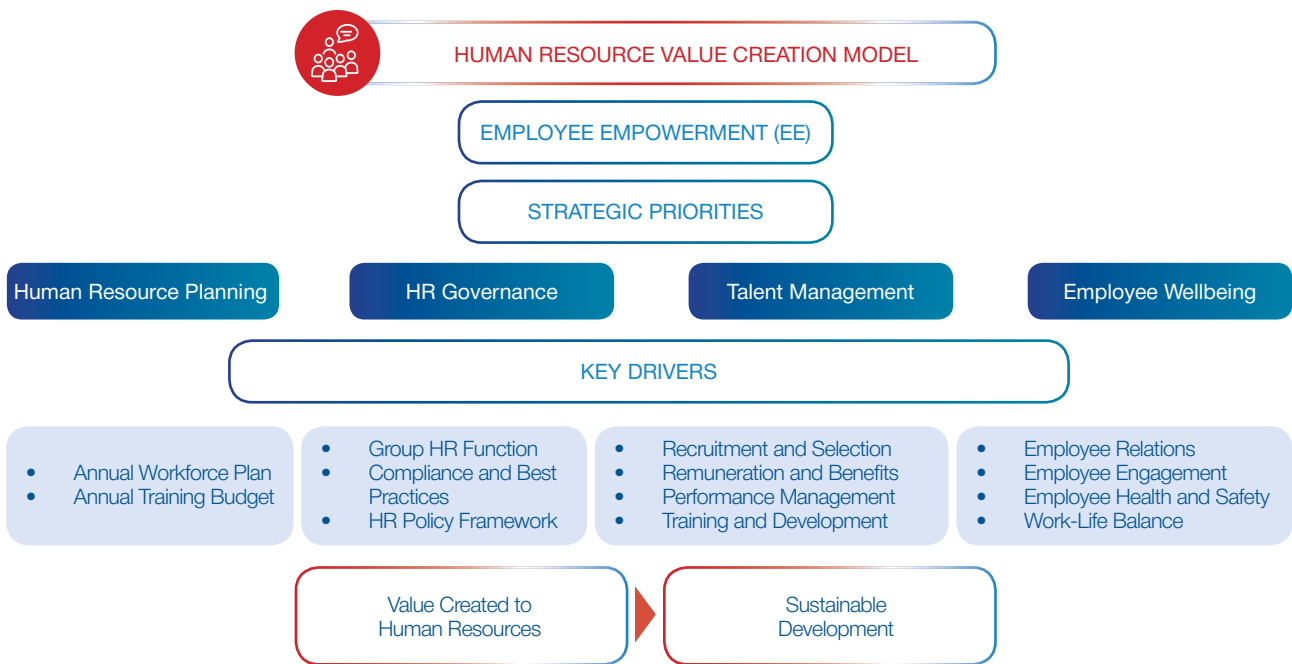
GRI 2-25

HR PHILOSOPHY

Our Human Resource philosophy is anchored in four fundamental principles:

- Commitment to Equal Opportunity
- Meritocracy: The Best Ideas Prevail
- Investment in Learning and Development
- Creating a Balanced and Inclusive Workplace

These principles form the backbone of our approach, fostering an environment where all employees thrive through meaningful and engaging career experiences at CALT.



As markets and customer needs become more complex, and regulations and sustainability goals grow stronger, we at Capital Alliance PLC (CAL) ensure that these aspects align with our strategic focus, driven by a focused and committed team.

With a view to sustainable business growth, employee well-being and progress, our Human Resource Management (HRM) function continues to review and fill gaps within our employee value proposition. Through proper HR governance, compliance to labour laws and improved value propositions, we ensure that CAL remains a preferred employer within the industry in which we operate.

HUMAN CAPITAL



CAL 24th Anniversary



CAL Avurudu Celebrations



CAL Mothers' Day



New Year Celebrations



CAL Padel Battle



CAL Premier League



Great Place to Work 2024-25



Runners-up APD Cricket 6's 2024



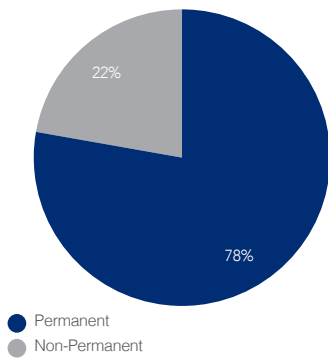
Children's Day

UNIQUE AND DIVERSE TEAM WITH STRONG CREDENTIALS IN ACADEMIC AND PROFESSIONAL EXPERTISE

The Workforce in Numbers

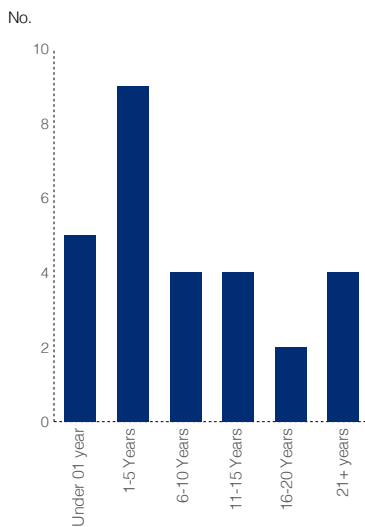
During the financial period under review, we employed 36 individuals, which consisted of 28 permanent staff members and 8 non-permanent employees.

Employment Type



A majority of our employees are retained within the team on permanent basis – with guaranteed job security based on performance, proper conduct and cultural fit

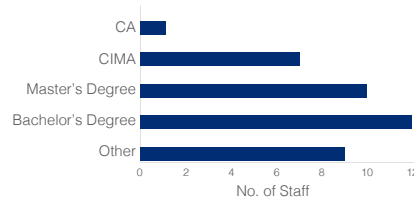
Analysis of Tenure



From our 28 permanent staff members, 14% have tenure above 20 years, 21% are between 10 - 20 years, and the remaining 65% have less than 10 years of tenure.

Staff Credentials

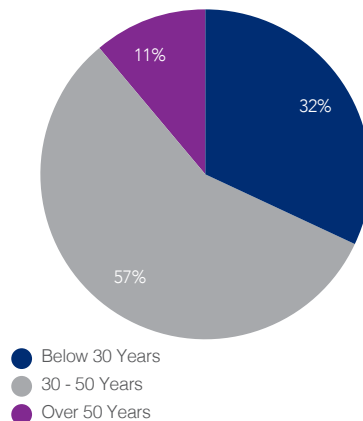
Permanent Employee Qualifications



We are committed to attracting individuals with the right skills and mindset to strengthen our organization. The majority of our employees hold Bachelor's degrees, with a significant number also possessing Master's qualifications. This reflects a workforce with a solid academic foundation at both undergraduate and postgraduate levels, complemented by notable expertise in Management Accounting.

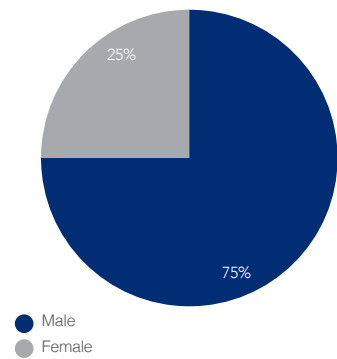
Diversity Analysis

Permanent Employees - Age Representation

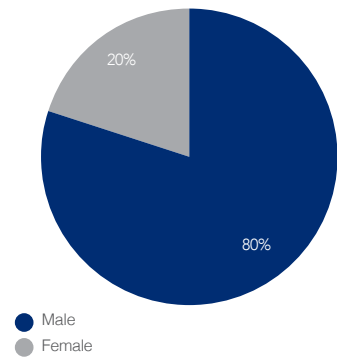


Our team comprises individuals across a broad age spectrum. The age distribution reflects a youthful and well-balanced team: This diversity fosters a dynamic blend of fresh perspectives, mid-career expertise, and seasoned experience, contributing to both organizational stability and innovation. The absence of employee turnover further highlights strong retention, likely driven by favorable working conditions and effective management practices.

Gender Distribution



Permanent New Recruits - Gender Representation



At CALT, gender representation remains an area of ongoing focus. While the workforce currently comprises a higher proportion of male professionals, efforts continue to promote a more balanced and inclusive environment.

CAPITAL ALLIANCE PLC HAS IN PLACE A UNIQUE APPROACH TO BRINGING OUT THE BEST OF ITS EMPLOYEES WITH A STRONG FOCUS ON ELEVATING ITS EMPLOYEE VALUE PROPOSITION.

Workforce Planning

Strategy and HR Governance

HR Function and Commitment to Compliance

Led by the Chief Human Resources Officer, the Group HR Function operates as a centralised department that oversees all of Human Capital Management functions. The HR team at CAL is dedicated to executing strategic HR initiatives that align with the Company's broader organizational goals. These strategies are designed to attract top-tier talent and ensure that new recruits are equipped with the requisite skills and competencies to excel in their roles. This approach fosters a high-performance, collaborative culture that drives both individual and collective success.

Our Policy Eco System

- Sexual Harassment, Discrimination, Bullying, and Harassment Policy
- Grievance Handling Policy
- Holiday Leave and Sabbatical Policy
- Paternity Leave Policy
- Performance Management Policy
- Membership Subscription Policy

Guiding our commitment towards a rewarding work environment are four core principles, which have grounded our Human Resource ethos. It is the strategic combination of these pillars that has driven the Company's stability, laying a strong groundwork for future success.

CORE VALUES OF THE CAL HR STRATEGY AND VALUE CREATION APPROACH

Inclusivity

Performance-Driven Recognition

Continuous Growth

Holistic Work Environment

INCLUSIVE OPPORTUNITIES

For years, we have worked to ensure equity in how we treat our employees and to ensure an inclusive workspace for all of our staff members. As a result of concentrated efforts, our employees are now loyal stakeholders of an equitable work environment, which nurtures their capacity for growth.

The professionals of our HR division develops, reviews, revises and implements a range of HR policies to maintain a workplace culture that breeds innovation and inclusivity.

Compliance and Best Practices

Ensuring compliance is not only a responsibility; it is a critical part of our overall HR strategy. We have aligned our commitment to regulatory compliances with the Shop and Office Employees (Regulation of Employment and Remuneration) Act as well as global best practices, guided by the regulations of the International Labour Organization (ILO) conventions and the United Nations Global Compact for Human Rights. Moreover, fairness and diversity are promoted at all organizational levels by our dedication to equal opportunity, which also guarantees a workplace free from discrimination based on age, marital status, religion, or any other legally protected trait.

Recruitment and Selection

The recruitment process at CALT is ensured to be fair and formal – created to funnel the right candidates based on skills, expertise in professional disciplines and the right fit with our values.

Comprehensive Onboarding

The HR team conducts a comprehensive full-day orientation program designed to warmly welcome new recruits, familiarize them with CAL's organizational culture, and effectively integrate them into their respective roles.

Remuneration and Benefits

Remuneration structures at CAL align with industry best practices and are designed with fairness and equity in mind. Employees receive performance-based incentives apart from usual salary levels.

	2024/25 (Rs)	2023/24 (Rs)
Salaries and other staff benefits	517 million	2,744 million
Defined benefit plan - Gratuity	15 million	16 million
Defined contribution plans (EPF)	18 million	12 million
Defined contribution plans (ETF)	4 million	3 million
Other employee related cost	0.2 million	1 million
Total Employee Benefits	554.2 million	2,776 million

A full range of benefits are provided by CALT to promote work-life balance and employee well-being:

- Comprehensive health coverage includes life, hospitalization, surgery, and personal accident insurance.
- In-House Outpatient Claims: Simplified procedure for reimbursement of medical costs.
- Preferential Staff Loans: Specialized rates for loans.
- Staff mobile connectivity
- Up to six days of paternity leave are available to assist new fathers.
- Options for Leave: Sabbatical and holiday leave for relaxation and personal development.
- Professional Development: Payment for subscriptions to professional associations.
- Special Needs Support: A program designed to help staff members who have children with special needs.

PERFORMANCE-DRIVEN RECOGNITION

At CAL, we have prioritised recognition and rewarding of performance and individual contributions, encouraging diligent work and target-oriented achievements, while commending outstanding ideas and efforts are valued and acted upon.

Performance Management

Our performance management framework is centered on KPIs, which are evaluated through supervisor evaluations, self-assessments and annual performance reviews. These enable the management to ascertain the level of goal-based performance by each employee and provide the right impetus towards work motivation and self-driven empowerment to excel beyond individual thresholds.

CONTINUOUS GROWTH

As a knowledge-intensive workplace, it is imperative to continuously sharpen the insights, know-how and technical aptitudes of our team. This is done through active, self-driven and need-based learning and professional development that is continuous and structured. Through purpose-driven development programs, we ensure that employees receive timely and relevant training. This professional growth is paired with opportunities for career advancements, empowering employees to succeed financially and professionally in a rewarding and stable professional path.

Training and Development

Training programs were organised at various department levels, while programs that addressed common requirements were also conducted across the period under review.

Training initiatives at CALT are strategically designed to address skill gaps at both individual and departmental levels. Knowledge transfer is facilitated primarily through on-the-job training, while leadership development programs are implemented to enhance managerial competencies. Additionally, staff members benefit from externally organized outbound training sessions, which feature expert-led engagements by external resource personnel. These programs collectively contribute to continuous professional development and organizational effectiveness.

During the year, we allotted 430 hours of collective training for all our staff members – providing continuous professional and knowledge growth alongside skill enhancement to reach organisational and individual goals.

Financial Allocations for Training

During the year under review, a pre-determined financial investment was allocated to adequately fund our training initiatives. This was devised through discussions on our annual training budget, which is central to our employee value proposition.

This allocation is based on training need identifications and is budgeted by the Heads of Departments and incorporated into the corporate annual budget, which receives the proper approval from the CEO.

HOLISTIC WORK ENVIRONMENT

At CALT, our team of bright minds is provided with a harmonious work environment with the proper balance in work and life obligations. When professional obligations exceed the right balance, we ensure that the team receives the right reinforcements to ensure well-balanced mind and physical health.

Championing Work-Life Harmony

The culture at CALT thrives on employee well-being, which has contributed to forming an exceptional team of professionals. As a means of enjoying true relaxation, we offer 10 days of paid leave each year, providing staff with the freedom to rejuvenate their minds, explore and undertake non-work passions and enjoy a work-free environment.

Parenthood and work ethic are embedded into the CALT corporate culture, as we strive to prioritise the parental duties of our staff. Upon their return to work following the birth of a child, we provide supportive and flexible options of remote scheduling, flexible hours and phased gradual re-assimilation to work; these are tailored to accommodate a well-adjusted work-life schedule for our new mothers and fathers.

HUMAN CAPITAL

GRI 2-15, 2-16, 403-5, 403-6, 406-1

Three-month sabbatical is provided to our senior employees, which promotes self-discovery, academic growth and monetary pauses from work to find a balanced footing between professional goals and personal aspirations.

Employee Relations

Mutual trust and respect have become pillars that bind the relationship between the management and staff at CALT. We provide staff with every opportunity to be heard and treated as intellectual peers through regular and open communication and through interactions during town hall meetings and weekly 'Espresso Meet-ups'.

Employee Well-being

At CALT, the well-being of our employees is reflected through the various non-financial benefits offered for their health, safety and all-around well-being. Putting health and happiness as priorities we provide our employees with comprehensive wellness programs, including healthcare coverage, access to resources that provide mental health and regular wellness workshops. A dedicated workshop on cardiovascular health and well-being was conducted to raise awareness among employees about the importance of maintaining a healthy lifestyle. The initiative aimed to encourage proactive habits and promote long-term wellness through informed choices and preventive care.

Flexible working hours are also in place, such as remote work arrangements and generous leave entitlements for a balanced and content work life experience.

Grievance policy and managing employee concerns in a confidential and formal process ensures that our staff are respected and valued irrespective of the circumstances. Those in duress are provided with the right recourse, ensuring that they return to a normal and enjoyable work environment.

We also maintain a strict zero-tolerance policy on sexual harassment workplace bullying and discrimination and any kind of harassing behavior. The HR department and the management ensure that all allegations and misconduct are promptly investigated with thorough testimonies from both parties.

PERIODIC FUTURE FOCUS

At CALT, succession planning and management have been strategically implemented to future-proof the organization. This initiative ensures a continuous pipeline of capable and prepared talent, ready to meet evolving business needs and support long-term organizational sustainability.

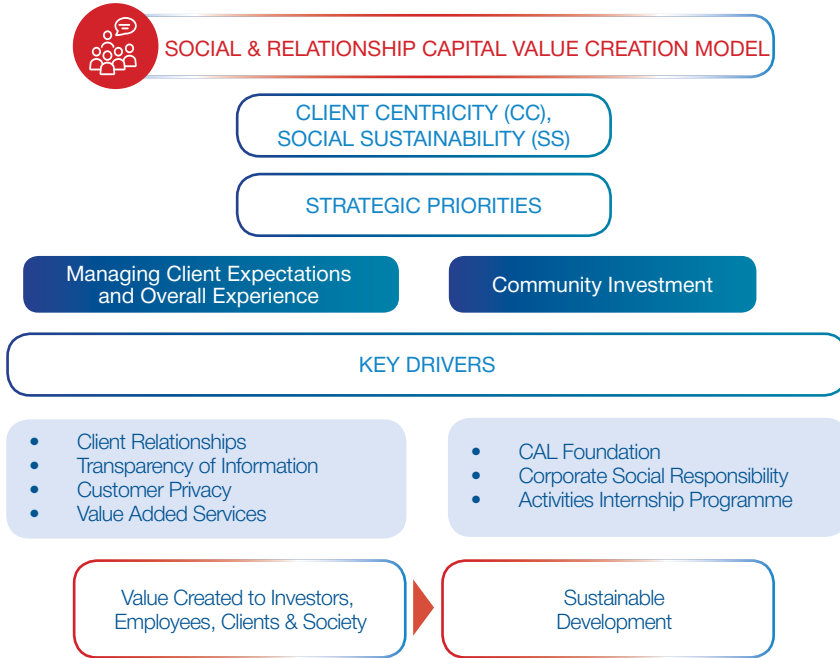
We actively collaborates with universities and academic institutions to attract emerging talent and strengthen our recruitment pipeline. These partnerships not only facilitate the integration of promising graduates into the organization but also provide students with valuable exposure to corporate operations. Through these engagements, undergraduates gain practical insights into professional environments, enhancing their readiness to transition into the workforce.

CONTRIBUTION TO SUSTAINABLE DEVELOPMENT GOALS (SDGs)



SOCIAL AND RELATIONSHIP CAPITAL

GRI 203-1



To bolster our readiness for any unforeseen incidents, our incident response framework has also been upgraded. This includes clearly defined protocols to detect, respond to, and recover from potential data breaches swiftly-minimizing risk exposure and safeguarding customer interests.

Through these proactive measures, we continue to provide our clients with the confidence that their personal and financial information remains secure within CALT.

VALUE ADDED SERVICES

At CALT, we continue to set ourselves apart by offering a broad and evolving range of value-added services that enhance convenience, accessibility, and personalized engagement for our clients. Driven by innovation and a strong focus on customer needs, we are committed to continuously refining our service offerings to deliver exceptional value.

During FY 2024/25, we enhanced our treasury investment services by enabling clients to invest starting from as low as LKR 40,000. This feature was made possible through seamless integration with JustPay, allowing for secure, real-time transactions directly from mobile banking platforms. This advancement has significantly expanded access to treasury investments, empowering a wider spectrum of clients to participate with greater ease and flexibility.

Further to improving client convenience, we introduced a new self-service feature on CAL Online that enables customers to request balance confirmations digitally. This streamlined process eliminates the need for manual handling, giving clients quicker access to official documents while enhancing their overall digital experience.

CUSTOMER PRIVACY

At CALT, we remain unwavering in our commitment to protecting the privacy and confidentiality of our customers. As our operations continue to expand in the digital space, the responsibility to safeguard sensitive data has become even more critical. Trust is the foundation of our relationships, and we recognize that preserving this trust hinges on how responsibly we manage the information entrusted to us.

This year, we enhanced our data protection ecosystem with state-of-the-art technologies, aligning with global best practices to reinforce client data confidentiality. We continue to invest in advanced security infrastructure and rigorous privacy frameworks to ensure the highest standards of protection.

All personal information provided to CALT - whether collected directly or as part of legal or regulatory obligations - is stored securely and managed with strict access protocols. Disclosure of any such data is made solely in accordance with applicable laws. Our Board-approved IT User Policy remains a cornerstone of our privacy framework, with well-defined procedures for access control, secure data retention, and responsible information sharing. These protocols also extend to digital platforms, including our corporate website, CAL Mobile App, and social media channels.

Recognizing the dynamic nature of cyber risks, we have further strengthened our cybersecurity posture through continuous system audits, employee awareness initiatives, and enhanced authentication controls. In addition, all third-party vendors and digital platforms we engage with are subject to rigorous privacy and security assessments, ensuring alignment with CALT's data protection standards across the entire ecosystem.

SOCIAL AND RELATIONSHIP CAPITAL

CORPORATE SOCIAL RESPONSIBILITY SERVICES

As a responsible financial institution, CALT is committed to delivering long-term value not only to our clients and investors but also to the communities in which we operate. Our Corporate Social Responsibility (CSR) services are an integral part of our social and relationship capital and reflect our commitment to the Social and Governance (S&G) dimensions of ESG.

Guided by our core values and aligned with the United Nations Sustainable Development Goals (SDGs), our CSR framework focuses on initiatives that promote financial inclusion, education, community resilience, and equitable access to opportunity. We recognize that meaningful stakeholder engagement is key to building lasting trust and social impact.

- **Empowering Communities through Financial Literacy**

As a licensed Primary Dealer, we take pride in our role as a facilitator of financial empowerment. During the year, we conducted a series of financial literacy programs, both in-person and digitally, targeting students, young professionals, and underserved segments. These initiatives were designed to demystify government securities and personal finance, thereby promoting responsible investing, savings culture, and economic inclusion.

By improving financial literacy, we support SDG 4 (Quality Education) and SDG 8 (Decent Work and Economic Growth), while contributing to a more informed and resilient society.



CAL FinLit Sessions



CAL Open Days

- **Targeted Social Outreach**

Our CSR efforts also addressed pressing social needs through community support and relief initiatives.

- **Employee Engagement and Volunteerism**

Our people are at the heart of our CSR initiatives. Through structured volunteer programs, employees actively contributed time, skills, and resources to community projects. This fosters a culture of empathy, civic responsibility, and collective impact, aligning with the “S” in ESG and enhancing our internal social capital.



MOU with University of Colombo

- **Governance and Transparency in CSR**

Governance plays a crucial role in ensuring the credibility and impact of our CSR programs. All CSR activities are monitored through a structured internal governance process, which include defined objectives, transparent resource allocation, and regular impact assessments. This ensures that our social investments are aligned with our ethical standards and contribute to long-term stakeholder value.

- **Strategic Alignment with ESG**

Total Donations

LKR 11.25 million

FY 2023/24: LKR 11.25 million

Our CSR strategy is not standalone - it is embedded within our broader ESG framework. We continuously evaluate our initiatives against ESG metrics, community needs, and evolving sustainability priorities. By doing so, we reinforce our commitment to responsible corporate citizenship, enhance stakeholder relationships, and contribute to the broader development goals of the nation.

KEY PERFORMANCE INDICATORS

Indicator	FY 2023/24	FY 2024/25	Remarks
 Digital Transformation (Paperless)	Initiated	Expanded	Enhanced customer experience while reducing paper use and promoting sustainability
 Financial Literacy Programs Conducted	-	2 sessions	Expanded outreach to promote financial inclusion and investor education
 Digital Access Initiatives	Introduced	Expanded	Enabled broader public participation in government securities through tech-led access via CAL Online 2.0
 Data Privacy Incidents Reported	Zero	Zero	Maintains trust through strong governance and secure handling of client data

PARTNERSHIPS WITH ASSOCIATIONS AND PROFESSIONAL INSTITUTIONS

Category	Trade or Industry Association/ Professional Institution
Professional Bodies	<ul style="list-style-type: none"> The Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) CFA Institute Chartered Institute of Management Accountants (CIMA - UK) Association of Chartered Certified Accountants (ACCA) Chartered Institute of Marketing (CIM) Lanka Rating Agency Limited
Regulators	<ul style="list-style-type: none"> Central Bank of Sri Lanka (CBSL) Securities and Exchange Commission of Sri Lanka (SEC) Colombo Stock Exchange (CSE) Inland Revenue Department - Sri Lanka Employees' Trust Fund Board Sri Lanka Department of Labour EPF Department Central Bank of Sri Lanka Sri Lanka Accounting and Auditing Standards Monitoring Board (SLAASMB)
Investments Banking and Financial Industry Associations	<ul style="list-style-type: none"> Financial Ombudsman Sri Lanka (Guarantee) Limited LankaPay (Pvt) Ltd SWIFT SC

AS AT 27TH MARCH 2025:



21,000 +

Facebook Followers



21,000 +

LinkedIn Followers



5,000 +

Instagram Followers



970+

Twitter Followers



61,000+

YouTube Followers



4,020+

Tik Tok Followers

Focus for the Future

Medium Term	Long Term
Implement a well-organized program for employee volunteering aimed at fostering employee engagement in community projects undertaken by the Company.	Develop a three-year plan for making a positive social influence and supporting children with disabilities in reaching their full potential, focusing primarily on results-driven initiatives.

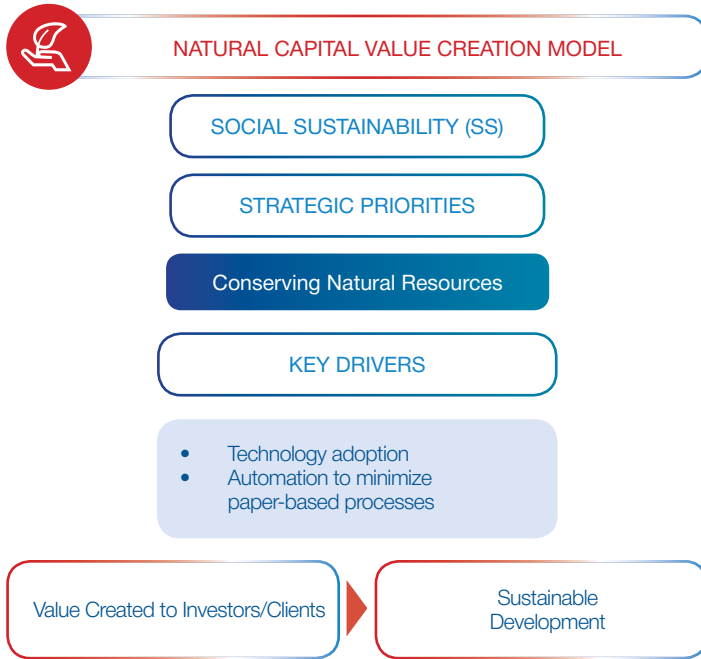
CONTRIBUTION TO SUSTAINABLE GOALS (SDGs)



NATURAL CAPITAL

GRI 302-1

As a Primary Dealer operating in a service-oriented and low-impact industry, CALT's direct environmental footprint is modest. Nevertheless, we remain deeply committed to environmental stewardship as part of our broader Environmental, Social, and Governance (ESG) obligations. Our approach to natural capital reflects a belief that sustainability is not determined by the size of our footprint, but by the strength of our intent and the integrity of our actions.



Water Consumption
2.64 m3
 FY 2024/25

Energy Consumption
274.2 Gj
 FY 2024/25

This strategic digital shift supports both operational efficiency and environmental sustainability by significantly reducing our dependence on paper and physical storage.

RESOURCE EFFICIENCY: ENERGY AND WATER CONSUMPTION





In line with our commitment to responsible resource use, we monitor and manage key environmental indicators such as energy and water consumption. The following trends highlight our environmental performance:

ENVIRONMENTAL PHILOSOPHY

While our core operations inherently have minimal negative environmental impact, we firmly believe in contributing to environmental sustainability for the benefit of future generations of Sri Lankans. Our Technology Roadmap serves as a key enabler in this regard, focusing on:

- Digitizing front-end interfaces across all CALT business operations, promoting paperless transactions and enhancing customer efficiency.
- Automating back-end processes to streamline workflows, reduce manual intervention, and minimize material waste.

KEY ENVIRONMENTAL PERFORMANCE INDICATORS

Indicator	FY 2023/24	FY 2024/25	Remarks
 Water Consumption	4.31 m3	2.64 m3	Increase attributed to business expansion and increased in-office activity
 Energy Consumption	101.7 Gj	274.2 Gj	Increase reflects opening new customer care unit at Jetwing building
 Paper Usage	1,736	2,170	Digitization of front-end interfaces and back-end automation
 Environmental Policy	-	Implemented	Guided by ESG principles and Technology Roadmap

While consumption has increased in parallel with growth and digital transformation, we continue to explore energy-efficient technologies and green building practices to mitigate our environmental impact in the long term.

RESPONSIBLE WASTE MANAGEMENT

As part of our environmental commitment, we have implemented proactive measures to manage waste responsibly, particularly regarding electronic waste (e-waste). We also comply with all local environmental regulations related to waste disposal and continuously promote eco-conscious behavior among staff, including minimizing single-use materials and responsible consumption in office operations.

We are working towards aligning our environmental disclosures with recognized global frameworks such as the Global Reporting Initiative (GRI) to enhance the transparency and accountability of our sustainability performance.

At CALT, our commitment to preserving natural capital reflects our responsibility not only to shareholders and regulators but to the broader society and environment we serve. Even as a low-impact organization, we strive to demonstrate that sustainable operations and responsible finance go hand in hand - today, and for the future.

CONTRIBUTION TO SUSTAINABLE DEVELOPMENT GOALS (SDGs)





AMPLITUDE OF
ACHIEVEMENTS

CORPORATE GOVERNANCE

STATEMENT BY THE CHAIRMAN

Dear Stakeholders,

At Capital Alliance PLC, we recognize that strong corporate governance is fundamental to our success as a Primary Dealer and to maintaining the trust of our stakeholders. Our governance framework is built on the pillars of integrity, transparency, and accountability, ensuring that our operations remain fully compliant with regulatory requirements and industry best practices.

The Board of Directors provides strategic direction and oversight, ensuring adherence to the governance principles outlined by the Central Bank of Sri Lanka (CBSL), the Securities and Exchange Commission of Sri Lanka (SEC), and the Colombo Stock Exchange (CSE). Our governance structure is further strengthened by the active role of the Chief Risk and Compliance Officer (CRCO), who, under the Board's supervision, ensures that all risk and compliance measures are effectively implemented across the organization.

Our compliance team, working in close collaboration with the CRCO, continuously monitors business activities, ensuring they align with Board-approved policies and regulatory standards. A robust risk management framework and a risk-based assessment program further reinforce our commitment to sound corporate governance.

The Audit Committee plays a crucial role in overseeing the deployment of an Internal Audit Framework, providing independent assurance on compliance, internal controls, and ethical conduct within the organization. The Board is committed to fostering a culture of zero tolerance for non-compliance, setting the tone from the top, and ensuring that all Directors and employees uphold the highest ethical standards in their conduct.

On behalf of the Board of Directors, I affirm our unwavering commitment to upholding the highest standards of corporate governance, risk management, and compliance. We remain dedicated to transparency, accountability, and ethical business practices, reinforcing our position as a trusted Primary Dealer in the financial sector.



Mr. D. A. De Zoysa
Chairman

CORPORATE GOVERNANCE

THE CAPITAL ALLIANCE PLC'S APPROACH TO CORPORATE GOVERNANCE

At CALT, we are committed to upholding the highest standards of corporate governance, ensuring transparency, accountability, and ethical business practices. Our corporate governance framework is designed to foster trust among stakeholders, align with regulatory requirements, and support long-term value creation.

Governance Structure

Our Board of Directors provides strategic guidance and oversight, ensuring the company operates in compliance with the industry's best practices and regulatory frameworks. The Board comprises experienced professionals with diverse expertise, fostering balanced decision-making. Key committees, including the Audit Committee, Risk Committee, Remuneration Committee, Related Party Transactions Review Committee and Nomination & Governance Committee, further strengthen governance by overseeing critical business functions.

Regulatory Compliance and Best Practices

As a Primary Dealer, we strictly adhere to the guidelines set by regulatory authorities, including Central Bank of Sri Lanka, ensuring compliance with capital adequacy requirements, risk management frameworks, and reporting obligations. In addition, we are committed to governance best practices observed by listed entities in Sri Lanka, which has led to the voluntary adoption of the Code of Best Practice for Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and the Securities and Exchange Commission of Sri Lanka (SEC). This reflects our dedication to fostering strong governance, transparency, and investor confidence.

Risk Management and Internal Controls

Robust risk management is at the core of our governance philosophy. We have established a comprehensive risk management framework that identifies, assesses, and mitigates financial, operational, and compliance risks. Internal audits and control mechanisms are regularly conducted to ensure effective monitoring and accountability.

Ethical Business Practices

Integrity and ethical conduct are fundamental to our operations. Our Code of Conduct outlines the principles guiding employees and management, reinforcing a culture of transparency and responsible decision-making. Whistleblower mechanisms and grievance redressal systems further strengthen our commitment to ethical governance.

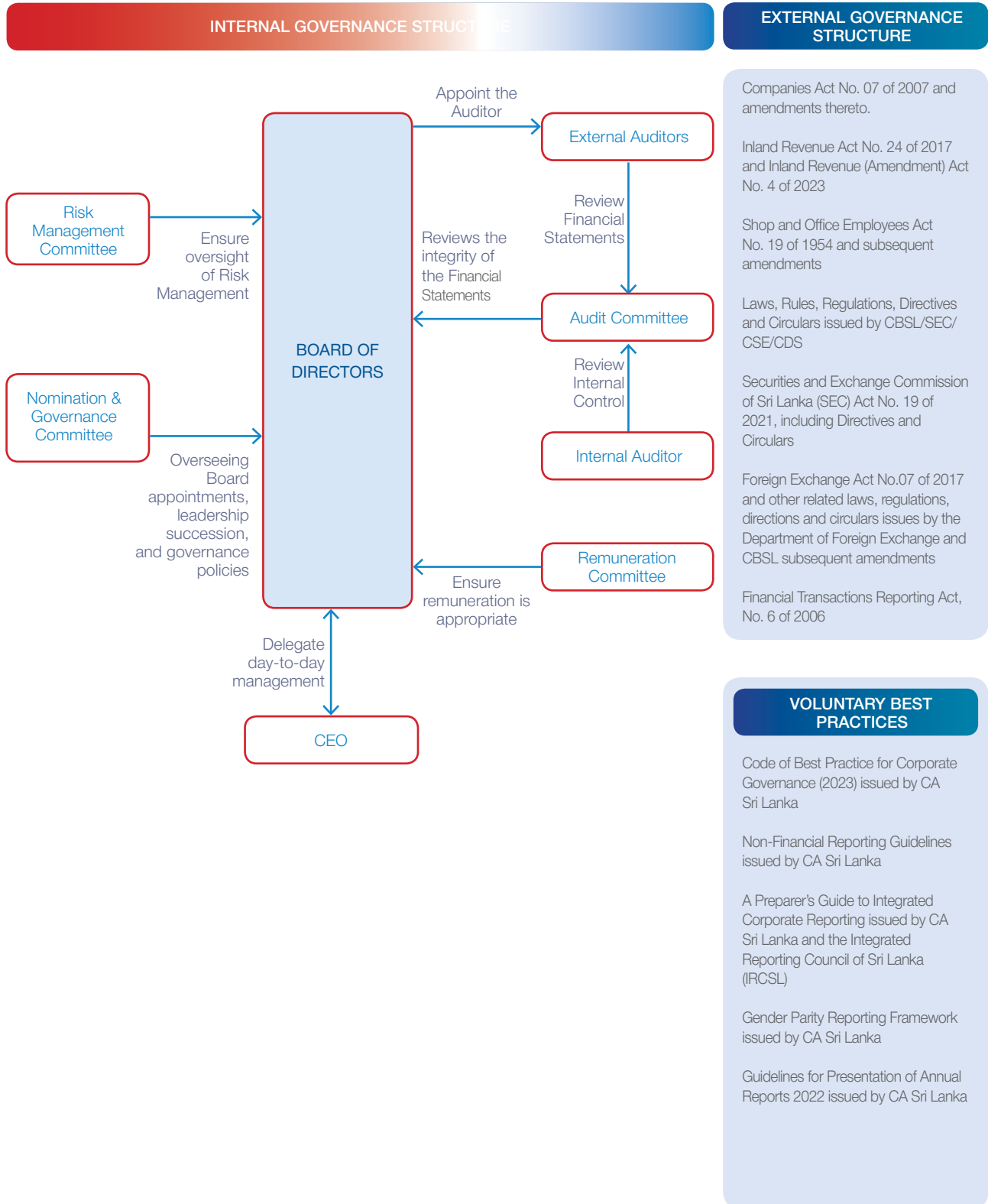
Stakeholder Engagement

We prioritize open communication with stakeholders, including investors, regulators, clients, and employees. Regular disclosures, financial reporting, and governance updates ensure transparency and maintain confidence in our operations. By continuously enhancing our corporate governance framework and aligning with the best practices, CALT remains committed to sustainable growth, financial stability, and maintaining its reputation as a responsible Primary Dealer in the financial markets.

CORPORATE GOVERNANCE PILLARS

EXTERNAL	INTERNAL	ASSURANCE	GOVERNANCE
<p>REGULATORY COMPLIANCE AND OVERSIGHT</p> <p>Companies Act No. 07 of 2007</p> <p>Inland Revenue Act No. 24 of 2017 and amendments thereto</p> <p>Shop and Office Employees Act No. 19 of 1954 and amendments</p> <p>CSE Listing Rules</p> <p>Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995</p> <p>Local Treasury Bills Ordinance No.31 of 1995 and amendments thereto</p> <p>Registered Stock and Securities (Primary Dealers) Regulations No. 01 of 2009 and amendments thereto</p> <p>Directions issued by the Central Bank of Sri Lanka</p> <p>CBSL surveillance and audits</p> <p>CBSL capital requirements and the prudential regulations</p>	<p>VOLUNTARY BEST PRACTICES</p> <p>The Code of Best Practices on Corporate Governance (2023) Issued by CA Sri Lanka</p>	<p>Articles of Association</p> <p>Board Charter</p> <p>Board Structure & Independence</p> <p>Terms of Reference of the Board Subcommittees and Management Committees</p> <p>Code of Ethics, conduct and whistleblower policy for employees</p> <p>Framework of Board approved policies and procedures</p> <p>Risk Management & Internal Control Framework</p> <p>Internal Audits</p> <p>Regulatory reporting</p> <p>Financial reporting disclosures as per the SLFRSs</p>	<p>Internal Audit Framework</p>

CORPORATE GOVERNANCE



THE BOARD

The Board Composition and Independence

To ensure balanced decision-making and prevent any individual Director or small group of Directors from dominating Board discussions, the Company maintains a well-structured Board composition. The Board consists of three Independent Non-Executive Directors, three Non-Executive Non-Independent Directors, and the Chief Executive Officer (CEO) of CALT, who is the sole Executive Director*. The independence of the Directors is assessed in line with Corporate Governance Best Practices and CSE Listing Rules, with Independent Non-Executive Directors formally declaring their independence in writing.

A clear separation of roles between the Chairman and the CEO ensures a balanced distribution of power and authority. The Chairman is responsible for the effectiveness and conduct of the Board, while the CEO oversees the operational management of the Company, organizational efficiency, and the execution of Board policies and decisions.

The Board is composed of highly-qualified professionals, academics, and business leaders who hold senior positions in their respective fields, bringing extensive experience across various industries and functional disciplines. Additionally, the Company remains committed to gender diversity at the Board level, with one-third of the current Board represented by female Directors.

Name	Date of Appointment	No. of Years	Designation
Mr. D. A. De Zoysa	10.01.2003	22 yrs.	Chairman/ Non-Executive Non-Independent Director
Mr. W. A. T. Fernando	30.07.2000	24 yrs.	CEO/Executive Director*
Mr. R. J. Arasaratnam	08.01.2003	22 yrs.	Non-Executive Non-Independent Director
Mr. C. S. R. S. Anthony	09.07.2014	10 yrs.	Non-Executive Non-Independent Director
Ms. A. I. C. Nandasena	23.08.2021	3 yrs.	Non-Executive Independent Director
Ms. K. A. D. Siriwardene	23.08.2021	3 yrs.	Non-Executive Independent Director
Mr. J. M. Jayasuriya	28.11.2024	-	Non-Executive Independent Director*

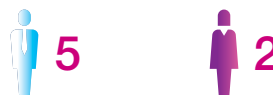
* On 11th April 2025, Mr. W. A. T. Fernando had stepped down as Chief Executive Officer and continues to serve on the Board of Directors as a Non-Executive Non-Independent Director.

Comprehensive profiles of each Board member can be found in a pages 24 - 28 of this Annual Report.

ANALYSIS OF BOARD COMPOSITION

By Gender Composition

Gender	No. of Directors
Male	5
Female	2



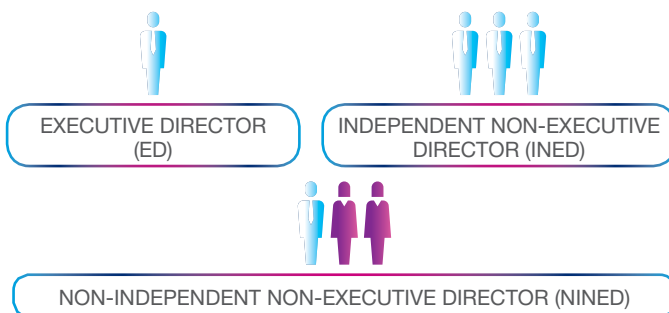
By Age Category

Age Category	Male	Female	Total
Under 30 years	-	-	-
30 – 50 years	1	1	2
Over 50 years	4	1	5
Total	5	2	7



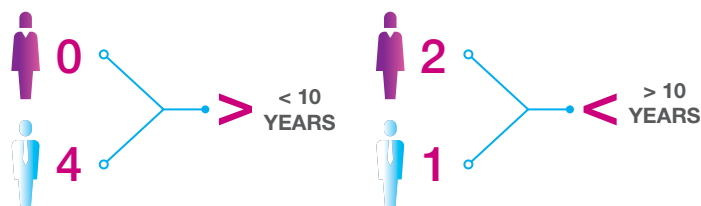
By Designation

Designation	Male	Female	Total
Executive Director (ED)	1	-	1
Non-Independent Non-Executive Director (NINED)	3	-	3
Independent Non-Executive Director (INED)	1	2	3
Total	5	2	7



By Tenure on the Board

Service Period	Male	Female	Total
< 10 Yrs.	4	-	4
>10 Yrs.	1	2	3
Total	5	2	7



BOARD RESPONSIBILITIES

The Board of Directors of CALT operates in accordance with the Board Charter, which defines its duties and responsibilities as the apex governing body of the organization. The Board is responsible for establishing the Company’s purpose and core values, formulating strategies aligned with its broader strategic intent, and overseeing the Company’s overall performance and governance.



CORPORATE GOVERNANCE

GRI 2-9

The Board remains steadfast in its commitment to effective governance, regulatory compliance, and strategic oversight, reinforcing CALT's position as a trusted Primary Dealer in Sri Lanka.

BOARD COMPOSITION

Board Member		The Board	Audit Committee & Risk Committee	Related Party Transactions Review Committee	Remuneration Committee	Nomination and Governance Committee
Mr. W. A. T. Fernando	Executive Director*	5 / 5	-	-	-	
Mr. C. S. R. S. Anthony	Non-Executive Non-Independent Director	5 / 5	5 / 5	4 / 4	-	
Mr. R. J. Arasaratnam	Non-Executive Non-Independent Director	4 / 5	-	-	-	
Mr. D. A. De Zoysa	Non-Executive Non-Independent Director	5 / 5 (C)	-	-	1 / 1	1 / 1
Ms. A.I.C. Nandasena	Non-Executive Independent Director	5 / 5	5 / 5	4 / 4 (C)	1 / 1 (C)	1 / 1
Ms. K. A. D. Siriwardene	Non-Executive Independent Director	5 / 5	5 / 5	4 / 4	1 / 1	1 / 1 (C)
Mr. J. M. Jayasuriya	Non-Executive Independent Director	1 / 5	2 / 5 (C)	-	-	

C - Chairman

* On 11th April 2025, Mr. W. A. T. Fernando had stepped down as Chief Executive Officer and continues to serve on the Board of Directors as a Non-Executive Non-Independent Director.

Corporate Governance Principle	Principle No.	Complied/ Not Complied	Level of Compliance
A. Directors			The Company should be headed by an effective Board, which should direct, lead and control the Company.
A.1 The Board			As at 31 March 2025, the Board consists of three Independent Non-Executive Directors and three Non-Executive Non-Independent Directors (Including Chairman), along with the Capital Alliance PLC's Chief Executive Officer (CEO), who is the only Executive Director who are professionals in the fields of Finance, Investment Banking and Management.
Frequency of Board Meetings	A 1.1	Complied	The Board meetings are held on at least once in every quarter and meet more frequently, whenever it is necessary.

The Quarterly Board meetings are scheduled to determine the Company's strategic direction, review the operational and financial performance, and to provide oversight.

The attendance of Directors at the Board meetings held during the year is depicted below.

Name of the Director	Eligibility	Attendance
Mr. W. A. T. Fernando	5	5
Mr. C. S. R. S. Anthony	5	5
Mr. R. J. Arasaratnam	5	4
Mr. D. A. De Zoysa	5	5
Ms. A.I.C. Nandasena	5	5
Ms. K. A. D. Siriwardene	5	5
Mr. J. M. Jayasuriya	1	1

A Board pack containing all relevant information is submitted to the Board of Directors

Financial and operational results on pre-agreed Key Performance Indicators

- Included in Quarterly Board pack

Financial performance compared to previous periods, budgets, and targets

- Included in Quarterly Board pack

Impact of risk factors on financial and operating results and actions to mitigate such risks

- Included in Quarterly Board pack

Forecast for the next period

- A Budget is set at the beginning of the year and a Rolling Forecast with scenario analysis has been provided on request.

Compliance with laws and regulations and any non-compliances

- Included in the quarterly report prepared by Chief Risk & Compliance Officer (CRCO)

Corporate Governance Principle	Principle No.	Complied/ Not Complied	Level of Compliance
			<p>Internal control breaches or frauds during the period and related actions taken</p> <ul style="list-style-type: none"> Independent Internal Audits are carried out periodically and exceptions are reported to the Board <p>Financial and operational decisions taken by the CEO within his delegated authority</p> <ul style="list-style-type: none"> Discussed on ad-hoc basis and through the Board pack and Board Meetings <p>Share trading of the Company and related party transactions by Key Management Personnel</p> <ul style="list-style-type: none"> The Company Secretary informs the Board of any related party shares transactions performed by the Directors.
Responsibilities of the Board	A.1.2	Complied	<p>The Board's role is to provide entrepreneurial leadership of the Company within a framework of prudent and effective controls which enable risk to be assessed and managed</p> <p>The Board adopted the following responsibilities,</p> <p>Ensuring the formulation and implementation of a sound business strategy</p> <ul style="list-style-type: none"> The Board provides stewardship, vision and strategic direction to the Company and fosters a culture of responsibility and accountability across the Company. A stakeholder centric approach is adopted in the strategy formulation. A review of the business, marketing, financial and other strategies, and their implementation takes place during the Board meetings. <p>Appointing the chair and the Senior Independent Director, if relevant.</p> <ul style="list-style-type: none"> N/A, since the Chairman and the CEO of the Company are not the same person. <p>Ensuring that the Chief Executive Officer (CEO) and management team possess the skills, experience, and knowledge to implement the strategy</p> <ul style="list-style-type: none"> The Directors are from diverse backgrounds and bring a wide range of experience and competencies that facilitates the effective discharging of the Board responsibilities. The Board ensures that the Chairman, CEO, and the Management team possess the skills to implement the overall strategy. A brief resume of each Director including skills and experience is available in the "Board of Directors" on pages 24 - 28 of the Annual Report. <p>Ensuring the adoption of an effective CEO and Key Management Personnel succession strategy</p> <ul style="list-style-type: none"> Succession planning is given recognition through meetings of the Board where succession is discussed along with significant new hires

Corporate Governance Principle	Principle No.	Complied/ Not Complied	Level of Compliance
			<p>Approving budgets and major capital expenditure</p> <ul style="list-style-type: none"> The budget for the year was approved at the beginning of the financial year Capital expenditure is included in the budget. Further, the Board reviews all the significant capital expenditure made annually. <p>Determining the matters expressly reserved to the Board and those delegated to the management including limits of authority and financial delegation</p> <ul style="list-style-type: none"> The Board determines on the matters expressly reserved to the Board such as formulating the strategy, significant transactions and deciding on the risk appetite of the Company. <p>Ensuring effective systems to secure the integrity of information, internal controls, business continuity and risk management</p> <ul style="list-style-type: none"> The Board identifies significant risks on an ongoing basis and ensures the implementation of appropriate procedures to evaluate and manage the identified risks through internal and external audits and the Risk and Audit Committees. <p>Ensuring compliance with laws, regulations, and ethical standards</p> <ul style="list-style-type: none"> The Board ensures compliance with the laws, regulations, and standards on each area of business operations. The Internal Auditors and the CRCO monitor and report to the Audit Committee on their findings. <p>Ensuring all stakeholder interests are considered in corporate decisions</p> <ul style="list-style-type: none"> The Board considers all stakeholders when making corporate decisions <p>Recognising sustainable business development in Corporate Strategy, decisions and activities and considering the need for adopting integrated reporting</p> <ul style="list-style-type: none"> The Board recognises the importance of including principles of sustainability in corporate strategy, decisions, and activities The Company does adopt integrated reporting. <p>Ensuring that the Company's values and standards are set with emphasis on adopting appropriate accounting policies and fostering compliance with financial regulations</p> <ul style="list-style-type: none"> The Company keeps up-to-date with all the current developments in relation to accounting standards and has reviewed the accounting policies regularly. The Independent Auditor's Report appears from pages 150 - 152 in the Annual Report and affirms that the Company's Financial Statements are in line with Sri Lanka Accounting Standards (SLFRSs & LKASs).

CORPORATE GOVERNANCE

Corporate Governance Principle	Principle No.	Complied/ Not Complied	Level of Compliance
			<p>Establish a process of monitoring and evaluation of progress on strategy implementation budgets, plans and related risks</p> <ul style="list-style-type: none"> Each Board meeting, the progress of strategy implementation, achievement of budgets, plans and related risks are reviewed <p>Ensuring that a process is established for corporate reporting on an annual and quarterly basis or more regularly as relevant to the Company</p> <ul style="list-style-type: none"> The Company provides its accounts quarterly and annually to the Board for their review <p>Fulfilling such other Board functions are vital, given the scale, nature and complexity of the business concerned</p> <ul style="list-style-type: none"> During the year, the Board was committed in fulfilling their obligations towards all stakeholders in line with laws, regulations, and governance practices of the Company.
Compliance with Laws & independent Professional advice	A 1.3	Complied	<p>The Board Directors individually and collectively act in accordance with the laws applicable to the business enterprise.</p> <p>In discharging their duties, the Directors seek independent professional advice from external parties, where necessary.</p>
Company Secretary	A 1.4	Complied	<p>The Company Secretary provides the Board with support and advice relating to Corporate Governance matters, Board procedures and applicable rules and regulations during the financial year.</p> <p>Members of the Board have unrestricted access to the advice and services of the Company Secretary.</p> <p>The appointment and removal of the Company Secretary rests with the Board.</p>
Independent judgment	A 1.5	Complied	<p>All the Directors exercise independent judgment in all decisions pertaining to strategy, performance, resource allocation and standards of business conduct.</p>
Dedication of adequate time & effort by the Board	A 1.6	Complied	<p>The members of the Board dedicated adequate time and effort to fulfil their duties & responsibilities as Directors of the Company and ensure that they are satisfactorily discharged.</p> <p>In addition to the Board meetings, Directors attended Sub-Committee meetings and contributed to the decision making.</p> <p>The Board Sub-Committees includes;</p> <ul style="list-style-type: none"> Risk Management Committee Audit Committee Related Party Transactions Review Committee Remuneration Committee Nomination and Governance Committee

Corporate Governance Principle	Principle No.	Complied/ Not Complied	Level of Compliance
Calling for resolutions for the best interest to the Company	A 1.7	Complied	Any Director may call for a resolution to be presented to the Board where he feels it is in the interest of the Company. As per the Articles of Association, the resolutions can be passed with majority voting.
Training for new and existing Directors	A 1.8	Complied	The Directors are encouraged to participate in continuous professional and self-development activities as necessary. The Board recognises the requirement for continuous training and development required to effectively perform their duties as the Directors. The Board regularly reviews the training and development needs of the Directors.
2. Chairman and Chief Executive Officer	There are two key tasks at the top of every public Company - conducting of the business of the Board and facilitating executive responsibility for the management of the Company's business. There should be a clear division of responsibilities at the Head of the Company, which will ensure a balance of power and authority, such that no individual has unfettered powers of decision.		
Separation of Posts of Chairman and Chief Executive Officer (CEO)	A 2.1	Complied	The positions of Chairman and Company CEO were separated to ensure a balance of power and authority and to prevent any one individual from possessing unfettered decision-making authority.
A.3- Chairman's Role	The Chairman is responsible for preserving order and facilitating the effective discharge of Board functions		
	A 3.1	Complied	The Chairman in running of the Board, facilitates the effective discharge of the Board proceedings and ensures; <ul style="list-style-type: none"> • The effective participation of both Executive and Non-Executive Directors • The Agenda for the Board meetings is developed in consultation with the Company CEO, Directors, CRCO, Manager- Finance and the Company Secretary • The effective contributions by all Directors at proceedings • The views of Directors on issues under consideration are ascertained • The Board controls on the affairs of the Company and its obligations to all the stakeholders • The balance of power between Executive and Non-Executive Directors are maintained.
A.4- Financial Acumen	The Board should ensure the availability within it, of those with sufficient financial acumen and knowledge to offer guidance on matters of finance.		
A.4 Financial Acumen	A.4	Complied	The Board includes the Directors who possess the necessary knowledge and competence to offer the Board guidance on financial matters. A brief resume for each Director is on pages 24 - 28. In addition, the Audit Committee can discuss with the external and internal auditors on matters of finance.

CORPORATE GOVERNANCE

Corporate Governance Principle	Principle No.	Complied/ Not Complied	Level of Compliance
A.5 Board Balance	The Board should have a balance of Executive and Non-Executive Directors such that no individual or small group of individuals can dominate the Board's decision-taking.		
Board Balance	A 5.1	Complied	As at 31st March 2025, the Board consists of three Independent Non-Executive Directors and three Non-Executive Non-Independent Directors (Including Chairman), along with the Capital Alliance PLC's Chief Executive Officer (CEO) who is the only Executive Director. The profiles of the Executive and Non-Executive Directors are given on pages 24 - 28 of this Annual Report.
Independent Directors	A 5.2	Complied	Three out of the six Non-Executive Directors are considered independent for the concluded financial year.
	A 5.3	Complied	The Board considers Non-Executive Directors' independence on an annual basis. Each is independent from management and free from any business or other relationship that could reasonably be perceived to materially interfere with the exercise of their unfettered and independent judgment.
	A 5.4	Complied	The Independent Directors have submitted written declarations of their independence.
	A 5.5	Complied	The Board annually determines the independence of each Non-Executive Director based on the declarations submitted by them and by other information available to the Board.
	A 5.6	Complied	No Alternative Directors were appointed during the year under review.
	A 5.7/ 5.8	N/A	N/A
Meeting of Non-Executive Directors	A 5.9	Not applicable	The Chairman meets with the NEDs with the presence of the Executive Directors on a need basis. There were no formal specific meetings held with NEDs during the year.
Recording of concerns in Board minutes	A 5.10	Complied	All concerns raised by the Directors about the matters of the Company which cannot be unanimously resolved have been duly recorded in the Board minutes with sufficient detail.
A.6 Supply of Information	The Board should be provided with timely information in a form and quality appropriate to enable it to discharge its duties.		
The Management has the obligation to provide appropriate & timely information	A 6.1	Complied	The Board is provided with timely information in a form and of a quality appropriate to enable it to discharge its duties effectively. The Directors make further inquiries where necessary, should information provided by management not be enough.
	A 6.2	Complied	The Agenda for the Board meeting and connected discussion papers were ordinarily circulated to the Directors seven (7) days in advance to facilitate the effective conduct of the meeting.

Corporate Governance Principle	Principle No.	Complied/ Not Complied	Level of Compliance
A.7 Appointments to The Board	A formal and transparent procedure should be followed for the appointment of new Directors to the Board		
Appointments to the Board	A 7.1	Complied	The Board has established a Nomination and Governance Committee on 30th September 2024 to make recommendations on Board appointments.
Assessing Board Composition	A 7.2	Complied	The nomination committee annually assesses the Board composition.
Succession plan for CEO and Key Management Personnel	A 7.3	Complied	The succession plan for KMPs is reviewed by the Nomination and Governance Committee on annual basis.
Appointments to the Board	A 7.4	Complied	Upon the appointment of a new Director to the Board, the Company should forthwith disclose to the Shareholders, along with a brief resume of the Director which includes; <ul style="list-style-type: none"> - a brief resume of the Director, - the nature of his expertise in relevant functional areas, - the names of companies in which the Director holds directorships or memberships in Board committees, and - whether such Director can be considered independent
Appointment to the Nomination Committee	A 7.5	Complied	The Chairman and members of the Nomination Committee are identified in the annual report. Please refer page 144.
Terms of reference for the Nomination Committee	A 7.6	Complied	Terms of reference for the Nomination Committee are set out in place.
A.8 Re-election	All Directors should be required to submit themselves for re-election at regular intervals and at least once in every three years		
Re-election	A 8.1	Complied	Re-appointment of the Non-Executive Directors has been done according to the provision of the Companies Act.
	A 8.2	Complied	All the Directors including the Chairman of the Board should be subject to election by Shareholders at the first opportunity after their appointment, and re-election thereafter at intervals of no more than 3 years.
Resignation	A 8.3	Complied	Written communications are provided to the Board by Directors, who resign prior to completion of his appointed term.
A.9 Appraisal of Board Performance	The Boards should periodically appraise their own performance to ensure that Board responsibilities are satisfactorily discharged.		
Need to have a formal and rigorous process for reviewing the performance of the Board and its Committees	A 9.1	Complied	Nomination and governance committee was formed on 30th September 2024.
Need for the Board to appraise itself annually on its performance.	A 9.2	Complied	Formal process is in placed to review the performance of the Board and its Committees annually.
Need for review the participation, contribution, and engagement of each Director at the time of re-election	A 9.3	Complied	Process is in place to review the participation, combination, and engagement of each Director at the time of re-election.
Need for the Board to state in the Annual Report how such performance evaluation is conducted	A 9.4	Complied	Formal review of the performance has been undertaken.

CORPORATE GOVERNANCE

Corporate Governance Principle	Principle No.	Complied/ Not Complied	Level of Compliance
A.10 Disclosure of information in respect of Directors	Details in respect of each Director should be disclosed in the Annual Report for the benefit of the shareholders.		
Disclosure of information in respect of Directors	A 10.1	Complied	<p>Name, qualifications, and brief profile</p> <ul style="list-style-type: none"> Refer to pages 24 - 28 <p>The nature of his/her expertise in relevant functional areas</p> <ul style="list-style-type: none"> Refer to pages 24 - 28 <p>Immediate family and/or material business relationships with other Directors of the Company</p> <ul style="list-style-type: none"> The Directors have immediate family and/or material business relationships with other Directors of the Company. Transactions with immediate family and/or material business relationships with other Directors of the Company have been disclosed under Related Party Transactions. <p>Whether Executive, Non-Executive and/or independent Director</p> <ul style="list-style-type: none"> Refer to pages 24 - 28 <p>Names of listed companies in Sri Lanka in which the Director concerned serves as a Director.</p> <ul style="list-style-type: none"> Refer to pages 24 - 28 <p>Names of other companies in which the Director concerned serves as a Director, provided that where he/she holds directorships in companies within a Group of which the Company is a part, their names need not be disclosed; it is sufficient to state that he/she holds other directorships in such companies</p> <ul style="list-style-type: none"> Refer to pages 24 - 28 <p>Number/percentage of Board meetings of the Company attended during the year</p> <ul style="list-style-type: none"> Refer to pages 112 - 113 <p>The total number of Board seats held by each Director indicating listed and unlisted companies and whether in an executive or non-executive capacity</p> <ul style="list-style-type: none"> Complied <p>Names of Board Committees in which the Director serves as Chairman or a member;</p> <ul style="list-style-type: none"> Refer to the "Committee Reports" on pages 127, 140 - 145

Corporate Governance Principle	Principle No.	Complied/ Not Complied	Level of Compliance
A.11 Appraisal of the Chief Executive Officer	The Board of Directors should at least annually assess the performance of the Chief Executive Officer		
Target/Goals for the CEO	A 11.1	Complied	At the commencement of each financial year, the Board in consultation with the Chief Executive Officer sets financial and non-financial goals based on the short, medium, and long-term objectives of the Company.
Evaluation of the performance of the CEO	A 11.2	Complied	The performance of the CEO should be evaluated by the Board at the end of each financial year.
B. Directors' Remuneration			
B.1 Remuneration Procedure	The Company should have a formal and transparent procedure for developing policy on executive remuneration and fixing the remuneration packages of individual Directors. No Director should be involved in deciding his/her own remuneration		
Remuneration Committee	B 1.1	Complied	The Board has implemented a formal and transparent procedure for developing policies on remuneration by setting up a Remuneration Committee. Its purpose is to assist the Board of Directors in matters relating to compensation of the Company's Directors, Executive Officers and such other employees as determined by the Committee.
Composition	B 1.2	Complied	The Remuneration Committee consists of three Non-Executive Directors. The chairman of the Committee is an Independent Director. The following Directors served in the Remuneration Committee during the financial year under review. Ms. A. I. C. Nandasena - Chairman w.e.f. 30 September 2024 (Non-Executive Independence Director) Mr. D. A. De Zoysa – Resigned from Chairman w.e.f. 30 September 2024 (Non-Executive Non-Independence Director) Ms. K. A. D. Siriwardene (Non-Executive Independence Director)
	B 1.3	Complied	The members of the Committee are indicated on Page 145 of the Annual Report.
Remuneration of Non-Executive Directors	B 1.4	Complied	In terms of the Articles of Association of the Company, the Directors determine the fees payable to the Non-Executive Directors.
Consultation of the Chairman and access to professional advice	B 1.5	Complied	The Remuneration Committee consults the Chairman about its proposal relating to the remuneration of other Executive Directors and has access to professional advice in discharging their responsibilities.
B.2 Level and makeup of Remuneration	The level of remuneration of both Executive and Non-Executive Directors should be sufficient to attract and retain the Directors needed to run the Company successfully. A proportion of Executive Directors' remuneration should be structured to link rewards to the corporate and individual performance.		
Level and make up of remuneration	B 2.1	Complied	The Remuneration Committee ensures that the remuneration of executives at each level is competitive and is in line with their performance. Surveys are conducted as and when necessary to ensure that the remuneration is on par with market rates.
Design of remuneration for long term success	B 2.2	Complied	Executive Directors' and Key Management's remuneration is designed to promote the long-term success of the Company.
Design the remuneration of the Executive Directors to promote long term success of the Company	B 2.3	Complied	As mentioned in B.2.1, the remuneration of the Executive Directors is designed to attract and retain high calibre executives which leads to long term success of the Company and are benchmarked against industry remuneration.
Comparison of remuneration within the Group	B 2.4	Complied	When determining annual salary increments, the remuneration committee is sensitive to remuneration and employment conditions elsewhere in the Company.
Performance based Remuneration	B 2.5	Complied	The Remuneration Committee reviews the performance of the Executive Directors and senior management and the performance bonus is based upon the achievement of goals and targets by the individual.

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Corporate Governance Principle	Principle No.	Complied/ Not Complied	Level of Compliance
Executive share options	B 2.6	Complied	No Executive share options offered under discounted prices.
Designing the remuneration	B 2.7	Complied	Performance-related remuneration is designed by the Remuneration Committee
Early Termination of the Directors	B 2.8	Complied	No specific compensation scheme has been implemented
	B 2.9	Complied	If the situation arises, the Remuneration Committee will tailor their approach in the event of early termination to be relevant to the circumstances.
Remuneration for Non-Executive Directors	B 2.10	Complied	Remuneration of Non-Executive Directors reflects their time commitment and responsibilities of their role and market practices. It does not include share options.
B. 3 Disclosure of Remuneration	The Company should disclose the Remuneration Policy and the details of Remuneration of the Board as a whole		
Disclosure of Remuneration	B 3.1	Complied	The total remuneration paid to the Directors are disclosed in Note 28.3 to the financial statements.
C. Relations with Shareholders	The Board should use the Annual General Meeting to communicate with shareholders and encourage their active participation.		
C.1 Constructive use of the Annual General Meeting and Conduct of General Meetings			
Adequate Notice of the AGM	C 1.1	Complied	Notice of Meeting is sent to shareholders 15 working days prior to the date of the AGM, as requested by statute and a copy of the Annual Report including Financial Statements and the Form of the Proxy are shared online on the CSE and Official Website of the Company in order to provide the opportunity to all the shareholders to attend the AGM.
Separate resolution for all separate issues at the AGM	C 1.2	Complied	A separate resolution is proposed for each issue at the AGM.
			Further, adoption of the Annual Report of the Board of Directors on the affairs of the Company and Audited Financial Statements together with the Report of the Auditors thereon are considered as a separate resolution.
Recording and counting proxy appointments	C 1.3	Complied	The Company ensures that all valid proxy appointments are received for General Meetings are properly recorded and counted. The Company Secretary administers the AGM.
Availability of Board sub-committee chairpersons	C 1.4	Complied	The chairpersons of the sub committees are present at the AGM to answer any questions raised by the shareholders if so, requested by the Chairman.
Procedure for voting	C 1.5	Complied	The procedure governing voting at the General Meeting is circulated with the Notice of Meeting.
C.2 Communication with shareholders	The Board should implement effective communication with shareholders		
Effective Communication with shareholders	C 2.1	Complied	The Company encourages effective communication with the shareholders and answers queries and concerns of shareholders through the Company Secretaries and in corporate website.
	C 2.2	Complied	The Company's policy pertaining to the communication with shareholders and shareholders involves the sharing of all financial and non-financial information as per the applicable statutory and regulatory requirements and best practices adopted by the Company. The methodology of communication with shareholders is multi-faceted to ensure the accuracy of information disseminated and the timeliness of dissemination.
	C 2.3	Complied	The implementation of the policy and the methodology is done through the adoption of the above-mentioned channels of communication.
Contact person in relation to shareholder communications	C 2.4	Complied	The contact person for shareholder communication is the Company Secretary and the designated person is appointed to answer queries from the shareholder relating to circulation of the Annual Report.

Corporate Governance Principle	Principle No.	Complied/ Not Complied	Level of Compliance
Process to make all Directors aware of major issues and concerns of shareholders and responding to them	C 2.5	Complied	The Company Secretaries maintain a record of all correspondence received and will deliver such correspondence to the Board or individual Director as applicable. The Board or individual Director, as applicable, will respond appropriately to all validly received shareholder correspondence and will direct the Company Secretaries to send the response to the particular shareholder.
Person to contact in relation to shareholders' matters	C 2.6	Complied	The Contact Person in relation to all matters pertaining to the Shareholders is the Company Secretary.
Responding to shareholder matters	C 2.7	Complied	The Company Secretary is assigned to respond to shareholders by the Board and update the Board on such matters.
C.3 Major and Material Transactions	The Directors should disclose to shareholders all proposed material transactions which would materially alter the net asset position of the Company, if entered into.		
Major transaction	C 3.1	Complied	The Directors ensure that prior to engaging in or committing to a 'Major related party transaction' with a related party, involving the acquisition, sale or disposition of greater than one third of the value of the Company's assets or that of a subsidiary which has a material bearing on the Company and/or consolidated net assets of the Company, or a transaction which has or is likely to have the effect of the Company acquiring obligations and liabilities, of greater than one third of the value of the Company's assets, or entering into transactions or a series of related transactions which have the purpose or effect of substantially altering the nature of the business carried on by the Company, the Directors will disclose to shareholders the purpose and all material facts of such transaction and obtain shareholders' approval by ordinary resolution at an Extraordinary General Meeting.
	C 3.2	Complied	Major transactions where shareholders' approval is necessary will be approved through shareholder resolution.
D. Accountability and Audit			
D 1.1 Accountability and Audit	The Board should present a balanced and understandable assessment of the Company's financial position, performance, business model, governance structure, risk management, internal controls and challenges, opportunities, and prospects.		
Board's responsibility for statutory and regulatory reporting	D 1.1	Complied	The Board has presented the Annual Report which includes the Financial Statements of the Company that are true and fair, balanced, and understandable and prepared in accordance with LKASs and SLFRSs to regulators as well as presented interim and other public price sensitive information in a balanced and understandable way as required by statutory requirements.
Board's responsibility for statutory and regulatory reporting	D 1.2	Complied	The Board is aware of its responsibility to present regulatory and statutory reporting in a balanced and understandable manner and a statement to this effect is given in the 'Statement of Directors' Responsibility' on page 146 confirming this position. In preparing annual and quarterly Financial Statements, the Company complies with the requirements of the; <ul style="list-style-type: none"> • Companies Act No. 07 of 2007, • Sri Lanka Accounting Standards (SLFRSs & LKASs) • Listing Rules issued by CSE
	D 1.3	Complied	The Manager Finance and Chief Executive Officer review year-end Financial Statements before submitting to the Audit Committee and the Board and ensure that, the financial records of the entity have been properly maintained and that the Financial Statements comply with the appropriate accounting standards and give a true and fair view.
Directors' Report	D 1.4	Complied	The Declarations required to be made by the Board are given in the Annual Report of the Board of Directors (refer pages 41 - 44)

CORPORATE GOVERNANCE

Corporate Governance Principle	Principle No.	Complied/ Not Complied	Level of Compliance
Statement of Directors' and Auditor's responsibility for the financial statement	D 1.5	Complied	The Statement of Directors' responsibility in preparation of the Financial Statements is given on page 146 while the Independent Auditor's report on pages 150 - 152 states the Auditor's responsibility for the Financial Statements.
Management Discussion Analysis	D 1.6	Complied	Operating Landscape and Key Financial Performance Review are given on pages 80 - 82 and 84 - 86 of this report. The Risk Management report is given on pages 32 - 36.
Summoning an Extra Ordinary General Meeting (EGM) to notify serious loss of capital	D 1.7	Complied	The Directors ensure that if in the event the net assets of the Company fall below 50% of the value of the Company's shareholders funds an Extraordinary General Meeting will be convened to notify the shareholders of the position and the remedial action being taken.
Related party transactions	D 1.8	Complied	The transactions entered into by the Company with the related parties is disclosed on Note 28 in the Financial Statements and Report on Related Party Transactions Review Committee given on page 142.
D.2 Risk Management and Internal Control	The Board is responsible for determining the nature and extent of the principal risks it is willing to take in achieving its strategic objectives. The Board should have a process of risk management and a sound system of internal control to safeguard shareholders' investments and the Company's assets. Broadly, risk management and internal control is a process, effected by a Company's Board of Directors and management, designed to provide reasonable assurance regarding the achievement of Company's objectives		
Monitor the company's risk management and internal control systems	D 2.1	Complied	<p>The Company has its own internal audit processes implemented to ensure that effective controls are in place.</p> <p>These processes extend across all Company operations. The internal audit function is outsourced, and reports to the Board Audit Committee and CEO.</p> <p>The risk management section is covered on pages 32 - 36.</p>
Review the need for internal audit function	D 2.2	Complied	The Risk Committee monitors, reviews, and evaluates the effectiveness of the risk Management process and Audit Committee reviews internal control system including the internal controls over financial reporting. The Audit Committee report is given on pages 140 - 141. The Risk Committee Report is given on page 143.
Internal audit function	D 2.3	Complied	An Internal Audit is executed bi-annually under supervision of the Audit Committee.
Review of the process and effectiveness of risk management and internal controls	D 2.4	Complied	The Audit Committee monitors, reviews, and evaluates the effectiveness of internal control system including the internal controls over financial reporting. In the reporting period ended 31st March 2024, the Board of Directors was satisfied with the effectiveness of the system of internal controls of the Company.
D.3 Audit Committee	The Board should establish formal and transparent arrangements for selecting and apply accounting policies, financial reporting and internal control principles and maintaining an appropriate relationship with the Company's Auditors.		
Composition of the Audit Committee	D 3.1	Complied	<p>The Audit Committee consists of four Non-Executive Directors.</p> <p>Directors who served on the Audit Committee during the year;</p> <p>Mr. J. M. Jayasuriya – Chairman w.e.f. 28 November 2024 (<i>Non-Executive Independent Director</i>)</p> <p>Mr. C. S. R. S. Anthony – Resigned from Chairman position w.e.f. 28 November 2024 (<i>Non-Executive Non-Independent Director</i>)</p> <p>Ms. A. I. C. Nandasena (<i>Non-Executive Independent Director</i>)</p> <p>Ms. K. A. D. Siriwardene (<i>Non-Executive Independent Director</i>)</p>

Corporate Governance Principle	Principle No.	Complied/ Not Complied	Level of Compliance
Terms of Reference of the Audit Committee	D 3.2	Complied	The Audit Committee has a written Terms of Reference dealing with its authority and duties.
Duties of the Audit Committee	D 3.2	Complied	<p>The Audit Committee is responsible for reviewing the financial reporting system and Financial Statements, including compliance with relevant accounting standards, laws and Company policies, and monitoring the scope & results of the internal and external audit, its effectiveness and the independence, performance and objectivity of the external auditors.</p> <p>In the event the auditors are contracted for non-audit services, the Committee reviews the nature and extent of such services with the aim of balancing objectivity, independence, and value for money.</p> <p>The adequacy and effectiveness of the internal control system is reviewed by the Audit Committee with the Company Internal Auditor.</p> <p>During the Audit Committee meetings, Internal Auditors are invited to present their internal audit findings.</p> <p>Management is expected to implement an effective system of internal control that addresses the following:</p> <ul style="list-style-type: none"> • Safeguarding of assets • Maintaining proper accounting records • Providing reliable financial information • Identifying and managing business risks • Compliance with legislation and regulation • Early detection of instances of non-compliance • Identification and adoption of best practices
Disclosures of the Audit Committee	D 3.3	Complied	The names of the members of the Audit Committee, Committee meetings held, and the attendance of members are available in the Audit Committee Report on pages 140 - 141.
D.4 Related Party Transactions Review Committee	The Board should establish a procedure to ensure that the Company does not engage in transactions with related parties in a manner that would grant such parties more favourable treatment than that accorded to third parties in the normal course of business		
Disclosure of Related Party Transactions Review Committee	D 4.1	Complied	Separate Related Party Transactions Review Committee has been formed.
	D 4.2	Complied	Related party and related party transactions are defined as per LKAS 24 in the Financial Statements.
	D 4.3	Complied	Related Party Transactions Review Committee consists two Independent Non-Executive Directors and one Non-Independent Non-Executive Directors.
D.5 Code of Business Conduct and Ethics	The Companies must adopt a Code of Business Conduct & Ethics for Directors, Key Management Personnel and all other employees including but not limited to: dealing with shares of the company; compliance with listing rules; bribery and corruption; confidentiality; encouraging that any illegal, fraudulent, and unethical behaviour be promptly reported to Those Charged with Governance. The company must disclose waivers of the Code for Directors, if any.		
Code of Business Conduct and ethics	D 5.1	Complied	<p>The Company has adopted a Code of Business Conduct and Ethics and the Directors and Key Management Personnel are committed to the Code and the principles contained therein.</p> <p>There were no reported cases of non-compliance to the Code of Business Conduct and Ethics by any Director, Key Management Personnel or any other employee.</p>
	D 5.2	Complied	The Company has a process in place to ensure that material and price sensitive information is promptly identified and reported in accordance with the relevant regulations.

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Corporate Governance Principle	Principle No.	Complied/ Not Complied	Level of Compliance
	D 5.3	Complied	The policy in place and any share transaction done by a Board Director needs to be immediately disclosed to the Company Secretary and the Company Secretary will inform such transactions to the Colombo Stock Exchange. Any share transaction done by Key Management Personnel other than Board Directors should inform such transactions to CRCO of the Company.
Affirmation by the Chairman for no violation	D 5.4	Complied	The Chairman's affirmation in the Company's Annual Report that he is not aware of any violation of any of the provisions of the Code of Business Conduct & Ethics.
D.6 Corporate Governance Disclosures	The Company should disclose the extent of adoption of best practices in Corporate Governance.		
Corporate Governance Disclosures	D 5.6	Complied	The Corporate Governance Report sets out the manner and extent to which the Company has complied with the principles and provisions of the code.
E. Institutional & Other Investors			
E.1 Shareholders voting	Institutional shareholders have a responsibility to make considered use of their votes and should be encouraged to ensure their voting intentions are translated into practice		
Shareholder Voting	E.1	Complied	The Company is committed to maintaining good communications with investors. The Company circulates, the AGM resolutions for shareholders' approval. Further, the Directors consider that it is important to understand the views of shareholders and, in particular, any issues which concern them.
Evaluation of Governance Disclosures	E.2	Complied	When evaluating the governance arrangements particularly, in relation to the Board structure and composition, institutional investors are encouraged to give due weight to all relevant factors drawn to their attention.
F. Other Investors			
Investing and Divesting decisions	F.1	Complied	Individual shareholders, investing or divesting directly in shares of the Company are encouraged to carry out adequate analysis and seek independent advice in such decisions.
Shareholder Voting	F.2	Complied	All shareholders are encouraged to participate at meetings of the Company and a form of proxy accompanies each notice providing shareholders who are unable to attend such meeting the opportunity to cast their vote.
G. Internet of things and Cyber Security			
Internal and external IT devices connected to the Business Model	G 1.1	Complied	The Company has implemented an adequate access controls and firewalls exist.
Cyber Information Security Officer and Cyber Security Risk Management Policy	G 1.2	Complied	Chief Information Officer is the cyber information security officer for CALT and the IT Policy Manual covers the cyber security risk management policy for the Company.
Discussions on cyber risk management	G 1.3	Complied	Cyber risk management is covered in the Risk Register. Further, it is discussed in the risk management meeting.
Independent periodic reviews and assurance	G 1.4	Complied	Performed annual vulnerability assessments through an independent third party.
Disclosure on Cyber Security Risk Management	G 1.5	Complied	Refer pages 32 - 36 in Risk Management
Environment, Society and Governance (ESG)	H 1.1 to H 1.5	Complied	The Company has implemented sustainability reporting in the Annual Report.

BOARD COMMITTEES

Board Committee	Purpose of Committee	Members of the Committee	Frequency of meetings
Audit Committee [Pages 140 - 141]	<ul style="list-style-type: none"> Assist the Board of Directors in exercising its fiduciary responsibilities towards its stakeholders on; <ul style="list-style-type: none"> Financial reporting Internal Audit External Audit Internal controls 	Mr. J. M. Jayasuriya – Chairman (w.e.f. 28 November 2024) <i>(Non-Executive Independent Director)</i> Mr. C. S. R. S. Anthony – Resigned from Chairman position on w.e.f. 28 November 2024 <i>(Non-Executive Non-Independent Director)</i> Ms. A. I. C. Nandasena <i>(Non-Executive Independent Director)</i> Ms. K. A. D. Siriwardene <i>(Non-Executive Independent Director)</i>	Quarterly
Related Party Transactions Review Committee [Page 142]	<ul style="list-style-type: none"> Assist the Board in reviewing all Related Party Transactions carried out by the Company Review the Related Party Transactions of the Company to ensure that these transactions are in accordance with the Code of Best Practices on Related Party Transactions issued by the SEC and Section 9 of the Listing Rules issued by the CSE on Related Party Transactions and the Code of Best Practice on Corporate Governance issued by the CA Sri Lanka. Update the Board of Directors at quarterly Board Meetings 	Ms. A. I. C. Nandasena - Chairperson <i>(Non-Executive Independent Director)</i> Mr. C. S. R. S. Anthony <i>(Non-Executive Non-Independent Director)</i> Ms. K. A. D. Siriwardene <i>(Non-Executive Independent Director)</i>	Quarterly
Risk Committee [Page 143]	<ul style="list-style-type: none"> To oversee matters related to risk affecting the Company, risk governance, compliance, and internal control systems 	Mr. J. M. Jayasuriya – Chairman (w.e.f. 28 November 2024) <i>(Non-Executive Independent Director)</i> Mr. C. S. R. S. Anthony – Resigned from Chairman Position w.e.f. 28 November 2024 <i>(Non-Executive Non-Independent Director)</i> Ms. A. I. C. Nandasena <i>(Non-Executive Independent Director)</i> Ms. K. A. D. Siriwardene <i>(Non-Executive Independent Director)</i>	Quarterly
Remuneration Committee [Page 145]	<ul style="list-style-type: none"> Providing recommendations on remuneration policy Goals and targets for the KMPs Performance evaluations 	Ms. A. I. C. Nandasena – Chairman w.e.f. 30 September 2024 <i>(Non-Executive Independent Director)</i> Mr. D. A. De Zoysa (Resigned from Chairman w.e.f. 30 September 2024) <i>(Non-Executive Non-Independent Director)</i> Ms. K. A. D. Siriwardene <i>(Non-Executive Independent Director)</i>	As and when
Nomination and Governance Committee [Page 144]	<ul style="list-style-type: none"> Exercise general oversight with respect to the governance and membership of the Board. Review the qualifications of and recommend to the Board nominees for election to the Board. Evaluate and recommend to the Board corporate governance practices applicable to the Company. Establish the framework for assessment of Board performance 	Ms. K. A. D. Siriwardene - Chairperson <i>(Non-Executive Independent Director)</i> Mr. D. A. De Zoysa <i>(Non-Executive Non-Independent Director)</i> Ms. A. I. C. Nandasena <i>(Non-Executive Independent Director)</i>	As and when

LISTING RULES COMPLIANCE

REPORT ON COMPLIANCE WITH THE SECTION 7.6 - CONTENTS OF ANNUAL REPORT IN THE LISTING RULES OF THE COLOMBO STOCK EXCHANGE (LISTING RULES)

The Colombo Stock Exchange (CSE) Listing Rules are designed to enhance investor confidence by requiring companies to publish accurate and timely information, enabling investors to assess companies and make informed investment decisions. These rules also outline governance standards that all listed companies must adhere to.

Level of compliance by Capital Alliance PLC with such rules is highlighted in the following table.

Rule No.	Disclosure Requirement	Compliance Status	Page Reference
7.6 (i)	Names of persons who during the financial year were directors of the Entity	Complied	Refer the pages 24 - 28
7.6 (ii)	Principal activities of the Entity and its subsidiaries during the year and any changes therein	Complied	Refer the pages 2 - 9
7.6 (iii)	The names and the number of shares held by the 20 largest holders of voting and non-voting shares denominated in LKR or any Other Class of Shares denominated in Foreign Currency and the percentage of such shares held.	Complied	Refer the pages 201 - 203
7.6 (iv)	The float adjusted market capitalisation, public holding percentage (%), number of public shareholders and under which option the Listed Entity complies with the Minimum Public Holding requirement.	Complied	Refer the page 201
7.6 (v)	A statement of each director's holding and Chief Executive Officer's holding in each class of shares of the Entity denominated in LKR and in Foreign Currency	Complied	Refer the page 201
7.6 (vi)	Information pertaining to material foreseeable risk factors of the Entity.	Complied	Refer the pages 32 - 36
7.6 (vii)	Details of material issues pertaining to employees and industrial relations of the Entity	N/A	N/A
7.6 (viii)	Extent, locations, valuations, and the number of buildings of the Entity's land holdings and investment properties	N/A	N/A
7.6 (ix)	Number of shares representing the Entity's stated capital	Complied	Refer the page 184 and Note 26 to the Financial Statements
7.6 (x)	A distribution schedule of the number of holders in each class of equity securities and the percentage of their total holdings	Complied	Refer the pages 203 - 205
7.6 (xi)	Ratios and market price information: <ul style="list-style-type: none"> • Equity • Debt • Any changes in credit rating 	Complied	Refer the pages 16 - 17
7.6 (xii)	Significant changes in the Entity's or its subsidiaries' fixed assets and the market value of land, if the value differs substantially from the book value	N/A	N/A
7.6 (xiii)	If during the financial year the Entity has raised funds through an Initial Public Offering and/or a further issue of Securities	N/A	N/A
7.6 (xiv)	Information in respect of Employee Share Option Schemes and Employee Share Purchase Schemes	N/A	N/A
7.6 (xv)	Disclosures pertaining to Corporate Governance practices in terms of Section 9 of the Rules	Complied	Refer the pages 129 - 138
7.6 (xvi)	Related Party transactions exceeding 10% of the Equity or 5% of the total assets of the Entity as per Audited Financial Statements, whichever is lower.	Complied	Refer the pages 129 - 138
7.6 (xvii)	In the event a Listed Entity has its Foreign Currency denominated Securities listed on the Exchange, the Entity shall additionally disclose in its Annual Report	N/A	N/A
7.6 (xviii)	In the event a Listed Entity has listed Sustainable Bonds on the Exchange, such Entity shall additionally disclose in its Annual Report.	N/A	N/A
7.6 (xix)	Disclose if the Entity has listed any Perpetual Debt Securities on the Exchange in its Annual Report	N/A	N/A
7.6 (xx)	An Entity which has listed its Infrastructure Bonds on the Exchange shall additionally disclose.	N/A	N/A
7.6 (xxi)	In the event an Entity has listed Shariah Compliant Debt Securities on the Exchange, such Entity shall additionally disclose in its Annual Report.	N/A	N/A

COMPLIANCE REQUIREMENTS ON CORPORATE GOVERNANCE RULE 9 OF THE LISTING RULES

Report on the Compliance Requirements of Corporate Governance Rule 9 of the Listing Rules of the Colombo Stock Exchange (CSE).

Rule No.	CSE Listing Rule	Compliance Status	Details of Compliance
9.2 POLICIES			
9.2.1	Listed Entities shall establish and maintain the following policies and disclose the fact of existence of such policies together with the details relating to the implementation of such policies by the Entity on its website; (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	Complied.	Refer CAL website https://cal.lk/who-we-are/
9.2.2	Any waivers from compliance with the Internal Code of business conduct and ethics or exemptions granted by the Listed Entity shall be fully disclosed in the Annual Report.	N/A	None
9.2.3	Listed Entities shall disclose in its Annual Report: (i) the list of policies that are in place in conformity Rule 9.2.1 above, with reference to its website. (ii) details pertaining to any changes to policies adopted by the Listed Entities in compliance with Rule 9.2 above	Complied N/A	Refer Rule 9.2.1
9.2.4	Listed Entities shall make available all such policies to shareholders upon a written request being made for any such Policy.	Complied	Refer CAL website https://cal.lk/who-we-are/

LISTING RULES COMPLIANCE

Rule No.	CSE Listing Rule	Compliance Status	Details of Compliance
9.3 BOARD COMMITTEES			
9.3.1	Listed Entities shall ensure that the following Board committees are established and maintained at a minimum and are functioning effectively. The said Board committees at minimum shall include; <p>(a) Nomination and Governance Committee</p> <p>(b) Remuneration Committee</p> <p>(c) Audit Committee</p> <p>(d) Related Party Transactions Review Committee.</p>	Complied.	Refer pages 140 - 145 for the established committees.
9.3.2	Listed Entities shall comply with the composition, responsibilities and disclosures required in respect of the above-Board committees as set out in these Rules.	Complied.	Refer pages 140 - 145.
9.3.3	The Chairperson of the Board of Directors of the Listed Entity shall not be the Chairperson of the Board Committees referred to in Rule 9.3.1 above.	Complied	Refer pages 140 - 145.
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	Listed Entities shall maintain records of all resolutions and the following information upon a resolution being considered at any General Meeting of the Entity. The Entity shall provide copies of the same at the request of the Exchange and/or the SEC. <p>(a) The number of shares in respect of which proxy appointments have been validly made;</p> <p>(b) The number of votes in favour of the resolution;</p> <p>(c) The number of votes against the resolution; and</p> <p>(d) The number of shares in respect of which the vote was directed to be abstained.</p>	Complied	The Company Secretaries maintain records of all resolutions of General Meetings and information related thereto.
9.4.2	Communication and relations with shareholders and investors <p>(a) Listed Entities shall have a policy on effective communication and relations with shareholders and investors and disclose the existence of the same in the Annual Report and the website of the Listed Entity.</p> <p>(b) Listed Entities shall disclose the contact person for such communication.</p> <p>(c) The policy on relations with shareholders and investors shall include a process to make all Directors aware of major issues and concerns of shareholders, and such process shall be disclosed by the Entity in the Annual Report and the website of the Entity.</p> <p>(d) Listed Entities that intend to conduct any shareholder meetings through virtual or hybrid means shall comply with the Guidelines issued by the Exchange in relation to same and published on the website of the Exchange.</p>	Complied	The Policy on Relations with Shareholders and Investors are in place.

Rule No.	CSE Listing Rule	Compliance Status	Details of Compliance
9.5 POLICY ON MATTERS RELATING TO THE BOARD OF DIRECTORS			
9.5.1	Listed Entities shall establish and maintain a formal policy governing matters relating to the Board of Directors and set out as 9.5.1 in the Listing Rules.	Complied	Policy on matters relating to Board of Directors are in place.
9.5.2	Listed Entities shall confirm compliance with the requirements of the policy referred to in Rule 9.5.1 above in the Annual Report and provide explanations for any non-compliance with any of the requirements with reasons for such non-compliance and the proposed remedial action.	Complied	Policy on matters relating to Board of Directors are in place.
9.6 CHAIRPERSON AND CEO			
9.6.1	The Chairperson of every Listed Entity shall be a Non-Executive Director and the positions of the Chairperson and CEO shall not be held by the same individual, unless otherwise a SID is appointed by such Entity in terms of Rule 9.6.3 below.	Complied	Refer pages 140 - 145
9.6.2	Where the Chairperson of a Listed Entity is an Executive Director and/or the positions of the Chairperson and CEO are held by the same individual, such Entity shall make a Market Announcement within a period of one (1) month from the date of implementation of these Rules or an Immediate Market Announcement if such date of appointment and/or combination of the said roles falls subsequent to the implementation of these Rules. Such Market Announcement shall include the rationale for appointment of an Executive Director as Chairperson and/or combining the positions of the Chairperson and CEO of the Listed Entity.	N/A	N/A
9.6.3	The Requirement for a SID	N/A	N/A
9.7 FITNESS OF DIRECTORS AND CEOs			
9.7.1	The Listed Entities shall take necessary steps to ensure that their Directors and the CEO are, at all times, fit and proper persons as required in terms of these Rules: In evaluating fitness and propriety of the persons referred in these Rules, Listed Entities shall utilize the 'Fit and Proper Assessment Criteria' set out in Rule 9.7.3 below.	Complied	The Company Secretaries obtain annual declarations from the Directors of the Company to ensure that they are at all times fit and proper persons as specified in the criteria given in Rule 9.7.3 of the Listing Rules of the CSE.
9.7.2	Listed Entities shall ensure that persons recommended by the Nomination and Governance Committee as Directors are fit and proper as required in terms of these Rules before such nominations are placed before the shareholders' meeting or appointments are made.	Complied	
9.7.3	Fit and Proper Assessment Criteria: a) Honesty, Integrity and Reputation b) Competence and Capability c) Financial Soundness	Complied	

LISTING RULES COMPLIANCE

Rule No.	CSE Listing Rule	Compliance Status	Details of Compliance
9.7.4	Listed Entities shall obtain declarations from their Directors and CEO on an annual basis confirming that each of them have continuously satisfied the Fit and Proper Assessment Criteria set out in these Rules during the financial year concerned and satisfies the said criteria as at the date of such confirmation.	Complied	Annual declarations were obtained from the Directors confirming that they are continuously satisfied with the fit and proper assessment criteria set out in the CSE Listing Rules as at 31st March 2025.
9.7.5	Disclosures in the Annual Report of Listed Entities shall include the following disclosures/reports in the Annual Report; <ol style="list-style-type: none"> A statement that the Directors and CEO of the Listed Entity satisfy the Fit and Proper Assessment Criteria stipulated in the Listing Rules of the Colombo Stock Exchange. Any non-compliance/s by a Director and/ or the CEO of the Listed Entity with the Fit and Proper Assessment Criteria set out in these Rules during the financial year and the remedial action taken by the Listed Entity to rectify such non-compliance/s. 	Complied	

9.8 BOARD COMPOSITION

9.8.1	The Board of Directors of a Listed Entity shall, at a minimum, consist of five (05) Directors	Complied	Refer pages 24 - 28.
9.8.2	Minimum Number of Independent Directors: <ol style="list-style-type: none"> The Board of Directors of Listed Entities shall include at least two (2) Independent Directors or such number equivalent to one third (1/3) of the total number of Directors of the Listed Entity at any given time, whichever is higher. Any change occurring to this ratio shall be rectified within ninety (90) days from the date of the change. 	Complied	Refer pages 24 - 28.
9.8.3	Criteria for determining independence	Complied	
9.8.4	Definitions related to Rule 9.8.3	N/A	N/A
9.8.5	The Board of Directors of Listed Entities shall require: <ol style="list-style-type: none"> Each Independent Director to submit a signed and dated declaration annually of his or her "independence" or "non-independence" against the criteria specified herein and in the format in Appendix 9A, containing at a minimum the content prescribed therein. Make an annual determination as to the "independence" or "non-independence" of each Independent Director based on the Directors' declaration and other information available to it and shall set out the names of Directors determined to be 'independent' in the Annual Report. If the Board of Directors determines that the independence of an Independent Director has been impaired against any of the criteria set out in Rule 9.8.3, it shall make an immediate Market Announcement thereof. 	Complied	The Independent Directors submit signed declarations annually regarding their independence or non-independence, in accordance with the specified criteria outlined in Rule 9.8.3 of the CSE Listing Rules.

Rule No.	CSE Listing Rule	Compliance Status	Details of Compliance
9.9 Alternate Directors			
	If a Listed Entity provides for the appointment of Alternate Directors, it shall be required to comply with the Section 9.9 in the Listing Rule and such requirements shall also be incorporated into the Articles of Association of the Entity.	No Alternate Director had been appointed during FY 2024/25.	N/A
9.10 Disclosures relating to Directors			
9.10.1	Listed Entities shall disclose its policy on the maximum number of directorships its Board members shall be permitted to hold in the manner specified in Rule 9.5.1. In the event such number is exceeded by a Director(s), the Entity shall provide an explanation for such non-compliance in the manner specified in Rule 9.5.2 above.	Complied	Policy on matters relating to Board of Directors was in placed.
9.10.2	Listed Entities shall, upon the appointment of a new Director to its Board, make an immediate Market Announcement setting out the following: <ul style="list-style-type: none"> i. a brief resume of such Director; ii. his/her capacity of directorship; and, iii. Statement by the Entity indicating whether such appointment has been reviewed by the Nomination and Governance Committee of the Entity. 	Complied	Refer announcement page in the CSE site https://www.cse.lk/pages/company-profile/company-profile.component.html?symbol=CALT.N0000
9.10.3	Listed Entities shall make an immediate Market Announcement regarding any changes to the composition of the Board of Directors or Board Committees referred to in Rule 9.3 above containing, at minimum, the details of changes including the capacity of directorship with the effective date thereof.	Complied	Refer announcement page in the CSE site https://www.cse.lk/pages/company-profile/company-profile.component.html?symbol=CALT.N0000
9.10.4	Listed Entities shall also disclose the following in relation to the Directors in the Annual Report: <ul style="list-style-type: none"> (i) name, qualifications and brief profile; (ii) the nature of his/her expertise in relevant functional areas; (iii) whether either the Director or Close Family Members have any material business relationships with other Directors of the Listed Entity; (iv) whether Executive, Non-Executive and/or independent Director; (v) the total number and names of companies in Sri Lanka in which the Director concerned serves as a Director and/or Key Management Personnel indicating whether such companies are listed or unlisted Companies and whether such Director functions in an executive or non-executive capacity, provided that where he/she holds directorships in companies within a Group of which the Listed Entity is a part, their names (if not listed) need not be disclosed; it is sufficient to state that he/she holds other directorships in such companies; 	Complied.	Refer pages 24 - 28 for the Board of Directors profiles. Refer pages 185 - 186 for the Directors' interest in Contracts. Refer page 112 for the Board compositions and the attendance.

LISTING RULES COMPLIANCE

Rule No.	CSE Listing Rule	Compliance Status	Details of Compliance
	<p>(vi) number of Board meetings of the Listed Entity attended during the year;</p> <p>(vii) names of Board Committees in which the Director serves as Chairperson or a member;</p> <p>(viii) Details of attendance of Committee Meetings of the Audit, Related Party Transactions Review, Nomination and Governance and Remuneration Committees. Such details shall include the number of meetings held and the number attended by each member; and,</p> <p>(ix) The terms of reference and powers of the SID (where applicable).</p>		
9.11 NOMINATION AND GOVERNANCE COMMITTEE			
9.11.1	Listed Entities shall have a Nomination and Governance Committee that conforms to the requirements set out in Rule 9.11 of these Rules.	Complied	Nomination and Governance Committee had been formed on 30th September 2024.
9.11.2	Listed Entities shall establish and maintain a formal procedure for the appointment of new Directors and re-election of Directors to the Board through the Nomination and Governance Committee.	Complied	Refer announcement page in the CSE site https://www.cse.lk/pages/company-profile/company-profile.component.html?symbol=CALT.N0000
9.11.3	The Nomination and Governance Committee shall have a written terms of reference clearly defining its scope, authority, duties and matters pertaining to the quorum of meetings.	Complied	Refer Page 144 for the Nomination and Governance Committee report.
9.11.4	<p>Composition</p> <ol style="list-style-type: none"> 1. The members of the Nomination and Governance Committee shall; <ol style="list-style-type: none"> (a) comprise of a minimum of three (03) Directors of the Listed Entity, out of which a minimum of two (02) members shall be Independent Directors of the Listed Entity. (b) not comprise of Executive Directors of the Listed Entity. 2. An Independent Director shall be appointed as the Chairperson of the Nomination and Governance Committee by the Board of Directors. 3. The Chairperson and the members of the Nomination and Governance Committee shall be identified in the Annual Report of the Listed Entity. 	Complied	Refer Page 144 for the Nomination and Governance Committee report.
9.11.5	The functions of the Nominations and Governance Committee	Complied	Refer page 144 for the Nomination and Governance Committee report.
9.11.6	Disclosures in Annual Report of Listed Entities shall contain a report of the Nomination and Governance Committee signed by its Chairperson.	Complied	Refer page 144 for the Nomination and Governance Committee report.

Rule No.	CSE Listing Rule	Compliance Status	Details of Compliance
9.12 REMUNERATION COMMITTEE			
9.12.1	For the purposes of Rule 9.12, the term “remuneration” shall make reference to cash and all non-cash benefits whatsoever received.	Complied.	
9.12.2	Listed Entities shall have a Remuneration Committee that conforms to the requirements set out in Rule 9.12 of these Rules.	Complied.	
9.12.3	The Remuneration Committee shall establish and maintain a formal and transparent procedure for developing policy on Executive Directors’ remuneration and for fixing the remuneration packages of individual Directors. No Director shall be involved in fixing his/her own remuneration.	Complied.	
9.12.4	Remuneration for Non-Executive Directors should be based on a policy which adopts the principle of non-discriminatory pay practices among them to ensure that their independence is not impaired.	Complied.	
9.12.5	Remuneration Committee shall have a written terms of reference clearly defining its scope, authority, duties and matters pertaining to the quorum of meetings.	Complied.	
9.12.6	Composition (1) The members of the Remuneration Committee shall; (a) comprise of a minimum of three (03) Directors of the Listed Entity, out of which a minimum of two (02) members shall be Independent Directors of the Listed Entity. (b) not comprise of Executive Directors of the Listed Entity. (2) In a situation where both the parent company and the subsidiary are ‘Listed Entities’, the Remuneration Committee of the parent company may be permitted to function as the Remuneration Committee of the subsidiary. (3) An Independent Director shall be appointed as the Chairperson of the Remuneration Committee by the Board of Directors.	Complied	Refer page 145 for the Remuneration Committee report.
9.12.7	Functions of the Remuneration Committee	Complied.	
9.12.8	Disclosure in Annual Report		Refer page 145
9.13 AUDIT COMMITTEE			
9.13.1	Where Listed Entities do not maintain separate Committees to perform the Audit and Risk Functions, the Audit Committee of such Listed Entities shall additionally perform the Risk Functions set out in Rule 9.13 of these Rules.	Complied	Refer page 140 - 141 for the Audit Committee Report.
9.13.2	The Audit Committee shall have a written terms of reference clearly defining its scope, authority and duties	Complied.	Refer pages 140 - 141

LISTING RULES COMPLIANCE

Rule No.	CSE Listing Rule	Compliance Status	Details of Compliance
9.13.3	<p>Composition</p> <p>(1) The members of the Audit Committee shall;</p> <p>(a) comprise of a minimum of three (03) directors of the Listed Entity, out of which a minimum of two (02) or a majority of the members, whichever higher, shall be Independent Directors.</p> <p>(b) not comprise of Executive Directors of the Listed Entity.</p> <p>(2) The quorum for a meeting of the Audit Committee shall require that the majority of those in attendance to be independent directors.</p> <p>(3) The Audit Committee may meet as often as required provided that the Audit Committee compulsorily meets on a quarterly basis prior to recommending the financials to be released to the market.</p> <p>(4) If both, the Parent Company and the subsidiary are 'Listed Entities', the Audit Committee of the Parent Company may function as the Audit Committee of the subsidiary.</p> <p>(5) An Independent Director shall be appointed as the Chairperson of the Audit Committee by the Board of Directors.</p> <p>(6) Unless otherwise determined by the Audit Committee, the CEO and the Chief Financial Officer (CFO) of the Listed Entity shall attend the Audit Committee meetings by invitation. Provided however where the Listed Entity maintains a separate Risk Committee, the CEO shall attend the Risk Committee meetings by invitation.</p> <p>(7) The Chairperson of the Audit Committee shall be a Member of a recognized professional accounting body. Provided however, this Rule shall not be applicable in respect of Risk Committees where a Listed Entity maintains a separate Risk Committee and Audit Committee.</p>	Complied	<p>Mr. J. M. Jayasuriya was appointed as the Chairman of the Audit Committee, who is an Independent Director on 28th November 2024.</p> <p>Refer pages 140 - 141 for the Audit Committee Report.</p>
9.13.4	Functions of the Audit Committee	Complied	Refer pages 140 - 141
9.13.5	Disclosures in Annual Report	Complied	Refer pages 140 - 141

Rule No.	CSE Listing Rule	Compliance Status	Details of Compliance
9.14 RELATED PARTY TRANSACTIONS REVIEW COMMITTEE			
9.14.1	Listed Entities shall have a Related Party Transactions Review Committee that conforms to the requirements set out in Rule 9.14 of these Rules.	Complied.	Refer page 142 Related Party Transactions Review Committee report.
9.14.2	<p>Composition</p> <p>(1) The Related Party Transactions Review Committee shall comprise of a minimum of three (03) Directors of the Listed Entity, out of which two (02) members shall be Independent Directors of the Listed Entity. It may also include executive directors, at the option of the Listed Entity. An Independent Director shall be appointed as the Chairperson of the Committee.</p> <p>(2) If a parent company and the subsidiary are Listed Entities, the Related Party Transactions Review Committee of the parent company may be permitted to function as the Related Party Transactions Review Committee of the subsidiary.</p>	Complied.	Refer page 142
9.14.3	Functions of the Related Party Transactions Review Committee	Complied.	Refer page 142
9.14.4	<p>General Requirements</p> <p>(1) The Related Party Transactions Review Committee shall meet at least once a calendar quarter. It shall ensure that the minutes of all meetings are properly documented and communicated to the Board of Directors.</p> <p>(2) The members of the Related Party Transactions Review Committee should ensure that they have, or have access to, enough knowledge or expertise to assess all aspects of proposed Related Party Transactions, and where necessary, should obtain appropriate professional and expert advice from an appropriately qualified person.</p> <p>(3) Where necessary, the Committee shall request the Board of Directors to approve the Related Party Transactions which are under review by the Committee. In such instances, the approval of the Board of Directors should be obtained prior to entering into the relevant Related Party Transaction.</p> <p>(4) If a Director of the Listed Entity has a material personal interest in a matter being considered at a Board Meeting to approve a Related Party Transaction as required in Rule 9.14.4(3), such Director shall not:</p> <p>(a) be present while the matter is being considered at the meeting; and,</p> <p>(b) vote on the matter.</p>	Complied.	Refer page 142

LISTING RULES COMPLIANCE

Rule No.	CSE Listing Rule	Compliance Status	Details of Compliance
9.14.5	Review of Related Party Transactions by the Related Party Transactions Review Committee	Complied.	Refer page 142
9.14.6	Shareholder Approval (1) Listed Entities shall obtain shareholder approval by way of a Special Resolution for the Related Party Transactions as set out in Section 9.14.6 (2) A transaction which has been approved by shareholders, or is the subject of aggregation with another transaction that has been approved by shareholders, need not be included in any subsequent aggregation (3) If a transaction requires shareholder approval as set out in the Rules above, it must be obtained either prior to the transaction being entered into or, if the transaction is expressed to be conditional on such approval, prior to the completion of the transaction.	Complied.	Refer page 142
9.14.7	Disclosures A Listed Entity shall make an immediate Market Announcement to the Exchange as setoff in Section 9.14.7.	Complied.	Refer https://www.cse.lk/pages/company-profile/company-profile.component.html?symbol=CALT.N0000
9.14.8	Disclosures in the Annual Report	Complied.	Refer page 142 Related Party Transactions Review Committee report.
9.14.9	Acquisition and Disposal of Assets From/To Related Parties	Complied.	
9.14.10	Exempted related party transactions	Complied.	
9.15 DEFINITIONS			
Definitions as set out in Section 9.15			
9.16 ADDITIONAL DISCLOSURES			
	The declarations by the Board of Directors to be included in the Annual Report as set out in 9.16	Complied	Refer page 146

COMPANIES ACT CHECKLIST

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

Disclosure as per the Companies Act No. 07 of 2007	Reference to the Companies Act	Annual Report Page Reference for Compliance and Necessary Disclosure
The nature of the business of the Company together with any change thereof during the accounting period.	Section 168 (1) (a)	Refer the Page 2 - 4
Signed Financial Statements of the Company for the accounting period completed in accordance with Section 151.	Section 168 (1) (b)	The Financial Statements of the Company for the year ended 31st March 2025 have been prepared in accordance with the requirements of the Sri Lanka Accounting Standards and comply with the requirements of the Companies Act No. 07 of 2007 and which were duly certified by the Manager Finance (the person responsible for the preparation of the Financial Statements) and were approved by two members of the Board as appearing on pages 153 - 201 form an integral part of this Report.
Auditors' Report on the Financial Statements of the Company.	Section 168 (1) (c)	Refer pages 150 - 152 for the "Independent Auditors' Report.
Accounting policies of the Company and any change therein.	Section 168 (1) (d)	Notes to the Financial Statements: Significant Accounting Policies adopted in the preparation of the Financial Statements of the Company are given on pages 157 - 201. There were no changes to the Accounting Policies used by the Company.
Particulars of entries made in the Interests Register of the Company during the accounting period.	Section 168 (1) (e)	The Company maintains Interest Registers. All the Directors have made declarations as required by Sections 192 (1) and (2) of the Companies Act aforesaid and all related entries were made in the Interest Registers during the year under review. The Interest Registers are available for inspection by shareholders or their authorised representatives as required by Section 119 (1) (d) of the Companies Act No. 07 of 2007.
Remuneration and other benefits paid to Directors of the Company during the accounting period.	Section 168 (1) (f)	Refer Note 28 to the Financial Statements on page 185. Also refer the Remuneration Committee Report on page 145.
Total amount of donations made by the Company during the accounting period.	Section 168 (1) (g)	Refer Note 10 to the Financial Statements on page 170.
Information on Directorate of the Company during and at the end of the accounting period.	Section 168 (1) (h)	Refer the pages 24 - 28.
Separate disclosure on amounts payable to the Auditors as Audit Fees and Fees for other services rendered during the accounting period by the Company.	Section 168 (1) (i)	Note 10 to the Financial Statements on page 170.
Auditors' relationship or any interest with the Company.	Section 168 (1) (j)	Refer the pages 150 - 152 for Audit Report
Acknowledgement of the contents of this Report/ Signatures on behalf of the Board.	Section 168 (1) (k)	Refer the pages 41 - 44.

AUDIT COMMITTEE REPORT

COMPOSITION

The Audit Committee takes an impartial approach in providing guidance and support on the Company's internal operations. It continuously evaluates performance through discussions with Directors and Senior Management and reviews Internal Audits conducted by the Internal Auditors. Additionally, the Committee oversees all audit activities and ensures compliance with Financial Standards and statutory regulations and are in compliance with the Section 9.13 of the Listing Rules of the Colombo Stock Exchange.

The Audit Committee consists of four Non-Executive Directors, one of whom is a non-Independent Director of the Company. The Chairman of the Audit Committee shall be a member of recognized professional accounting body and have recent and relevant financial experience determined under relevant legal and listing requirements. The Committee was chaired by Mr. C. S. R. S. Anthony until 28th November 2024, after which he stepped down from the position. On 28th November 2024, Mr. J. M. Jayasuriya was appointed as the Chairman of the Audit Committee. The Chairman of the Audit Committee shall attend the Annual General Meeting of the Company and shall answer any questions on the Audit Committee's activities and its responsibilities.

The members of the Board appointed Audit Committee are as follows.

- Mr. J. M. Jayasuriya – Chairman
(w.e.f. 28th November 2024)
Non-Executive Independent Director
- Mr. C. S. R. S. Anthony – (Resigned from Chairman position w.e.f. 28th November 2024)
Non-Executive Non-Independent Director
- Ms. A. I. C. Nandasena
Non-Executive Independent Director
- Ms. K. A. D. Siriwardene
Non-Executive Independent Director

MEETINGS

During the reviewed year, five (5) Audit Committee meetings were held. The quorum for a meeting of the Audit Committee shall require that the majority of those in attendance to be Independent Directors. The Committee will meet as needed, with a minimum frequency of quarterly meetings. The external auditor may approach the Chairman of the Audit Committee at any time and engage in direct discussions with the Chairman if necessary.

At the invitation of the Chairman, attendees such as the external and internal auditors, the Group Risk and Compliance Officer, the Group Chief Information Officer, the Chief Executive Officer, the Vice President – Finance, Manager Finance, Company Secretary and other representatives from the finance function and various business sectors may participate in the Audit Committee meetings.

Regular reports on the proceedings of the Audit Committee meetings are submitted to the Board of Directors. The Company's Audit Committee, as a sub-committee of the Board, maintains attendance records for the meetings held during the Financial Year 2024/25, as detailed below.

Name of the Director	Eligibility to Attend	Attendance
Mr. J. M. Jayasuriya (Chairman w.e.f. 28 November 2024)	2	2
Mr. C. S. R. S. Anthony	5	5
Ms. A. I. C. Nandasena	5	5
Ms. K. A. D. Siriwardene	5	5

ROLE AND RESPONSIBILITIES

The primary objective of the Board Audit Committee is to support the Board of Directors in fulfilling its fiduciary duties to its stakeholders.

THE COMMITTEE CARRIED OUT THE FOLLOWING ACTIVITIES:

Financial Reporting System

The Audit Committee monitors compliance with regulatory requirements for financial reporting, as set out in the Sri Lanka Accounting Standards (SLFRS & LKAS) issued by CA Sri Lanka, the Companies Act No. 7 of 2007, and the Listing Rules of the Colombo Stock Exchange.

In partnership with Management, the Audit Committee reviewed the Quarterly and Annual Financial Statements for the financial year ending 31st March 2025, focusing on the accuracy and quality of the statements in accordance with relevant regulatory standards. Additionally, the Committee assesses the effectiveness of the current financial reporting systems to ensure the reliability of information provided to shareholders and other stakeholders.

Internal Control

The Company reviews internal financial controls and internal control systems including IT systems and controls and reviews and report to the Board on the statement to be included in the Annual Report concerning internal control.

Internal Audit

The Company has outsourced its Internal Audit function to Messrs. Ernst & Young (EY). The Committee reviewed the observations highlighted in the internal audit reports and assessed the follow-up actions taken by Management in response to the audit recommendations. Additionally, the Audit Committee evaluated the effectiveness of the internal audit function and discussed the scope and procedures for internal auditing in the upcoming year. The Internal Audit Report issued by the Internal Auditors was also reviewed with Management, and progress on implementing key recommendations from the Internal Auditors was monitored throughout the year.

External Audit

The Audit Committee shall oversee the relationship with the external auditor including:

- Approve the audit engagement fees and terms of engagement.
- Review annually the activities, findings, conclusions, and recommendations of the external auditor (including the Management Letter)
- Review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process considering relevant professional and regulatory requirements including reviewing and monitoring the external auditor's quality control procedures and steps taken by the external auditor to respond to changes in regulatory and other requirements.
- Review on the engagement of the external auditor to supply non-audit services, at minimum taking into account relevant ethical guidance regarding the provision of non-audit services by an external audit firm; and to report to the Board identifying any matters in respect of which it considers that action or improvement is needed and making recommendations as to the steps ought to be taken.

INDEPENDENCE OF THE AUDITORS

During the reviewed period, the Company engaged Messrs. KPMG, Chartered Accountants, as its Auditors. The fees paid to the auditors are detailed in Note 10 of the financial statements.

Based on the confirmation provided by Messrs. KPMG and to the best of the Directors' knowledge, the Auditors have no relationship or interest in the Company beyond what is disclosed in the aforementioned paragraph.

Following an evaluation of the effectiveness of the External Audit, the Audit Committee recommended the reappointment of Messrs. KPMG as Auditors for the financial year ending 31st March 2026, subject to approval by shareholders at the Annual General Meeting.

INDEPENDENT AUDITOR'S REPORT

The independent Auditor's report on the financial statements is given on pages 150 - 152 of the Annual Report.

WHISTLEBLOWING POLICY

The Company implemented its Whistleblowing Policy, ensuring that all staff members were informed and encouraged to use the designated whistleblowing channels if they had reasonable suspicions of wrongdoing or misconduct. Clear procedures are in place for conducting independent investigations into reported incidents, whether through this process or other means. Concerns raised are thoroughly investigated, with the confidentiality of whistleblowers maintained, including for anonymous complaints. The Board Audit Committee oversees this process to ensure its effectiveness.

BOARD AUDIT COMMITTEE EVALUATION

Throughout the year, the Board members conducted an independent evaluation of the Committee's effectiveness. Considering the Committee's overall performance and its contribution to the Company's success, it was deemed to be highly effective. Where the Audit Committee is of the view that a matter reported by it to the Board of Directors of CALT has not been satisfactorily resolved resulting in a breach of these requirements, the Audit Committee shall promptly report such matter to the Colombo Stock Exchange.



Mr. J. M. Jayasuriya
Chairman - Audit Committee
29th July 2025

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE REPORT

The Board established the Related Party Transactions Review Committee in compliance with the Code of Best Practice on Related Party Transactions issued by the Securities & Exchange Commission of Sri Lanka and Section 9 – Corporate Governance of the Colombo Stock Exchange Listing Rules (the "Rules").

COMPOSITION

The Related Party Transactions Review Committee consists of three Directors, as listed below:

- Ms. A. I. C. Nandasena (Chairperson)
Non-Executive Independent Director
- Ms. K. A. D. Siriwardene
Non-Executive Independent Director
- Mr. C. S. R. S. Anthony
Non-Executive Non-Independent Director

The composition above complies with the provisions of the Code regarding the Board Related Party Transactions Review Committee.

OBJECTIVES

This Committee's primary objectives are to:

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

MEETINGS

The Company's Related Party Transactions Review Committee was established as a subcommittee of the Board and met quarterly. The attendance records of committee members for the Financial Year 2024/25 meetings are detailed below.

Name of the Director	Eligibility to Attend	Attendance
Ms. A. I. C. Nandasena (Chairperson)	4	4
Ms. K. A. D. Siriwardene	4	4
Mr. C. S. R. S. Anthony	4	4

Meeting minutes were circulated to the Board of Directors for their review and information.

PROCEDURES FOLLOWED BY THE COMMITTEE

The senior management is required to update the Committee on all related party transactions during its quarterly meetings. Additionally, they must inform the Committee of any proposed non-recurrent transactions before their completion.

For recurrent related party transactions, the Committee reviews and evaluates ongoing relationships with the related parties to ensure compliance with its guidelines and to confirm the appropriateness of the transactions.

ACTIVITIES DURING THE YEAR

Throughout the year, the Committee reviewed all Related Party Transactions and their nature during its meetings, providing observations and recommendations to the Board of Directors.

Details of the related party transactions undertaken by the Company during the year are disclosed in Note 28 of the financial statements.

DECLARATION

The Annual Report contains a declaration by the Board of Directors confirming compliance with regulations on Related Party Transactions, as outlined in the Report of the Board of Directors.



Ms. A. I. C. Nandasena

Chairperson - Related Party Transactions Review Committee
29th July 2025

RISK COMMITTEE REPORT

The Board formed the Risk Committee to oversee the Company's risk-related matters, including risk governance, compliance, and internal control systems.

COMPOSITION OF THE COMMITTEE

The Board-appointed Risk Committee comprises a minimum of two members, all of whom are Non-Executive Directors. The Board appoints the Chair of the Committee.

Committee members were:

- Mr. J. M. Jayasuriya – Chairman (w.e.f. 28th November 2024)
Non-Executive Independent Director
- Mr. C. S. R. S. Anthony – (Resigned from Chairman position w.e.f. 28th November 2024)
Non-Executive Non-Independent Director
- Ms. A. I. C. Nandasena
Non-Executive Independent Director
- Ms. K. A. D. Siriwardene
Non-Executive Independent Director

RESPONSIBILITY OF RISK COMMITTEE

The Risk Committee is responsible for overseeing and advising the Board on matters related to risk, as well as reviewing and presenting risk management reports to the Board. The Committee also assesses and provides guidance to the Board on the effective management of risks associated with the Company's Operational and IT Resilience, including risks related to the implementation of technology components in the approved IT strategy and cybersecurity.

In carrying out its oversight duties, the Committee considers any significant findings from regulators regarding risk governance, business conduct, risk assessment, or management processes. It also evaluates the Company's compliance controls, ensuring their adequacy and fostering strong relationships with regulators. Additionally, the Committee assesses the effectiveness of the internal control systems.

The Committee ensures compliance with all directives, circulars, and guidelines set by regulatory bodies, including the Department of Public Debt, the Department of Payments and Settlements, and the Financial Intelligence Unit of the Central Bank of Sri Lanka. It also monitors the effectiveness and independence of the Chief Risk and Compliance Officer (CRCO) and reviews the structure and effectiveness of the risk management function.

MEETINGS

Risk Committee attendance is provided below.

Name of the Director	Eligibility to Attend	Attendance
Mr. J. M. Jayasuriya – Chairman (w.e.f. 28 November 2024)	2	2
Mr. C. S. R. S. Anthony – (Resigned from Chairman w.e.f. 28 November 2024)	3	3
Ms. A. I. C. Nandasena	3	3
Ms. K. A. D. Siriwardene	3	3



Mr. J. M. Jayasuriya
Chairman - Risk Committee
29th July 2025

NOMINATION AND GOVERNANCE COMMITTEE REPORT

GRI 2-10, 2-18

The Board established the Nomination and Governance Committee on 30th September 2024 to assess and enhance overall effectiveness of the Board of Directors by exercising general oversight with respect to the governance of the Board, to review the qualifications of and recommend to the Board nominees for election to the Board, evaluate and recommend to the Board corporate governance practices applicable to the Company and to establish the framework for assessment of Board performance.

COMPOSITION OF THE COMMITTEE

The Nomination and Governance Committee members are appointed by the Board, consists primarily of at least three Directors of the Board (as elected by the Board) of which at least two Directors shall be Independent Directors of the Board. No member of the Nominations Committee shall be an Executive Director of the Company. The Board shall appoint an Independent Director as the Chair of the Nominations Committee and the Company Secretary shall be Secretary to the Nominations Committee.

The Committee members are:

- Ms. K. A. D. Siriwardene –
Chairperson
Non-Executive Independent Director
- Ms. A. I. C. Nandasena
Non-Executive Independent Director
- Mr. D. A. De Zoysa
Non-Executive Non-Independent Director

RESPONSIBILITY OF NOMINATION AND GOVERNANCE COMMITTEE

The Nomination and Governance Committee is responsible to evaluate the appointment of Directors to the Board of Directors and Board Committees of CALT and provide to the Board its recommendations on any such proposed appointment.

Further, evaluates the performance of current Directors of the Board including the experience knowledge and contributions made to the Company to meet the strategic objectives of CAL, in recommending or not, such Director's re-appointment to the Board. The Committee authorizes to retain advisers when it deems appropriate, including approval of fees and terms of retention, without the prior permission of the Board or management, subject to overall budget granted to the Committee.

The Nominations Committee determines the frequency with which the Directors on the Board and the CEO shall submit for re-election, provided however that such submission shall take place at a minimum of every 3 years. Further, frequently reviews and amends as required succession plans for the Directors on the Board and Key Management Personnel of CAL.

The Nominations Committee establishes, adopts and reviews at least annually, the set of criteria for selection of Directors to the Board including academic/professional qualifications, skills, experience and key attributes required for eligibility, taking into consideration the requirements of CAL in order to achieve its strategic objectives taking into account requirements to be met and the responsibilities to be discharged.

MEETINGS

The Nominations Committee shall meet as often as it determines is appropriate, but not less frequently than once a year. The quorum for a meeting of the Nominations Committee shall be the presence of all Independent Directors appointed to the Committee.

The Nominations Committee shall meet as often as it determines is appropriate, but not less frequently than one time per annum. The Committee, established as a Board Subcommittee, maintains records of member attendance, detailed below.

Name of the Director	Date of Appointment	Eligibility to Attend	Attendance
Ms. K. A. D. Siriwardene (Chairperson)	30 September 2024	1	1
Mr. D. A. De Zoysa	30 September 2024	1	1
Ms. A. I. C. Nandasena	30 September 2024	1	1

The management reports to the Nominations Committee on compliance with the corporate governance framework of CAL including the Company's compliance with provisions of the SEC Act, Listing Rules of the Exchange and other applicable laws, together with any deviations/ non-compliances and the rational for same.



Ms. K. A. D. Siriwardene
Chairperson
Nomination and Governance Committee
29th July 2025

REMUNERATION COMMITTEE REPORT

The Board established the Remuneration Committee in compliance with the Code of Best Practice on Remuneration issued by the Securities & Exchange Commission of Sri Lanka and the Listing Rules of the Colombo Stock Exchange ("Rules").

COMPOSITION OF THE COMMITTEE

The Remuneration Committee, appointed by the Board, consists primarily of Independent Non-Executive Directors, with a Non-Independent Non-Executive Director serving as Chair. Its members bring diverse expertise and extensive industry knowledge.

The Committee members were:

- Ms. A. I. C. Nandasena –
Chairperson (w.e.f. 30th September 2024)
Non-Executive Independent Director
- Mr. D. A. De Zoysa (Resigned from the Chairman w.e.f. 30th September 2024)
Non-Executive Non-Independent Director
- Ms. K. A. D. Siriwardene
Non-Executive Independent Director

RESPONSIBILITY OF REMUNERATION COMMITTEE

The Remuneration Committee is responsible for advising the Board of CALT on remuneration policy and works closely with Board members in this regard. As per the Company's Articles of Association, Director remuneration must be determined by the Board as fair and reasonable in the best interest of the Company.

The Committee is committed to ensuring transparency and fairness in the remuneration process, preventing Directors from unilaterally setting their own compensation. It reviews the policy frameworks established by the Human Resources Department and ensures that compensation for Executive Directors and Senior Management complies with the country's legal framework. The Committee's primary objective is to attract, retain, and appropriately reward a highly-skilled and experienced workforce.

REMUNERATION POLICY

The Company's remuneration policy is designed to attract, retain, and motivate highly-qualified professionals at both the Board and Executive levels, ensuring they possess the necessary expertise in professional, managerial, and operational domains to drive the Company's short-term and long-term objectives. The policy aims to maintain a competitive and appealing remuneration structure to attract top talent.

Salaries and benefits are reviewed annually, taking into account individual performance, overall Company performance, and industry remuneration benchmarks to ensure fairness and competitiveness.

MEETINGS

The Committee, established as a Board Subcommittee, maintains records of member attendance, detailed below.

Name of the Director	Eligibility to Attend	Attendance
Ms. A. I. C. Nandasena (Chairperson)	1	1
Mr. D. A. De Zoysa	1	1
Ms. K. A. D. Siriwardene	1	1



Ms. A. I. C. Nandasena
Chairperson
Remuneration Committee
29th July 2025

STATEMENT OF DIRECTORS' RESPONSIBILITY

Below are outlined the duties of the Directors concerning the Company's Financial Statements.

The Directors are responsible for maintaining accurate financial records and ensuring that proper books of account are kept for all transactions. They must also prepare and present the Company's financial statements to shareholders in compliance with the Companies Act No. 7 of 2007 and other applicable regulations governing financial reporting.

The financial statements comprise;

- The Statements of Financial Position which presents a true and fair view of the state of affairs of the Company as at the end of the financial year
- The Statement of Profit or Loss and Other Comprehensive Income, which presents a true and fair view of the financial performance of the Company for the financial year
- The Statement of Changes in Equity
- The Statement of Cash Flows
- Notes to the Financial Statements.

The Directors are responsible for preparing the financial statements on a going concern basis unless it is deemed inappropriate.

The Directors confirm that the financial statements present a true and fair view of:

- The Company's financial position as of 31st March 2025.
- The Company's financial performance for the year ended 31st March 2025.

The financial statements for the year ended 31st March 2025, included in this report, have been prepared in compliance with the Companies Act No. 7 of 2007 and Sri Lanka Accounting Standards (LKAS/SLFRS).

The Company's financial statements have been certified by the Manager Finance, who is responsible for their preparation, and have been signed by two Directors in compliance with Sections 150 and 152 of the Companies Act No. 7 of 2007.

The Directors are also responsible for maintaining accurate accounting records that correctly record and explain the Company's transactions. These records must enable the determination of the Company's financial position with reasonable accuracy at any given time and facilitate the proper auditing of financial statements, as required under Section 148(1) of the Act. Accordingly, the Directors ensure that proper books of accounts are maintained and that financial reports are regularly reviewed during Board meetings. Additionally, the Board reviews and approves all interim financial statements before their release.

The Board of Directors accepts responsibility for the integrity and objectivity of the financial statements. They confirm that the financial statements have been prepared using appropriate accounting policies applied consistently, with reasonable estimates and judgments made to reflect the true substance and nature of transactions.

The Directors have implemented reasonable measures to safeguard the Company's assets and to prevent and detect fraud and other irregularities. To this end, they have established a robust and comprehensive internal control system.

The Company's auditors, Messrs. KPMG, who were reappointed through a resolution passed at the previous Annual General Meeting, were provided with all necessary information required to conduct their audit and express an opinion, as detailed on pages 150 - 152 of this Annual Report.

Furthermore, after assessing the Company's financial position, operating conditions, regulatory environment, and other relevant factors, the Directors confirm that they have a reasonable expectation that the Company has sufficient resources to continue its operations in the foreseeable future. Accordingly, the Going Concern basis has been deemed appropriate in the preparation of these financial statements.

COMPLIANCE REPORT

The Directors confirm that, to the best of their knowledge, all statutory payments due as of the financial reporting date have been either settled or adequately provided for.

By Order of the Board
Capital Alliance PLC



Mr. D. A. De Zoysa
Chairman
29th July 2025

RESPONSIBILITY STATEMENT OF CHAIRMAN, CHIEF EXECUTIVE OFFICER AND MANAGER FINANCE

The Financial Statements of Capital Alliance PLC have been prepared in accordance with the following regulatory requirements:

- Sri Lanka Accounting Standards issued by CA Sri Lanka
- The Companies Act No. 07 of 2007
- The Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995
- Listing Rules of the Colombo Stock Exchange
- The Code of Best Practice on Corporate Governance issued by CA Sri Lanka (2023)

We confirm that the significant accounting policies used in the preparation of the financial statements are appropriate and are consistently applied by the Company. The significant accounting policies and estimates that involved a high degree of judgment and complexity were discussed with the Audit Committee and the external auditors.

To safeguard assets and prevent fraud or other irregularities, we have implemented robust internal controls and accounting systems, which are continuously reviewed, evaluated, and updated. Internal audits are conducted periodically to provide reasonable assurance that these controls and procedures are effectively maintained. However, we acknowledge the inherent limitations of any internal control system.

The independent external auditors, Messrs. KPMG, Chartered Accountants, have audited these financial statements. The Audit Committee regularly meets with both internal and external auditors to review audit effectiveness, internal control measures, and financial reporting matters. Both auditors have unrestricted access to the Audit Committee to discuss any substantive issues. To ensure auditor independence, the Committee also approves all audit and non-audit services provided by the external auditor.

We further confirm that:

- The Company has complied with all applicable laws, regulations, and prudential requirements.
- There are no material instances of non-compliance.
- There are no pending material litigations against the Company.



Mr. D. A. De Zoysa
Chairman



Mr. L. H. S. L. Silva
Chief Executive Officer



Ms. S. C. Goonesekera
Manager Finance



EPICENTER OF

EXCELLENCE

FINANCIAL CALENDAR

PUBLICATION OF FINANCIAL STATEMENTS TO CSE *

1st quarter report	29th July 2024
2nd quarter report	28th October 2024
3rd quarter report	21st January 2025
4th quarter report	24th April 2025

PUBLICATION OF FINANCIAL STATEMENTS IN NEWSPAPERS **

Semi-annual Financial Statements	25th November 2024
Annual Unaudited Financial Statements	26th May 2025
Annual Report and Financial Statements - FY 2024/25	29th July 2025
4th Annual General Meeting	28th August 2025

*As per Rule 7.4 of the Continuing Listing Requirements issued by the Colombo Stock Exchange

** As per the Direction 08/24/002/005/01 issued by the Superintendent of Public Debt of the Central Bank of Sri Lanka.

INDEPENDENT AUDITOR'S REPORT

GRI 2-5



KPMG
(Chartered Accountants)
32A, Sir Mohamed Macan Markar Mawatha,
P. O. Box 186,
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TO THE SHAREHOLDERS OF CAPITAL ALLIANCE PLC

Report on the Audit of Financial Statements

Opinion

We have audited the financial statements of Capital Alliance PLC ("the Company"), which comprise the statements of financial position as at 31 March 2025, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information as set out on pages 153 - 201.

In our opinion, the accompanying financial statements of the company give a true and fair view of the financial position of the Company as at 31 March 2025, and of its 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 Company in accordance with the Code of Ethics for Professional Accountants issued by CA Sri Lanka (Code of Ethics), and we have fulfilled our other ethical

responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

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

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

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

T. J. S. Rajakarier FCA
W. K. D. C. Abeyrathne FCA
Ms. B.K.D.T.N. Rodrigo FCA
Ms. C.T.K.N. Perera ACA
R. G. H. Raddella ACA,

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

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

Key audit matters

Carrying amount of financial assets, recognition of gains/losses on trading and interest income on financial assets

Refer to the significant accounting policy in "Note 3.2.1 and 5,7,14, and 15 to the financial statements"

Risk Description	Our responses
<p>As at 31 March 2025, the Company's financial assets portfolio consists with treasury bills and treasury bonds measured at fair value and Securities purchased under resale agreements amortised at cost.</p> <p>The carrying amount of treasury bills and treasury bonds measured at fair value through profit or loss is Rs. 102,201 Mn, and Securities purchased under resale agreements at amortised cost Rs. 3,003 Mn, respectively.</p> <p>Further in Notes 05 and 07, the Company has recognised interest income and net gain from trading of financial assets of Rs. 8,875 Mn and Rs. 6.096 Mn respectively.</p> <p>As the Company's business operations are sensitive to market conditions, the carrying amounts of these financial assets are considered to be an area of risk for the current financial year considering the uncertainties and volatilities in the macro-economic environment existed during the year that are still prevailing. Due to rapid changes in the macro-economic environment, the composition of the investment portfolio of the Company and the observability of the market data were affected making the investment decisions and measurement more challenging and significant.</p> <p>In addition, the Company considers income and gain from financial assets as an important element in the preparation of budgets and measuring management performance. These factors could create an incentive for gains/ losses on trading and interest income to be recognised in contrary to the recognition criteria.</p> <p>Accordingly, due to their materiality in the context of the financial statements as a whole and the prevailing uncertain and volatile macro-economic environment, the carrying amount of financial assets including related gain/losses on trading and interest income are considered to be an area which had a great effect on our overall audit strategy and allocation of resources in planning and completing our audit.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> • Obtaining an understanding of and assessing the design, implementation and operating effectiveness of the management's key internal controls over identification, measurement and management of measurement risk as well as evaluating the methodologies and input parameters used by the Company in determining carrying amounts including fair values, gains/losses on trading and interest income recognition and measurement. • Testing the operating effectiveness of key IT application controls over gains/losses on trading and interest income, in addition to evaluating the integrity of the general IT control environment. • Comparing observable inputs against independent sources and externally available market data and re-performing independent valuations. • Making inquiries of the management on the market conditions and reviewing the board minutes. • Testing mathematical accuracy and verifying the appropriateness and completeness of the data used. • Obtaining and agreeing with the third-party confirmations for a sample of outstanding financial instruments. • On a sample basis, testing of details over gains/losses on trading and interest income by inspecting a supporting documents, re-computation of gains and losses on trading and interest income and testing of cut off transactions in order to ensure such income is recognised and measured in accordance with the applicable financial reporting requirements and the Company accounting policies. • Assessing the adequacy of the disclosures in the financial statements in accordance with the relevant accounting standards.

Other Information

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard

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

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

INDEPENDENT AUDITOR'S REPORT

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SLAuSs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company 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 Company to express an opinion on the financial statements. We are responsible for the direction, supervision, and performance of the 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 3707.



CHARTERED ACCOUNTANTS

Colombo, Sri Lanka
29th July 2025

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March,		2025	2024
	Note	Rs.	Rs.
Interest income	5	8,874,907,017	10,504,518,985
Interest expenses	6	(5,842,375,955)	(6,641,372,092)
Net interest income		3,032,531,062	3,863,146,893
Net gain from trading	7.1	6,096,133,620	19,005,251,921
Net gain/(loss) from remeasurement of financial assets at FVTPL	7.2	(1,554,535,633)	874,512,729
Direct expenses	8	(42,681,085)	(33,074,086)
Other income	9	38,779,419	19,336,409
Net operating income		7,570,227,383	23,729,173,866
Operating expenses			
Personnel expenses		(554,470,901)	(2,775,753,100)
Depreciation and amortisation		(19,047,677)	(15,668,881)
Other expenses		(625,594,123)	(839,740,454)
Profit before tax	10	6,371,114,682	20,098,011,431
Income tax expense	11.1	(1,950,520,698)	(6,204,827,939)
Profit for the year		4,420,593,984	13,893,183,492
Other comprehensive income/(expense)			
Items that will not be reclassified to profit or loss			
Actuarial gain/ (loss) on retirement benefit obligation	25.2	3,299,244	(11,981,676)
Deferred tax on actuarial (gain) / loss on retirement benefit obligation	11.6.1	(989,773)	3,594,503
Other comprehensive income / (expense) for the year		2,309,471	(8,387,173)
Total comprehensive income for the year		4,422,903,455	13,884,796,319
Basic earnings per share - (Rs.)	12	13.42	42.17

Accounting policies and notes form pages 157 - 201 are an integral part of these financial statements.

Figures in brackets indicate deductions.

STATEMENT OF FINANCIAL POSITION

As at 31 March,	Note	2025 Rs.	2024 Rs.
Assets			
Cash and cash equivalents	13	36,205,695	353,008,092
Financial assets measured at amortised cost	14	3,003,008,988	1,015,901,338
Financial assets measured at FVTPL	15	102,200,999,629	59,533,287,818
Amounts due from related companies	22.1	23,182,317	11,766,209
Trade and other receivables	16	12,959,192	260,547,704
Financial assets measured at FVOCI	17	-	-
Deferred tax assets	11.6	27,748,880	24,583,978
Intangible assets	18	7,490,561	4,506,832
Right of use asset	19	4,466,900	3,055,983
Equipment	20	40,471,576	51,569,663
Total assets		105,356,533,738	61,258,227,617
Liabilities and equity			
Liabilities			
Financial liabilities at amortised cost	21	87,809,641,973	37,346,396,228
Amounts due to related companies	22.2	4,685,733	61,846,733
Other payables	23	1,179,367,985	2,740,283,723
Lease liability	24	4,809,241	3,716,278
Retirement benefit obligation	25	92,823,233	81,309,710
Income tax payable	11.5	1,869,063,749	4,627,787,838
Total liabilities		90,960,391,914	44,861,340,510
Equity			
Stated capital	26	723,348,421	723,348,421
Special risk reserve	27	2,758,877,428	2,316,818,030
Retained earnings		10,913,915,975	13,356,720,656
Total equity		14,396,141,824	16,396,887,107
Total liabilities and equity		105,356,533,738	61,258,227,617
Net Assets Per Share		43.70	49.78

Accounting policies and notes form pages 157 - 201 are an integral part of these financial statements.

Figures in brackets indicate deductions.

I certify that the financial statements for the year ended 31st March 2025 are in compliance with the requirements of the Companies Act No. 07 of 2007.



Manager Finance

The Board of Directors is responsible for the preparation and presentation of these financial statements.

Approved and signed for on behalf of the Board of Directors of Capital Alliance PLC.



Director



Director

Colombo, Sri Lanka
29th July 2025

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March,	Stated Capital	Special Risk Reserve	Retained Earnings	Total
	Rs.	Rs.	Rs.	Rs.
Balance as at 01 April 2023	723,348,421	927,499,681	3,839,180,357	5,490,028,459
Profit for the year	-	-	13,893,183,492	13,893,183,492
Other comprehensive expense for the year	-	-	(8,387,173)	(8,387,173)
Total comprehensive income	-	-	13,884,796,319	13,884,796,319
Transferred to the special risk reserve	-	1,389,318,349	(1,389,318,349)	-
Transactions with owners of the company				
Dividend paid	-	-	(2,977,937,671)	(2,977,937,671)
Balance as at 31 March 2024	723,348,421	2,316,818,030	13,356,720,656	16,396,887,107
Balance as at 01 April 2024	723,348,421	2,316,818,030	13,356,720,656	16,396,887,107
Profit for the year	-	-	4,420,593,984	4,420,593,984
Other comprehensive Income for the year	-	-	2,309,471	2,309,471
Total comprehensive income	-	-	4,422,903,455	4,422,903,455
Transferred to the special risk reserve	-	442,059,398	(442,059,398)	-
Transactions with owners of the company				
Dividend paid	-	-	(6,423,648,738)	(6,423,648,738)
Balance as at 31 March 2025	723,348,421	2,758,877,428	10,913,915,975	14,396,141,824

Accounting policies and notes form pages 157 - 201 are an integral part of these financial statements.

Figures in brackets indicate deductions.

STATEMENT OF CASH FLOWS

As at 31 March,	Note	2025 Rs.	2024 Rs.
Cash flows from operating activities			
Interest receipts and realised gains		15,233,088,111	29,173,009,219
Interest payments		(5,455,356,180)	(6,465,131,881)
Payments of direct cost		(42,681,085)	(33,074,086)
Other receipts		38,779,419	19,336,409
Cash payments to employees and suppliers		(768,302,673)	(950,550,863)
Operating profit before changes in operating assets and liabilities		9,005,527,592	21,743,588,798
(Increase)/decrease in financial assets measured at amortised cost		(1,980,835,695)	(642,884,727)
(Increase)/decrease in financial assets measured at FVTPL		(44,490,566,873)	(20,747,802,454)
Decrease/(increase) in other receivables		247,588,512	(246,849,080)
Increase/(decrease) in loan from related party		-	(1,023,143,835)
(Increase)/decrease in amounts due from related companies		(11,366,108)	10,022,751
Increase/(decrease) in financial liabilities at amortised cost		50,076,225,970	7,114,873,328
Increase/(decrease) in amounts due to related companies		(57,473,500)	(46,112,999)
Increase/(decrease) in other payable		(1,956,118,879)	(449,292,560)
Cash generated from operating activities		10,832,981,019	5,712,399,222
Interest paid on lease	24.4	(1,483,943)	(527,258)
Gratuity paid	25.1	-	(1,955,500)
Income taxes paid	11.5	(4,713,399,462)	(2,341,001,148)
Net cash generated from operating activities		6,118,097,614	3,368,915,316
Cash flows from investing activities			
Purchase of equipment	20	(2,794,150)	(58,811,226)
Purchase of Intangible assets	18	(4,677,104)	(3,862,500)
Net cash used in investing activities		(7,471,254)	(62,673,726)
Cash flows from financing activities			
Dividend paid		(6,423,648,738)	(2,977,937,671)
Payment of lease liabilities	24.4	(3,780,019)	(4,257,913)
Net cash used in financing activities		(6,427,428,757)	(2,982,195,584)
Net increase/ (decrease) in cash and cash equivalents		(316,802,397)	324,046,006
Cash and cash equivalents at the beginning of the year	13	353,008,092	28,962,086
Cash and cash equivalents at the end of the year	13	36,205,695	353,008,092

Accounting policies and notes form pages 157 - 201 are an integral part of these financial statements.

Figures in brackets indicate deductions.

NOTES TO THE FINANCIAL STATEMENTS

GRI 2-1

1. REPORTING ENTITY

1.1. Corporate Information

Capital Alliance PLC, formerly Capital Alliance Limited (“the Company”), is a limited liability Company incorporated and domiciled in Sri Lanka and listed on the Colombo Stock Exchange. The registered office of the Company and the principal place of business at Level 5, “Millennium House”, 46/58, Navam Mawatha, Colombo 2.

1.2. Principal Activities and Nature of Operations

The Company is primarily involved in the business of dealing in Government Securities and corporate debt securities. There were no significant changes in the nature of the principle activities of the Company during the financial year.

1.3. Parent Enterprise and Ultimate Parent Enterprise

The Company’s Parent undertaking and controlling party is Capital Alliance Holdings PLC, which is incorporated in Sri Lanka.

2. BASIS OF PREPARATION

2.1. Statement of Compliance

The financial statements of the Company have been prepared in accordance with Sri Lanka Accounting Standards (herein referred to as SLFRSs/LKASs), laid down by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka).

These financial statements, except for information on cash flows and items measured at fair value as described in Note No. 2.5, have been prepared following the accrual basis of accounting.

The Company did not adopt any inappropriate accounting treatment, which is not in compliance with the requirements of the SLFRSs and LKASs regulations governing the preparation and presentation of the Financial Statements.

2.2. Statement of presentation

The Financial Statements of the Company have been prepared in compliance with the requirement of the Companies Act No. 07 of 2007 and provide appropriate disclosures as required by the Listing Rules of the Colombo Stock Exchange.

2.3. Date of authorisation for issue

The financial statements were authorised for issue by the Board of Directors in accordance with the resolution passed by the Board of Directors on 29th July 2025.

2.4 Presentation of Financial Statements

The assets and liabilities of the Statement of Financial Position are grouped by nature and listed in order to reflect their relative liquidity and maturity pattern.

2.5 Responsibility for Financial Statements

The Board of Directors is responsible for the preparation and presentation of the Financial Statements of the Company in accordance with the provisions of the Companies Act No. 07 of 2007 and Sri Lanka Accounting Standards.

Category	Basis of measurement	Note
Financial assets at Fair Value through Profit or Loss (FVTPL)	Measured At Fair Value	15
Financial assets at Fair Value through Other Comprehensive (FVOCI) Income	Measured At Fair Value	17
Defined Benefit obligations	Actuarially valued and recognized at present value of the defined benefit obligation	25

2.7 Functional and Presentation Currency

The Financial Statements are presented in Sri Lankan Rupees, which is the functional currency of the Company.

Directors’ Responsibility for the Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of these Financial Statements in accordance with Sri Lanka Accounting Standards and as per the provisions of the Companies Act No. 07 of 2007 and related disclosure requirements of Listing Rules.

This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of Financial Statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

The Board of Directors acknowledges their responsibility as set out in the “Annual Report of the Board of Directors” and “Statement of Director’s Responsibility”.

2.6 Basis of Measurement

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

NOTES TO THE FINANCIAL STATEMENTS

2.8 Use of Estimates and Judgments

The preparation of Financial Statements in conformity with LKAS/SLFRS requires management to make judgments, estimates and assumptions that influence the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that financial year or in the period of the revision and future periods if the revision affects both current and future financial years.

Information about critical judgments, estimates and assumptions in applying accounting policies that have the most significant effect on the amounts recognised in the Financial Statements are included in the following notes to these Financial Statements.

Critical accounting estimate/judgment	Disclosure reference
Going concern	2.14
Classification of financial assets and liabilities	3.3.1 & 3.2.1
Fair value of financial instruments	3.3.1, 3.3.2 & 32
Useful lives of intangible assets	3.4.2.4
Useful lives of property, plant and equipment	3.5.1.4
Retirement benefit obligation	3.8 & 25
Deferred tax on unutilised tax losses	3.19
Impairment losses on financial assets	3.3
Impairment of non-financial assets	3.3.2
Provisions for liabilities, commitments and contingencies	3.7, 3.23.4 & 29.1

2.9 Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has an established control framework with respect to the measurement of fair values.

When available, the Company measures the fair value of an instrument using quoted prices in an active market for that instrument. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

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

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair values are categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

2.10 Comparative Information

Comparative information including quantitative, narrative and descriptive information is disclosed in respect of the previous period in the Financial Statements in order to enhance the understanding of the current period's Financial Statements and to enhance the inter period comparability.

The presentation and classification of the financial statements of the previous years have been amended, where relevant for better presentation and to be comparable with those of the current year.

2.11 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' and amendments to the LKAS 1 on 'Disclosure Initiative'.

Notes to the Financial Statements are presented in a systematic manner which ensures the understandability and comparability of Financial Statements of the Company. Understandability of the Financial Statements is not compromised by obscuring material information with immaterial information or by aggregating material items that have different natures or functions.

2.12 Offsetting

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position, only when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or to realise the assets and settle the liabilities simultaneously. Income and expenses are not offset in the Income Statement, unless required or permitted by an Accounting Standard or Interpretation (issued by the International Financial Reporting Interpretations Committee and Standard Interpretations Committee) and as specifically disclosed in the Material Accounting Policies of the Company.

2.13 Rounding

The amounts in the Financial Statements have been rounded off to the nearest Rupees, except where otherwise indicated as permitted by the Sri Lanka Accounting Standard LKAS 1 on 'Presentation of Financial Statements'.

2.14 Going Concern

In determining the basis of preparing the Financial Statements for the year ended 31 March 2025, management has considered all available information, the consequences of current macro-economic conditions of the country, climate related risks, other events and conditions. It is the view of the management that there are no material uncertainties that may cast significant doubt on the Company's ability to continue to operate as a going concern due to the improving operating environment, developments to product strategies and actions taken to mitigate the impact of economic crisis.

Further, in determining the going concern, the management performed multiple stress tested scenarios; considering cost management practices, ability to continue operations under current economic crisis, cash reserves, ability to secure additional funding to finance the adverse effects to the cash flows, ability to secure required human resources, expected revenue streams, credit and collection management practices and expense management and curtailment practices including ability to defer non-essential capital expenditure.

Accordingly, the Management has assessed its ability to continue as a going concern and is satisfied that it has adequate resources to continue in the business for the foreseeable future. Further, the Management is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the Financial Statements of the Company are continued to be prepared on a going concern basis.

3. MATERIAL ACCOUNTING POLICIES

3.1. Foreign Currency

Foreign Currency Transactions

Transactions in foreign currencies are translated to the functional currency (Sri Lankan Rupee-LKR) at exchange rates at the dates of the transactions.

Foreign Currency Transactions

Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items are the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on retranslation are recognised in Statement of Profit or Loss.

3.2 Financial Instruments

3.2.1 Financial Asset

Recognition and initial measurement

The Company initially recognizes all financial assets and liabilities on the settlement date.

However, for financial assets/ liabilities held at fair value through profit and loss any changes in fair value from the trade date to settlement date is accounted in profit or loss while for financial assets at fair value through other comprehensive

income, any change in fair value from the trade date to settlement date is accounted in Other Comprehensive Income.

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

Classification and subsequent measurement of financial assets

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

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

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

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

NOTES TO THE FINANCIAL STATEMENTS

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

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

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

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

Financial assets - Business model assessment

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

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;

- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

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

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

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

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

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

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets - Subsequent measurement and gains and losses

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

3.2.2 Financial Liability

Initial Recognition and Measurement

On initial recognition, the Company classifies financial liabilities, other than financial guarantees and loan commitments, into one of the following categories:

- Financial liabilities at amortised cost; and
- Financial liabilities at fair value through profit or loss

Classification and Subsequent Measurement of Financial Liabilities

The subsequent measurement of financial liabilities depends on their classification.

Financial Liabilities at Amortised Cost

Financial Liabilities issued by the Company that are not designated at fair value through profit or loss are recognised initially at fair value plus any directly attributable transaction costs, by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest method.

Financial Liabilities at Fair Value through Profit or Loss

Financial liabilities at fair value through profit or loss include derivative liabilities held for risk management purposes.

3.2.3 Derecognition

(a) Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

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

(b) Financial liabilities

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

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

3.2.4 Reclassification of Financial Assets and Liabilities

Financial assets are not reclassified subsequent to their initial recognition, except and only in those rare circumstances when the Company's changes its objective of the business model for managing such financial assets. Financial liabilities are not reclassified as such reclassifications are not permitted by SLFRS 9.

NOTES TO THE FINANCIAL STATEMENTS

3.3 Impairment**3.3.1 Non-derivative Financial Assets****Financial instruments and contract assets**

Loss allowances for trade receivables is always measured at an amount equal to lifetime ECLs.

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

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held).
- the financial asset is more than 90 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognised in OCI.

Write-off

Loans and debt securities are written off (either partially or in full) when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof.

This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write off. This assessment is carried out at the individual asset level.

Financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures to recovery of amounts due.

3.3.2 Non-financial assets

The carrying amounts of the Company's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

3.4 Equipment and Intangible Assets**3.4.1 Equipment****3.4.1.1 Owned Assets – Basis of Recognition**

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

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the cost of dismantling and removing the items and restoring the site on which they are located and capitalized borrowing cost. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

3.4.1.2 Subsequent Expenditure

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

3.4.1.3 Derecognition

The carrying amount of an item of Equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from derecognition of an item of Equipment is included in Statement of Profit or Loss when the item is derecognized. When replacement costs are recognized in the carrying amount of an item of Equipment, the remaining carrying amount of the replaced part is derecognized. Major inspection costs are capitalized. At each such capitalization, the remaining carrying amount of the previous cost of inspections is derecognized.

3.4.1.4 Depreciation

Items of Equipment are depreciated from the date they are available for use or, in respect of self-constructed assets, from the date that the asset is completed and ready for use.

Depreciation is calculated to write off the cost of items of Equipment less their estimated residual values using the straight-line basis over their estimated useful lives. Depreciation is generally recognized in Statement of Profit or Loss, unless the amount is included in the carrying amount of another asset.

The estimated useful lives and depreciation rates are as follows:

Asset Category	Useful Life	Depreciation Rate (%)
Motor Vehicles	5 years	20%
Furniture and Fittings	5 years	20%
Office Equipment	4 years	25%
Computer Equipment	3 years	33.33%
Communication Devices	1 year	100%

Depreciation of an asset begins when it is available for use and ceases at the earlier of the date that the asset is classified as held for sale and the date that the asset is derecognized. Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

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

3.4.2 Intangible Assets

An intangible asset is recognized if it is probable that future economic benefits will flow to the entity and the cost of the asset can be measured reliably in accordance with LKAS 38 on Intangible Assets.

Intangible assets with finite useful lives are measured at cost less accumulated amortization and accumulated impairment losses.

3.4.2.1 Computer Software

All computer software cost incurred, which are not internally related to associate hardware, which can be clearly identified, reliably measured and its probable that they will lead to future economic benefits, are included in the Statement of Financial Position under the category of intangible assets and carried at cost less accumulated amortization and any accumulated impairment losses.

3.4.2.2 Other Intangible Assets

Other intangible assets that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

3.4.2.3 Subsequent Expenditure

Subsequent Expenditure incurred on software is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in profit or loss as incurred.

NOTES TO THE FINANCIAL STATEMENTS

3.4.2.4 Amortization

Amortization is calculated over the cost of the asset or other amount substituted for cost less its residual value.

Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets other than goodwill, from the date that they are available for use since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

The estimated useful lives and amortization rate are as follows:

Asset Category	Useful Life	Depreciation Rate (%)
Computer Software	4 years	25%

Amortization methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

3.5 Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in SLFRS 16.

3.5.1 As a lessee

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred

and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, and the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets that do not meet the definition of investment property in 'right-of-use assets and lease liabilities in 'lease liability' in the statement of financial position.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

3.6 Cash and cash equivalents

Cash and cash equivalents comprise cash balances with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value and are used by the Company in the management of its short-term commitments.

3.7 Provisions

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

3.8 Employee Benefits

Short-term employee benefits

The costs of all short-term employee benefits (that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service) are recognised during the period in which the employee renders the related service. The accruals for employee entitlements to benefits such as salaries, bonuses and annual leave represent the amounts which the Company has a present obligation to pay as a result of the employee's services and the obligation can be measured reliably. The accruals have been calculated at undiscounted amounts based on current salary levels at the reporting date.

Defined Benefit Plan – Retirement Gratuity

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The liability recognized in the Statement of financial position in respect of defined benefit plans is the present value of the defined benefit obligation at the reporting date.

The defined benefit obligation is calculated annually by a qualified actuary using the Projected Unit Credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates that apply to the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related liability.

Provision has been made for retiring gratuities from the first year of service for all employees in conformity with LKAS 19 - Employee Benefits. However, according to the Payment of Gratuity Act No. 12 of 1983, the liability for gratuity to an employee arises only on completion of 5 years of continued service with the Company.

Actuarial gains and losses are recognised in full in the period in which they occur in other comprehensive income.

The obligation is not externally funded.

Defined Contribution Plan – Employees' Provident Fund & Employee's Trust Fund

All employees who are eligible for Employees' Provident Fund Contribution and Employees' Trust Fund Contribution are covered by relevant contribution funds in line with respective Statutes and Regulations.

Contributions to Provident Fund and Trust Fund covering the employees are recognized as an expense in the Statement of Profit or Loss.

Termination Benefits

Termination benefits are recognized as an expense when the Company is demonstrably committed, without a realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognized as an expense if the Company has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting date, then they are discounted to their present value.

3.9 Stated Capital

As per the Companies Act No. 07 of 2007, section 58 (1), stated capital in relation to a Company means the total of all amounts received by the Company or due and payable to the Company in respect of the issue of shares and in respect of call in arrears.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

3.10 Interest Income and expense

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

The calculation of the effective interest rate includes transaction costs and fees and points paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability.

Interest income and expense presented in the statement of profit or loss and Other Comprehensive Income include:

- interest on financial assets and financial liabilities measured at amortised cost calculated on an effective interest basis; and
- interest on debt securities measured at FVOCI is calculated on an effective interest basis

Interest income and expense on all trading assets and liabilities are considered to be incidental to the Company's trading operations and are presented together with all other changes in the fair value of trading assets and liabilities in net trading income.

Fair value changes on other derivatives held for risk management purposes, and other financial assets and financial liabilities carried at fair value through profit or loss, are presented in net income as gain on fair valuation of other financial instruments at fair value through profit or loss in the statement of profit or loss and Other Comprehensive Income.

3.11 Gain/ (Loss) on Sale of Financial Investments measured at Fair Value through Profit or Loss

Gain/(loss) on Sale of Financial Investments measured at fair value through profit or loss comprises realised trading gains/ (loss) on disposal of government securities and quoted shares presented as sale of financial investments at fair value through profit or loss in the statement of profit or loss and other comprehensive income.

3.12 Gain/ (Loss) on Disposal of Financial Investments – Fair Value through Other Comprehensive Income

Gain/ (Loss) on Disposal of Financial Investments measured at fair value through other comprehensive income comprises realised capital gain/ (loss) on disposal of investment in equity securities classified as financial assets measured at fair value through other comprehensive income, is presented in other comprehensive income.

3.13 Gain/ (Loss) on Fair Valuation of Financial Investments – Fair Value through Profit or Loss

Gain/(loss) on Fair Valuation of Financial Investments is the unrealised gain/ (loss) on fair valuation (marked to market valuation) of government securities and quoted instruments. The fair valuation gain/ (loss) is presented in profit or loss.

3.14 Brokering Commission

Brokering commission is recognized on an accrual basis.

3.15 Other Income

Other income is recognized on an accrual basis. Profits or losses of a revenue nature on the disposal of Equipment have been accounted for in the profit or loss.

3.16 Dividend Income

Dividend income is recognised in profit or loss on an accrual basis when the Company's right to receive the dividend is established. This is usually on the ex-dividend date for equity securities. Dividends are presented in other income.

3.17 Expenses Recognition

Expenses are recognised in the Statement of Profit or Loss 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 & equipment in a state of efficiency has been charged to income in arriving at the profit for the year. For the presentation of the Statement of Profit or Loss the Directors are of the opinion that the nature of the expenses method present fairly the element of the Company's performance, and hence such presentation method is adopted.

3.18 Borrowing Cost

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in profit or loss using the effective interest method.

3.19 Taxation

Income tax expense comprises both current and deferred tax. Income tax expense is recognized in income statement except to the extent that it relates to items recognized directly in equity, in which case is recognized in the statement of comprehensive income or statement of changes in equity, in which case it is recognized directly in the respective statements.

The Company has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under LKAS 37 Provisions, Contingent Liabilities and Contingent Assets.

Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Current tax payable also includes any tax liability arising from the tax on dividend income.

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

Deferred tax

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

Deferred tax is not recognised for:

- Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.
- Temporary differences related to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future; and
- Taxable temporary differences arising on the initial recognition of goodwill.

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

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

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

Deferred tax assets and liabilities are not discounted.

The net increase in the carrying amount of deferred tax liability net of deferred tax asset is recognised as deferred tax expense and conversely any net decrease is recognised as reversal to deferred tax expense, in the Statement of Profit or Loss.

Uncertainty over income tax treatments

The Company accounted for the uncertainty over tax treatments under IFRIC 23. An 'uncertain tax treatment' is a tax treatment for which there is uncertainty over whether the relevant taxation authority will accept the tax treatment under tax law.

If it is not probable that the taxation authority will accept an uncertain tax treatment, effect of uncertainty shall be reflected in determining the related taxable profit (tax loss), tax bases, unused tax losses, unused tax credits or tax rates. The effect of uncertainty for each uncertain tax treatment shall be reflected by using either of the most likely amount or the expected value methods, depending on which method the Company expects to better predict the resolution of the uncertainty.

3.20 Borrowings

Repo borrowings are the Company's sources of debt funding. When the Company sells a financial asset and simultaneously enters into an agreement to repurchase the asset (or a similar asset) at a fixed price on a future date (sale and repurchase agreement), the

arrangement is accounted for as a borrowing, and the underlying asset continues to be recognised in the Company's financial statements. The Company classifies capital instruments as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments.

3.21 Statement of Cash Flows

The Statement of Cash Flows has been prepared using the 'direct method'. Interest paid, Interest Income received and realized gains are classified as operating cash flows, interest on fixed deposits received are classified as investing cash flows for the purpose of presentation of the Statement of Cash Flows. Cash and cash equivalents comprise of cash in hand, cash at bank and bank overdrafts.

3.22 Related Party Transactions

Disclosure has been made in respect of the transactions in which one party has the ability to control or exercise significant influence over the financial and operating decisions of the other, irrespective of whether a price is being charged.

3.23 General

3.23.1 Events after the Reporting Period

Events after the reporting date are those events, favorable and unfavorable, that occur between the reporting date and the date when the Financial Statements are authorised for issue. In this regard, all material and important events that occurred after the reporting period are considered and appropriate disclosures are made where necessary (Note 30).

All material adjusting events after the reporting period have been considered and where appropriate adjustments to or disclosures have been made in the respective notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

3.23.2 Earnings per Share

The Company presents basic earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

3.24.3 Dividends on ordinary shares

Dividends on ordinary shares are recognized as a liability and deducted from equity when they are approved by the Company's shareholders. Interim dividends are deducted from equity when they are declared and are no longer at the discretion of the Company.

3.23.4 Capital Commitment and Contingent Liabilities

Capital commitments and contingencies which exist as at the date of Statement of Financial Position are disclosed in the respective notes to the Financial Statements.

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

A number of new accounting standards are effective for annual reporting periods beginning after 1 January 2025 and earlier application is permitted. However, the Company has not early adopted the following new or amended accounting standards in preparing these consolidated financial statements.

The following amended standards and interpretations are not expected to have a significant impact on the Company's Financial Statements.

- **SLFRS S1 General requirements for disclosure of sustainability related financial information and SLFRS S2 Climate-related disclosures**

SLFRS S1 General Requirements for Disclosure of Sustainability related Financial Information requires an entity to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general-purpose financial reports in making decisions relating to providing resources to the entity.

SLFRS S2 Climate-related Disclosures is to requires an entity to disclose information about its climate-related risks and opportunities that is useful to primary users of general-purpose financial reports in making decisions relating to providing resources to the entity.

These standards will become effective for the Company from 1 January 2025. No financial impact is expected on the Company except for additional disclosures.

5. INTEREST INCOME

For the year ended 31 March,	2025	2024
	Rs.	Rs.
Financial assets measured at FVTPL		
Interest on treasury bills	1,252,298,920	1,239,896,520
Interest on treasury bonds	7,244,067,752	9,180,310,714
	8,496,366,672	10,420,207,234
Financial Assets measured at amortised cost		
Interest on securities purchased under resale agreements	378,523,737	84,240,008
Interest income on staff loans	16,608	71,743
	378,540,345	84,311,751
	8,874,907,017	10,504,518,985

6. INTEREST EXPENSES

For the year ended 31 March,	2025	2024
	Rs.	Rs.
Interest on securities sold under repurchase agreements	5,626,177,250	6,539,968,559
Interest on related party loan	-	49,187,671
Interest on commercial papers	60,561,644	52,215,862
Interest on bank loans	155,637,061	-
	5,842,375,955	6,641,372,092

7. GAINS AND (LOSSES) ARISE FROM FINANCIAL ASSETS

7.1 Net gain from trading

For the year ended 31 March,	2025	2024
	Rs.	Rs.
Gain on treasury bills	37,443,384	228,094,739
Gain on treasury bonds	5,977,013,505	18,782,565,673
Capital gain/ (loss) on quoted shares	81,676,731	(5,408,491)
	6,096,133,620	19,005,251,921

7.2 Net gain/ (loss) from remeasurement of financial assets at FVTPL

For the year ended 31 March,	Note	2025	2024
		Rs.	Rs.
Remeasurement gain/ (loss) on government securities		(1,681,296,768)	936,779,822
Remeasurement gain/ (loss) on quoted shares	15.3	126,761,135	(62,267,093)
		(1,554,535,633)	874,512,729

NOTES TO THE FINANCIAL STATEMENTS

8. DIRECT EXPENSES

For the year ended 31 March,	2025	2024
	Rs.	Rs.
Brokerage commission	42,681,085	33,074,086
	42,681,085	33,074,086

9. OTHER INCOME

For the year ended 31 March,	2025	2024
	Rs.	Rs.
Dividend income	38,777,307	18,505,808
Other income	2,112	830,601
	38,779,419	19,336,409

10. PROFIT BEFORE TAX

Is stated after charging all expenses including the following;

For the year ended 31 March,	2025	2024
	Rs.	Rs.
Directors' fees	4,200,000	3,200,000
Audit fee		
- Statutory audit	1,300,000	1,150,000
- Other services	1,366,167	1,653,579
Depreciation of equipment	13,892,237	10,823,729
Depreciation of right of use assets	3,462,065	4,074,660
Amortization of intangible assets	1,693,375	770,492
Staff cost included;		
- Salaries and other staff benefits	516,862,141	2,743,526,948
- Defined benefit plan - gratuity (Note 25)	15,075,267	16,474,798
- Defined contribution plans - EPF	17,805,279	11,594,204
- ETF	4,451,319	2,898,551
Other employee related cost	276,895	1,258,599
Donations	11,250,000	11,250,000

11. INCOME TAX EXPENSE**11.1 Income tax recognised in profit or loss**

For the year ended 31 March,	2025	2024
	Rs.	Rs.
Current tax expense for the year (Note 11.2)	1,954,602,260	6,226,613,272
Income tax under/(over) provision for the previous year (Note 11.5)	73,113	(17,657,623)
Deferred tax reversal for the year (Note 11.6.1)	(4,154,675)	(4,127,710)
	1,950,520,698	6,204,827,939

11.2 Reconciliation between accounting profit and taxable profit

For the year ended 31 March,	2025	2024
	Rs.	Rs.
Profit before tax	6,371,114,682	20,098,011,431
Less: Other sources of income & exempt income	(247,215,173)	(18,505,808)
Disallowable expenses	402,043,627	686,683,847
Allowable expenses	(10,602,270)	(10,811,896)
Assessable income from business	6,515,340,866	20,755,377,574
Total taxable income	6,515,340,866	20,755,377,574
Income tax at 30%	1,954,602,260	6,226,613,272
Current tax expense	1,954,602,260	6,226,613,272

11.3 Reconciliation of effective tax rate

	31 March 2025		31 March 2024	
	%	Rs.	%	Rs.
Profit before tax		6,371,114,682		20,098,011,431
Tax expense on applicable rate	30%	1,911,334,405	30%	6,029,403,429
Tax on exempted income	-1%	(74,164,552)	0.0%	(5,551,742)
Aggregate disallowed items	2%	120,613,088	1%	206,005,154
Aggregate allowable expenses	-0.05%	(3,180,681)	-0.02%	(3,243,569)
Current income tax expense	30.7%	1,954,602,260	31.0%	6,226,613,272
Income tax under/(over) provision for the previous year (Note 11.4)	0.0%	21,934	0.0%	(5,297,287)
Deferred tax reversal for the year (Note 11.6.1)	-0.02%	(1,246,403)	-0.02%	(3,243,569)
Income tax recognised in profit or loss	31%	1,953,377,791	31%	6,218,072,417

11.4 Applicable income tax rates

The Company is liable to pay income tax at a rate of 30% in accordance with the Inland Revenue Act No. 24 of 2017 and its subsequent amendments. The comparative figures reflect the same income tax rate of 30%.

11.5 Income tax payable

For the year ended 31 March,	2025	2024
	Rs.	Rs.
Balance at the beginning of the year	4,627,787,838	759,836,711
Income tax provision for the year (Note 11.2)	1,954,602,260	6,226,613,272
Income tax under/ (over) provision for the previous year	73,113	(17,657,623)
Withholding tax	-	(3,374)
Income tax payments	(4,713,399,462)	(2,341,001,148)
Balance at the end of the year	1,869,063,749	4,627,787,838

NOTES TO THE FINANCIAL STATEMENTS

11.6 Deferred Tax Assets

For the year ended 31 March,	2025 Rs.	2024 Rs.
Balance at the beginning of the year	24,583,978	16,861,765
Amount recognized during the year - (Note - 11.6.1)	3,164,902	7,722,213
Balance at the end of the year	27,748,880	24,583,978

11.6.1 Amount recognized during the year

For the year ended 31 March,	2025 Rs.	2024 Rs.
Amount recognized during the year in profit and loss	4,154,675	4,127,710
Amount charged/ (reversed) in other comprehensive Income	(989,773)	3,594,503
	3,164,902	7,722,213

Based on the requirements of LKAS 12 in relation to Deferred taxation, deferred tax assets and liabilities are calculated at tax rates at 30% (2023/2024 - 30%) that are expected to apply to the period when the asset is realized or liability settled.

The income tax rate of the Company remained unchanged for the year ended 31st March 2025.

Analysis of recognised deferred tax assets/(liabilities) in the statement of financial position

	2025		2024	
	Temporary difference Rs.	Tax effect on temporary difference Rs.	Temporary difference Rs.	Tax effect on temporary difference Rs.
On equipment	1,111,894	333,569	947,012	284,104
On intangible assets	(1,781,203)	(534,361)	(970,419)	(291,126)
On right of use assets	(4,466,900)	(1,340,070)	(3,055,983)	(916,795)
On lease creditor on ROU assets	4,809,241	1,442,772	3,716,278	1,114,883
On retirement benefit obligations	92,823,233	27,846,970	81,309,708	24,392,912
	92,496,265	27,748,880	81,946,596	24,583,978

12. BASIC EARNINGS PER SHARE

Earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the year.

For the year ended 31 March,	2025 Rs.	2024 Rs.
Profit attributable to ordinary shareholders - (Rs.)	4,420,593,984	13,893,183,492
Weighted average number of ordinary shares in issue	329,417,884	329,417,884
Basic earnings per share - (Rs.)	13.42	42.17

There were no potentially dilutive ordinary shares outstanding at anytime during the year, hence diluted earnings per share is equal to the basic earnings per share.

12.1 Weighted average number of ordinary shares in issue

For the year ended 31 March,	2025	2024
	Rs.	Rs.
Opening number of ordinary shares	329,417,884	329,417,884
Closing weighted average number of ordinary shares	329,417,884	329,417,884

13. CASH AND CASH EQUIVALENTS

For the year ended 31 March,	2025	2024
	Rs.	Rs.
Cash at bank	36,185,695	352,988,092
Cash in hand	20,000	20,000
	36,205,695	353,008,092
Cash and cash equivalent in the statement of financial position	36,205,695	353,008,092
Cash and cash equivalent for the purpose of statement of cash flows	36,205,695	353,008,092

14. FINANCIAL ASSETS MEASURED AT AMORTISED COST

For the year ended 31 March,		2025	2024
	Note	Rs.	Rs.
Securities purchased under resale agreements	14.1	3,003,008,988	1,015,901,338
		3,003,008,988	1,015,901,338

14.1 Fair value of the securities pledged for the securities purchased under resale agreements

	Market value (Rs.)		Face value (Rs.)	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
Treasury bills/ bonds	3,347,171,046	1,117,139,407	3,076,800,000	1,038,400,000
	3,347,171,046	1,117,139,407	3,076,800,000	1,038,400,000

The Company follows the guidelines stipulated in the direction on repurchase and reverse repurchase transactions of dealer direct participants in scripless treasury bonds and scripless treasury bills, issued by the Central Bank of Sri Lanka, in receiving securities for reverse repurchase agreements (Direction No. 01 of 2019, dated 20 December 2019). Only the eligible securities are used for such receipts and the section 4.3, 4.4 and 4.5 are complied with when considering the haircut requirements.

The Company is entitled to repledge the securities received as collateral for the Resale Agreements (Reverse Repo) and the entity has an obligation to return such securities at deal maturity. In relation to any repurchase transaction, at anytime between the purchase date and repurchase date the dealer can substitute other Eligible Securities for any purchased securities. However, the purchased securities shall not be traded at any time between the Purchase Date and the Repurchase Date. Accordingly, the Company has repledged market value of treasury bonds amounting to Rs. 1,606,594,051 as at 31 March 2025. (As at 31st March 2024 - Nil).

An effective internal control system is used to verify the accuracy of security allocation to each reverse repurchase transaction.

NOTES TO THE FINANCIAL STATEMENTS

In accordance with the guidelines of the Central Bank of Sri Lanka, the Company ensures that the discounted market values of eligible securities are sufficiently covered by their resale values, at the inception of the transactions and throughout their duration.

Remaining Term to Maturity of the Eligible Security	Minimum Haircut (%)	
	2025	2024
Up to 1 year	4	4
More than 1 year and up to 3 years	6	6
More than 3 year and up to 5 years	8	8
More than 5 year and up to 8 years	10	10
More than 8 years	12	12

15. FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT AND LOSS

For the year ended 31 March,	Note	2025	2024
		Rs.	Rs.
Government treasury bills	15.1	26,913,638,682	5,495,263,441
Government treasury bonds	15.1	74,251,077,210	53,132,143,015
Investment in quoted shares	15.2	1,036,283,737	905,881,362
		102,200,999,629	59,533,287,818

15.1 Securities pledged as collateral

The government securities classified as financial assets measured at FVTPL, following amounts have been pledged as collateral for repurchase agreements entered into by the company.

	Market value (Rs.)		Face value (Rs.)	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
Government treasury bills	23,354,501,437	1,791,594,247	24,874,701,272	1,834,600,000
Government treasury bonds	73,304,845,795	41,036,273,706	70,142,350,531	38,418,200,000
	96,659,347,232	42,827,867,953	95,017,051,803	40,252,800,000

15.2 Investment in quoted shares

	2025			2024		
	No. of shares	Cost	Market value	No. of shares	Cost	Market value
		Rs.	Rs.		Rs.	Rs.
Aitken Spence Hotel Holdings PLC	640,053	49,236,254	51,268,245	641,026	49,311,102	42,435,921
Commercial Bank of Ceylon PLC	73,029	7,600,882	10,771,777	71,684	7,479,025	7,003,527
Hatton National Bank PLC	-	-	-	901,356	162,711,458	162,244,080
Melstacorp PLC	-	-	-	1,785,714	155,135,862	157,142,832
Nations Trust Bank PLC	734,909	106,214,328	139,632,710	903,274	102,920,606	97,101,955
Seylan Bank PLC	-	-	-	982,318	52,335,646	46,168,946
Vallibel One PLC	1,531,351	80,574,130	90,196,574	1,337,064	62,307,428	67,521,732
DFCC Bank PLC	-	-	-	569,656	50,979,161	43,293,856
Hayleys PLC	1,054,896	117,930,696	144,520,752	1,595,745	152,022,067	131,010,665
John Keells Hotels PLC	-	-	-	2,049,180	48,772,667	38,114,748
Aitken Spence PLC	754,755	104,793,763	96,419,951	310,686	46,008,944	40,466,850
Central Finance Company PLC	628,791	139,286,032	122,142,652	315,000	37,488,199	33,626,250
LOLC Holdings PLC	116,000	84,225,974	68,991,000	100,000	40,676,290	39,750,000
Ceylon Guardian Investment Trust PLC	129,863	20,868,681	19,901,505	-	-	-
Lanka IOC PLC	670,000	81,109,173	85,090,000	-	-	-
Overseas Realty (Ceylon) PLC	2,700,463	64,555,412	64,000,973	-	-	-
People's Leasing & Finance PLC	5,360,201	82,157,812	95,947,598	-	-	-
Tokyo Cement Company (Lanka) PLC	600,000	33,236,557	47,400,000	-	-	-
	14,994,311	971,789,694	1,036,283,737	11,562,703	968,148,455	905,881,362

15.3 Investment in quoted shares movement

For the year ended 31 March,	2025	2024
	Rs.	Rs.
Balance at the beginning of the year	905,881,362	-
Investments during the year	1,525,028,953	1,042,080,662
Disposals during the year	(1,603,064,444)	(68,523,716)
Capital gain/ (Loss) on Quoted Shares	81,676,731	(5,408,491)
Remeasurement gain/ (loss)	126,761,135	(62,267,093)
Balance at the end of the year	1,036,283,737	905,881,362

16. TRADE AND OTHER RECEIVABLES

For the year ended 31 March,	2025	2024
	Rs.	Rs.
Trade receivable	-	245,769,521
Deposits and advances	2,382,360	4,555,531
Prepayments	5,813,024	3,520,486
Staff loan	-	1,853,027
Inventory	-	364,430
Other tax receivables	4,763,808	4,484,709
	12,959,192	260,547,704

NOTES TO THE FINANCIAL STATEMENTS

17. FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

For the year ended 31 March,	2025 Rs.	2024 Rs.
Investment in non quoted shares	-	-
	-	-

Breakup for Investment

	No. of ordinary shares	Cost of investment Rs.	2025 Market value Rs.	2024 Market value Rs.
Lanka Financial Services Bureau Limited	100,000	1,000,000	-	-

Investment in non quoted shares includes the cost of shares in Lanka Financial Services Bureau Limited.

No strategic investments were disposed during 2024/2025 and there were no transfers of any cumulative gain or loss, within equity relating to these investments.

18. INTANGIBLE ASSETS

For the year ended 31 March,	2025 Rs.	2024 Rs.
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Cost

Balance at the beginning of the year	36,684,197	32,821,697
Additions during the year	4,677,104	3,862,500
Balance at the end of the year	41,361,301	36,684,197
Accumulated amortization		
Balance at the beginning of the year	32,177,365	31,406,873
Amortization during the year	1,693,375	770,492
Balance at the end of the year	33,870,740	32,177,365
Carrying value	7,490,561	4,506,832

18.1 Fully depreciated assets

The initial cost of fully depreciated intangible assets as at 31st March which are still in use as follows

For the year ended 31 March,	2025 Rs.	2024 Rs.
Computer software	31,624,943	31,219,943
	31,624,943	31,219,943

19. RIGHT OF USE ASSET

For the year ended 31 March,	2025 Rs.	2024 Rs.
Cost		
Balance at the beginning of the year	22,587,062	22,587,062
Additions during the year	4,872,982	-
De-recognised during the year	(22,587,062)	-
Balance at the end of the year	4,872,982	22,587,062
Accumulated Depreciation		
Balance at the beginning of the year	19,531,079	15,456,419
Depreciation for the year	3,462,065	4,074,660
De-recognised during the year	(22,587,062)	-
Balance at the end of the year	406,082	19,531,079
Carrying amount	4,466,900	3,055,983

19.1 Details of the Lease Agreements

Right of used asset category	Premise	Lease term	No sq.feet
Buildings	The second (02nd) floor designated as level five (05), of "Millennium House" situated at No. 46/58, Nawam Mawatha, Colombo 02	2021-2024	1,538
Buildings	The second (02nd) floor designated as level five (05), of "Millennium House" situated at No. 46/58, Nawam Mawatha, Colombo 02	2025 - 2027	1,538

20. EQUIPMENT

	Computer equipment Rs.	Motor Vehicle Rs.	Office equipment Rs.	Furniture & fittings Rs.	Communication devices Rs.	Total Rs.
Cost						
Balance as at 1 April 2023	13,864,539	-	4,475,548	5,020,808	416,887	23,777,782
Additions during the year	3,202,240	54,000,000	37,000	1,520,686	51,300	58,811,226
Disposals during the year	-	-	(368,667)	-	-	(368,667)
Balance as at 31 March 2024	17,066,779	54,000,000	4,143,881	6,541,494	468,187	82,220,341
Balance as at 01 April 2024	17,066,779	54,000,000	4,143,881	6,541,494	468,187	82,220,341
Additions during the year	2,710,200	-	30,350	-	53,600	2,794,150
Balance as at 31 March 2025	19,776,979	54,000,000	4,174,231	6,541,494	521,787	85,014,491

NOTES TO THE FINANCIAL STATEMENTS

	Computer equipment Rs.	Motor Vehicle Rs.	Office equipment Rs.	Furniture & fittings Rs.	Communication devices Rs.	Total Rs.
Accumulated Depreciation						
Balance as at 01 April 2023	11,834,761	-	3,684,754	4,259,214	416,887	20,195,616
Charge for the year	1,945,780	8,100,000	401,776	329,148	47,025	10,823,729
Disposals during the year	-	-	(368,667)	-	-	(368,667)
Balance as at 31 March 2024	13,780,541	8,100,000	3,717,863	4,588,362	463,912	30,650,678
Balance as at 01 April 2024	13,780,541	8,100,000	3,717,863	4,588,362	463,912	30,650,678
Charge for the year	2,266,327	10,800,000	303,608	486,760	35,542	13,892,237
Disposals during the year	-	-	-	-	-	-
Balance as at 31 March 2025	16,046,868	18,900,000	4,021,471	5,075,122	499,454	44,542,915
Carrying value as at 31 March 2024	3,286,238	45,900,000	426,018	1,953,132	4,275	51,569,663
Carrying value as at 31 March 2025	3,730,111	35,100,000	152,760	1,466,372	22,333	40,471,576

Based on the assessment of potential impairment carried out by the Company as at 31 March 2025, no provision was required to be made in the Financial Statements.

Property plant and equipment included fully depreciated assets having a gross amount of Rs. 21,197,207 as at 31 March 2025 (2023/24 Rs. 18,141,430).

There were no capitalised borrowing cost related to the acquisition of property plant and equipment during the year (2024 - Nil).

There were no restrictions on the title of the property plant and equipment as at 31 March 2025.

There were no items of property plant and equipment pledged as security as at 31 March 2025.

20.1 Fully depreciated assets

The initial cost of fully depreciated equipment as at 31st March which are still in use as follows;

For the year ended 31 March,	2025 Rs.	2024 Rs.
Computer equipment	12,679,101	10,408,801
Office equipment	3,499,741	2,812,764
Furniture and fittings	4,550,178	4,508,578
Communication devices	468,187	411,287
	21,197,207	18,141,430

21. FINANCIAL LIABILITIES AT AMORTISED COST

For the year ended 31 March,	Note	2025 Rs.	2024 Rs.
Securities sold under repurchase agreements	21.1	84,801,575,946	37,346,396,228
Bank Loans	21.2	3,008,066,027	-
		87,809,641,973	37,346,396,228

21.1 Securities pledged as collateral

	Market value (Rs.)		Face value (Rs.)	
	2025	2024	2025	2024
Government treasury bills	23,354,501,437	1,791,594,247	24,874,701,272	1,834,600,000
Government treasury bonds	73,304,845,795	41,036,273,706	70,142,350,531	38,418,200,000
	96,659,347,232	42,827,867,953	95,017,051,803	40,252,800,000

The Company follows the guidelines stipulated in the Direction on Repurchase and Reverse Repurchase Transactions of Dealer Direct Participants in Scripless Treasury Bonds and Scripless Treasury Bills, issued by the Central Bank of Sri Lanka, in allocating securities for repurchase agreements (Direction No. 01 of 2019 dated 20 December 2019). Only the eligible securities are used for such receipts and the Section 4.3, 4.4 and 4.5 are complied with when considering the haircut requirements.

In accordance with the guidelines of the Central Bank of Sri Lanka, the Company ensures that the discounted market values of eligible securities are sufficiently covered by their repurchase values, at the inception of the transactions and throughout their duration.

Remaining Term to Maturity of the Eligible Security	Minimum Haircut (%)	
	2025	2024
Up to 1 year	4	4
More than 1 year and up to 3 years	6	6
More than 3 year and up to 5 years	8	8
More than 5 year and up to 8 years	10	10
More than 8 years	12	12

An effective internal control system is used to verify the accuracy of security allocation to each repurchase transaction.

21.2 Bank Loans

Name of the Bank	Facility Type	Interest Rate	Security Offered	As at 31.03.2025 Rs.	As at 31.03.2024 Rs.
Nations Trust Bank PLC	Short term loan	AWPLR - 0.10%	Nil	1,000,966,575	-
National Development Bank PLC	Short term loan	AWPLR	Nil	501,149,315	-
Hatton National Bank PLC	Short term loan	The rate is determined at the time of drawdown	Corporate guarantee by Capital Alliance Holdings PLC	1,003,027,397	-
Cargills Bank PLC	Short term loan	AWPLR + 0.5%	Nil	502,922,740	-
DFCC Bank PLC	Intra day loan	-	Corporate guarantee by Capital Alliance Holdings PLC	-	-
Nations Trust Bank PLC	Intra day loan	-	Nil	-	-
				3,008,066,027	-

NOTES TO THE FINANCIAL STATEMENTS

22. AMOUNT DUE FROM AND DUE TO RELATED COMPANIES**22.1 Amounts due from related companies**

	2025 Rs.	2024 Rs.
Capital Alliance Investments Limited	5,762,799	3,394,931
Capital Alliance Securities (Pvt) Ltd	4,877,012	-
CAL Investments Limited, Bangladesh	1,281,878	839,115
CAL Securities Ltd, Bangladesh	8,840,689	7,249,154
Capital Alliance Partners Ltd	2,419,939	283,009
	23,182,317	11,766,209

22.2 Amounts due to related companies

	2025 Rs.	2024 Rs.
Capital Alliance Securities (Pvt) Ltd	-	58,424,818
Capital Alliance Holdings PLC	4,685,733	3,421,915
	4,685,733	61,846,733

23. OTHER PAYABLES

	2025 Rs.	2024 Rs.
Provisions and accrued expenses	1,072,865,665	2,643,026,675
Payable on VAT on financial services	56,955,842	47,970,912
Payable on social security contribution levy	8,247,299	6,662,627
Other payables	41,299,179	42,623,509
	1,179,367,985	2,740,283,723

24. LEASE LIABILITY

	2025 Rs.	2024 Rs.
Gross lease obligation	15,537,322	3,851,478
Less: Finance cost applicable for future periods	(10,728,081)	(135,200)
Net lease obligation	4,809,241	3,716,278

24.1 Maturity analysis

	2025 Rs.	2024 Rs.
Payable within one year		
Gross lease obligation	5,649,935	3,851,478
Less: Finance cost applicable for future periods	(5,132,274)	(135,200)
Net lease obligation	517,661	3,716,278
Payable within one to three years		
Gross lease obligation	9,887,387	-
Less: Finance cost applicable for future periods	(5,595,807)	-
Net lease obligation	4,291,580	-

24.2 Lease liability movement

	2025 Rs.	2024 Rs.
Balance at the beginning of the year	3,716,278	7,974,191
Additions during the year	4,872,982	-
Lease interest	1,483,943	527,258
Lease payments	(5,263,962)	(4,785,171)
Balance at the end of the year	4,809,241	3,716,278

24.3 Amounts recognised in income statement

	2025 Rs.	2024 Rs.
Interest on lease liabilities	1,483,943	527,258
Depreciation - right of use assets	3,462,065	4,074,660
Total amounts recognised in income statement	4,946,008	4,601,918

24.4 Amounts recognised in statement of cash flows

	2025 Rs.	2024 Rs.
Interest on lease liabilities	1,483,943	527,258
Capital repayments	3,780,019	4,257,913
	5,263,962	4,785,171

25. RETIREMENT BENEFIT OBLIGATION

25.1 Movement in the present value of the defined benefit obligation:

	2025 Rs.	2024 Rs.
Balance at the beginning of the year	81,309,710	54,808,736
Included in profit or loss		
Current service cost	6,131,199	5,513,051
Interest cost	8,944,068	10,961,747
Included in other comprehensive income		
Actuarial (gain)/ loss for the year	(3,299,244)	11,981,676
Transferred from a related party	50,000	-
Transferred to a related party	(312,500)	-
Benefits paid during the year	-	(1,955,500)
Balance at the end of the year	92,823,233	81,309,710

25.2 Expense recognized in profit or loss:

	2025 Rs.	2024 Rs.
Current service cost	6,131,199	5,513,051
Interest cost	8,944,068	10,961,747
	15,075,267	16,474,798
Expense recognized on other comprehensive income		
Actuarial (gain)/ loss for the year	(3,299,244)	11,981,676
	(3,299,244)	11,981,676
Provision for the year	11,776,023	28,456,474

The provision for retirement benefit obligations as at 31st March 2025 is based on the actuarial valuation carried out by a professionally qualified actuary, Mr. M. Poopalanathan, an Actuary of the Actuarial and Management Consultant (Pvt) Ltd, using the "Projected Unit Credit" (PUC) method, the method recommended by the Sri Lanka Accounting Standard – LKAS 19 on "Employee Benefits". The actuarial valuation involves making assumptions about discount rates and future salary increases. Due to the complexity of the valuation and the underlying assumptions and its long term nature, the defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The Company has considered the impact on the defined benefit obligations due to changes in economic factors as a result of the prevailing macroeconomic conditions, with support of the independent actuarial expert.

The salary increment rate of 9% is considered appropriate to be in line with the Company's targeted future salary increments when taking into account the current market conditions and inflation rate.

Due to the discount rate and salary increment rate assumptions used, nature of non-financial assumptions and experience of the assumptions of the company, there is no significant impact to employment benefit liability as a result of prevailing macro-economic conditions

A long-term treasury bond rate of 10.00% p.a. (2024 - 11.00% p.a.) has been used to discount future liabilities taking into consideration the remaining working life of eligible employees.

25.3 The principal actuarial assumptions used were as follows:

	2025 Rs.	2024 Rs.
Expected annual average salary increment	9%	10%
Discount rate/interest rate	10%	11%
Staff turnover factor	11%	17%
Average life expectancy of an individual	60 Years	60 Years
Weighted average retirement age	7.4 Years	4.9 Years

The Company will continue as a going concern.

25.4 Breakup of actuarial (Gain)/ Loss on Defined benefit obligation are as follow:

	2025 Rs.	2024 Rs.
Demographic adjustment	(401,186)	15,951,428
Financial Assumptions	(430,198)	(3,867,058)
Experience adjustment	(2,467,860)	(102,694)
	(3,299,244)	11,981,676

25.5 Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	2025		2024	
	Increase Rs.	Decrease Rs.	Increase Rs.	Decrease Rs.
Movement by 1%				
Discount rate	(2,234,112)	2,485,183	(1,346,542)	1,454,042
Salary increment rate	2,904,433	(2,675,268)	1,685,684	(1,596,127)

25.6 Maturity analysis

The following payments are expected on employee benefit liabilities in future years from the fund as follows,

	2025 Rs.	2024 Rs.
Within next 12 months	64,243,745	60,288,776
Between 1 to 5 years	11,161,328	11,838,292
Between 5 to 10 years	11,545,773	7,244,378
More than 10 years	5,872,387	1,938,264
	92,823,233	81,309,710

NOTES TO THE FINANCIAL STATEMENTS

26. STATED CAPITAL

	2025 Rs.	2024 Rs.
Issued and fully paid	723,348,421	723,348,421
329,417,884 ordinary shares (Note 26.1)	723,348,421	723,348,421

The holders of ordinary shares are entitled to receive dividend as declared from time to time and are entitled to one vote per share at meetings of the Company.

On 12th January 2024, the Board of Directors resolved to declare the First interim dividend of Rs. 2,977,937,671/-, out of the profits earned for the financial year ended 31st March 2024. This equates to a dividend of Rs. 6.00 per share.

On 17th April 2024, the Board of Directors resolved to declare a second interim dividend of Rs. 4,941,268,260/-, out of the profits earned for the financial year ended 31st March 2024. This equates to a dividend of Rs. 15.00 per share.

On 01st August 2024, the Board of Directors resolved to declare a final dividend of Rs. 1,482,380,478/-, out of the profits earned for the financial year ended 31st March 2024. This equates to a dividend of Rs. 4.50 per share.

26.1 Movement of stated capital

	2025 Rs.	2024 Rs.
Balance at beginning of the year	723,348,421	723,348,421
Balance at end of the year	723,348,421	723,348,421

26.2 Movement of No. of shares

	2025 Rs.	2024 Rs.
At the beginning of the year	329,417,884	329,417,884
As at the end of the year	329,417,884	329,417,884

27. SPECIAL RISK RESERVE

	2025 Rs.	2024 Rs.
Balance at the beginning of the year	2,316,818,030	927,499,681
Transferred during the year	442,059,398	1,389,318,349
Balance at the end of the year	2,758,877,428	2,316,818,030

A sum equivalent to 10% of profit after tax of Company has been transferred to Special Risk Reserve in accordance with the Directions issued by the Central Bank of Sri Lanka.

28. RELATED PARTY TRANSACTIONS

According to Sri Lanka Accounting Standard (LKAS 24) 'Related Party Disclosures', Key management Personnel, are those having authority and responsibility for planning, directing and controlling the activities of the entity. Accordingly, the Board of Directors (including Executive and Non executive Directors) have been classified as "Key Management Personnel" of the Company.

28.1 Parent and ultimate controlling party

The immediate parent of Capital Alliance PLC is Capital Alliance Holdings PLC, and the ultimate controlling party is Mr. W A T Fernando.

28.2 Key management personnel

Key management personnel include persons who were directors of Capital Alliance PLC at any time during the financial year

1) Directors

Mr. W. A. T. Fernando

**Resigned from the position of Chief Executive Officer with effect from 11th April 2025 and continue to serve on the Board of Directors as a Non-Independent, Non-Executive Director with effect from 11th April 2025.*

Mr. R. J. Arasaratnam

Mr. D. A. De Zoysa

Mr. C. S. R. S. Anthony

Ms. A. I. C. Nandasena

Ms. K. A. D. Siriwardene

Mr. J.M. Jayasuriya

2) Other key management personnel (KMPs)

Other KMPs include persons with responsibility for planning, directing and controlling the activities of the Company, directly or indirectly during the financial year.

28.3 Transactions with key management personnel

Loans to directors

No loans have been given to the directors of the Company.

Key management personnel compensation

Key management personnel comprise the Directors of the Company and the salary paid for the year is Rs. 628,000,000/- (2024 - Rs 156,320,000/-).

Item	2025 Rs.	2024 Rs.
Salaries/bonus & commission	622,600,000	150,920,000
Defined contribution benefits	5,400,000	5,400,000
	628,000,000	156,320,000

Other transactions with key management personnel

There were no material transactions with key management personnel of the Company.

NOTES TO THE FINANCIAL STATEMENTS

28.4 Transaction with related companies**1) Directorships in other companies**

Names of the directors of the related companies which had transactions with the Company

Name of the Director/ Company	Capital Alliance Holdings PLC	Capital Alliance Securities (Pvt) Ltd	Capital Alliance Partners Ltd	Capital Alliance Investments Ltd ¹	Finnovation (Pvt) Limited	CAL Securities Ltd, Bangladesh	CAL Investments Ltd, Bangladesh
Mr. W. A. T. Fernando	Director	-	-	-	-	Director/ Chairman	-
Mr. D. A. De Zoysa	Director/ Chairman	-	-	-	-	-	-
Mr. C. S. R. S. Anthony	Director	-	-	-	-	-	-
Mr. R. J. Arasaratnam	Director	-	-	-	-	-	-
Ms. N. T. M. S. Cooray	Director	-	-	-	-	-	Director
Mr. T. J. William	Director	-	-	-	-	-	-
Ms. K. A. Wilson	Director ²	-	-	-	-	-	-
Ms. R. S. Jayasuriya	Director	-	-	-	-	-	-
Ms. W. T. V. Perera	Director ⁴	-	-	-	-	-	-
Ms. H. M. S. Perera	-	Director	Director	Director	Director	-	Director
Mr. U L B Ariyaratne	-	Director	-	-	-	-	-
Mr. A. D. Pushparajah	-	Director	-	-	-	Director	-
Dr. M De Zoysa	-	Director	Director	Director	-	-	-
Mr. K. P. Mannakkara	-	-	-	Director	-	-	Director
Mr. U R Jonas	-	-	Director	-	Director	-	-
Mr. T Kulasinghe	-	-	-	-	Director	-	-
Mr. Z Rahman	-	-	-	-	-	-	Director/ Chairman
Mr. M M Islam	-	-	-	-	-	-	Director
Mr. A R Shamsi	-	-	-	-	-	Director	-
Mr. S Ahmed	-	-	-	-	-	Director ³	Director
Mr. M Ahmed	-	-	-	-	-	Director	-

¹ Managing Company of the Unit Trust Funds

² Reappointed on 18th July 2024

³ Resigned on 30th May 2024

⁴ Appointed on 18th July 2024

2) Transactions with related parties

The Company carries out transactions with parties who are defined as related parties in Sri Lanka Accounting Standard (LKAS 24), "Related Party Disclosure", in the ordinary course of its business. The details of such transactions are reported below. The pricing applicable to such transactions is based on the assessment of risk and pricing model of the Company and is comparable with what is applied to transactions between the Company and its unrelated customers.

Related party transactions were carried out in normal course of business.

Company	Relationship	Nature of transaction	Recurrent/ Non-recurrent	2025 Rs.	2024 Rs.
Capital Alliance Holdings PLC	Parent Company	Interest charge on Repo	Recurrent	(2,206,833)	(23,078,246)
		Repo	Recurrent	(2,535,206,833)	-
		Reimbursement of Expenses	Recurrent	(34,943,649)	(24,932,920)
		Intercompany Payable	Recurrent	(4,685,733)	(3,421,915)
		Interest Expense on loan	Non-Recurrent	-	(49,187,671)
		Corporate guarantee fee	Recurrent	(400,000)	-
Capital Alliance Investments Ltd	Sub-Subsidiary of Parent Company	Repo	Recurrent	(11,290,065)	(10,346,199)
		Interest charge on Repo	Recurrent	(943,866)	(1,651,171)
		Reimbursement of Expenses	Recurrent	21,031,974	3,690,580
		Intercompany Receivable	Recurrent	5,762,799	3,394,931
Capital Alliance Partners Ltd	Sub Subsidiary of Parent Company	Reimbursement of Expenses	Recurrent	(22,600,310)	14,106,961
		Intercompany Receivable	Recurrent	2,419,939	283,009
Capital Alliance Securities (Pvt) Ltd	Sub-Subsidiary of Parent Company	Repo	Recurrent	(205,000,164)	(115,484,849)
		Interest charge on Repo	Recurrent	(15,163,456)	(45,197,040)
		Reimbursement of Expenses	Recurrent	9,337,794	16,100,089
		Intercompany Receivable/ (Payable)	Recurrent	4,877,012	(58,424,818)
		Brokerage Expenses - Equity	Recurrent	(19,983,134)	(6,973,468)
Finnovation (Pvt) Ltd	Subsidiary of Parent Company	Software development and maintenance Expenses	Recurrent	(31,061,450)	(25,520,674)
		Repo	Recurrent	(174,151,595)	-
		Interest charge on Repo	Recurrent	(151,595)	-
CAL Securities Ltd, Bangladesh	Sub Subsidiary of Parent Company	Intercompany Receivable	Recurrent	8,840,689	7,249,154
		Reimbursement of Expenses	Recurrent	1,591,536	7,088,945
CAL Investments Limited, Bangladesh	Sub Subsidiary of Parent Company	Intercompany Receivable	Recurrent	1,281,878	839,115
		Reimbursement of Expenses	Recurrent	442,763	1,098,564
CAL Fixed Income Opportunities Fund	Unit Trust Fund managed by Affiliated Company	Interest charge on Repo	Recurrent	(1,038,410,930)	(164,630,600)
		Repo	Recurrent	(14,285,171,370)	(4,521,168,493)
		Interest charge on Commercial Papers	Recurrent	(48,054,795)	-
Capital Alliance Investment Grade Fund	Unit Trust Fund managed by Affiliated Company	Interest charge on Repo	Recurrent	(79,951,219)	(145,353,264)
		Interest charge on Commercial Papers	Recurrent	(12,506,849)	-
Capital Alliance Gilt Fund	Unit Trust Fund managed by Affiliated Company	Interest charge on Repo	Recurrent	(95,362)	(77,050)
		Repo	Recurrent	(2,790,205)	(615,720)
Capital Alliance Gilt Money Market Fund	Unit Trust Fund managed by Affiliated Company	Interest charge on Repo	Recurrent	(1,047,738)	(446,536)
		Repo	Recurrent	(13,149,660)	(3,326,940)

NOTES TO THE FINANCIAL STATEMENTS

Company	Relationship	Nature of transaction	Recurrent/ Non-recurrent	2025 Rs.	2024 Rs.
Capital Alliance Gilt Trading Fund	Unit Trust Fund managed by Affiliated Company	Interest charge on Repo	Recurrent	(41,150)	(50,267)
		Repo	Recurrent	(2,440,299)	(300,677)
Capital Alliance Medium Risk Debt Fund	Unit Trust Fund managed by Affiliated Company	Interest charge on Repo	Recurrent	(109,104)	(94,865)
		Repo	Recurrent	(2,541,852)	(2,677,963)
Capital Alliance Income Fund	Unit Trust Fund managed by Affiliated Company	Interest charge on Repo	Recurrent	(15,187,906)	(6,956,634)
Capital Alliance Corporate Treasury Fund	Unit Trust Fund managed by Affiliated Company	Interest charge on Repo	Recurrent	(384,095)	(87,618)
		Repo	Recurrent	(7,946,304)	-
Capital Alliance Quantitative Equity Fund	Unit Trust Fund managed by Affiliated Company	Interest charge on Repo	Recurrent	(4,585,925)	(5,409,956)
Mr. W A T Fernando	Director	Sale of Shares	Non Recurrent	-	1,304,090,428
Capital Alliance High Yield Fund	Unit Trust Fund managed by Affiliated Company	Interest charge on Repo	Recurrent	(925,156)	(7,537,582)
		Repo	Recurrent	-	(32,427,699)
Capital Alliance Balanced Fund	Unit Trust Fund managed by Affiliated Company	Interest charge on Repo	Recurrent	(261,670)	(301,477)
CAL Five Year Closed End Fund	Unit Trust Fund managed by Affiliated Company	Interest charge on Repo	Recurrent	(25,989,110)	-
CAL Five Year Optimum Fund	Unit Trust Fund managed by Affiliated Company	Interest charge on Repo	Recurrent	(1,360,737)	-
Jetwing City (Pvt) Ltd	Related Entity with Ultimate Shareholder	Reimbursement of Expenses	Recurrent	(793,200)	-
Jetwing Journeys (Pvt) Ltd	Related Entity with Ultimate Shareholder	Reimbursement of Expenses	Recurrent	(4,347,000)	-
Jetwing Travels (Pvt) Ltd	Related Entity with Ultimate Shareholder	Reimbursement of Expenses	Recurrent	205,172	-

29. COMMITMENTS AND CONTINGENCIES

29.1 There were no other material litigations or claims that could have a material impact on financial position of the Company or which would lead to a disclosure in the financial statements for the year ended 31 March 2025.

There were no material capital commitments as at the reporting date which require disclosures in the financial statements.

29.2 Off balance sheet exposures

	2025 Rs.	2024 Rs.
Assets		
Forward purchase contracts government securities	4,636,873,000	6,207,792,917
Liabilities		
Forward sales contracts government securities	4,456,559,485	7,446,292,224

30. EVENTS AFTER THE REPORTING PERIOD

There have been no material events occurring after the date of the Statement of Financial Position that require adjustments to or disclosure in the Financial Statements except the below;

Mr. L. H. S. L. Silva has been appointed as the Chief Executive Officer of Capital Alliance PLC with effect from 11th April 2025 and he holds 339,650 number of shares as of the appointment date. Mr. W. A. T. Fernando stepped down from the position of Chief Executive Officer on the same date. It was further noted that Mr. W. A. T. Fernando will continue to serve on the Board of Directors as a Non-Independent, Non-Executive Director.

31. FINANCIAL RISK MANAGEMENT

Overview

The Company has exposure to the following risks arising from financial instruments:

- Market risk
- Credit risk
- Liquidity risk
- Equity risk
- Currency risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors has delegated this function to the Director/Chief Executive Officer who develops and monitors the Company's risk management policies and report regularly to the Board of Directors on its activities. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Risk Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

31.1 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates that would impact Company's income or the value of investment in financial instruments. The objective of managing market risk is to manage and control market risk exposures within acceptable parameters, while optimizing returns.

Market risk principally arises on the Company's investments in government securities, interest-bearing financial assets and financial liabilities, and financial assets and financial liabilities denominated in foreign currencies.

NOTES TO THE FINANCIAL STATEMENTS

31.1.1 At the reporting date the exposure to market risk of the company's financial instruments was;

	Carrying amount		Market risk measurement		Carrying amount		Market risk measurement	
	As at 31 March		Trading		As at 31 March		Trading	
	2025		portfolios	Non trading	2024		portfolios	Non trading
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Financial assets								
Cash and cash equivalents	36,205,695	-	36,205,695	353,008,092	-	353,008,092		
Financial assets measured at amortised cost	3,003,008,988	-	3,003,008,988	1,015,901,338	-	1,015,901,338		
Financial assets measured at FVTPL	102,200,999,629	102,200,999,629	-	59,533,287,818	59,533,287,818	-		
	105,240,214,312	102,200,999,629	3,039,214,683	60,902,197,248	59,533,287,818	1,368,909,430		
Financial liabilities								
Financial liabilities at amortised cost	87,809,641,973	-	87,809,641,973	37,346,396,228	-	37,346,396,228		
Lease liability	4,809,241	-	4,809,241	3,716,278	-	3,716,278		
	87,814,451,214	-	87,814,451,214	37,350,112,506	-	37,350,112,506		

31.1.2 Interest rate risk

Interest rate risk mainly arises as a result of the Company having interest sensitive assets and liabilities which are directly impacted by changes in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. The management monitors the sensitivities on regular basis and ensures that such risks are managed on a timely manner.

The interest rates have increased significantly after the reporting date, this may lead to substantial positive impact on the future profits of the Company.

31.1.2.1 Exposure to interest rate risk

The interest rate profile of the Company's interest bearing financial instruments as reported to the management of the Company is as follows,

As at 31 March,	2025			2024		
	Variable interest rate Rs.	Fixed interest rate Rs.	Total Rs.	Variable interest rate Rs.	Fixed interest rate Rs.	Total Rs.
Financial assets						
Financial assets measured at amortised cost	-	3,003,008,988	3,003,008,988	-	1,015,901,338	1,015,901,338
Financial assets measured at FVTPL						
Government treasury bills and bonds	-	101,164,715,892	101,164,715,892	-	58,627,406,456	58,627,406,456
	-	104,167,724,880	104,167,724,880	-	59,643,307,794	59,643,307,794
Financial liabilities						
Financial liabilities at amortised cost	3,008,066,027	84,801,575,946	87,809,641,973	-	37,346,396,228	37,346,396,228
	3,008,066,027	84,801,575,946	87,809,641,973	37,346,396,228	37,346,396,228	

31.1.2.3 Sensitivity analysis

The following table shows the estimated impact on profitability and equity by fluctuation of interest rates assuming that all other variables remain constant on the following financial assets and liabilities.

As at 31 March,	2025		2024	
	Variable-rate		Variable-rate	
	Impact on PBT Rs.	Impact on equity Rs.	Impact on PBT Rs.	Impact on equity Rs.
Increase in 100 basis points				
Financial assets/ Liabilities				
Government securities				
Treasury bills	(200,868,940)	(140,608,258)	(15,738,845)	(11,017,192)
Treasury bonds	(2,185,339,745)	(1,529,737,822)	(1,302,744,706)	(911,921,294)
Bank loans	(30,000,000)	(21,000,000)	-	-
	(2,416,208,685)	(1,691,346,080)	(1,318,483,551)	(922,938,486)
Decrease in 100 basis points				
Financial assets/ Liabilities				
Government securities				
Treasury bills	203,950,472	142,765,330	15,861,349	11,102,944
Treasury bonds	2,275,552,791	1,592,886,954	1,357,320,558	950,124,391
Bank loans	30,000,000	21,000,000	-	-
	2,509,503,263	1,756,652,284	1,373,181,907	961,227,335

The Company has established following measures to manage the interest rate risk

Cut loss policies – maintains a limit in terms of maximum loss a portfolio can undergo. Every trading position taken by the company will have a cut loss limit earmarked which ensures the maximum loss the company will incur, when a trading position is capped.

Value at risk (VaR) limit – The VaR is a mathematical model which forecasts the loss the portfolio can undergo with 95% probability within a stipulated limit set by the Board of Directors. Therefore, in a worst-case scenario with 95% confidence level there is a pre-determined maximum value of money that can be lost. This is monitored daily by the Dealing team and the Management.

Target Duration and Convexity – The duration of the portfolio depends on the maturity of the bills and bonds held in the portfolio. The duration of the portfolio is based on the prevailing interest rate outlook. The longer tenor bonds carry a higher interest rate risk, therefore, the average duration of holding a portfolio needs to be factored in to spread interest rate risk.

Scenario analysis limits – with the use of the data systems, the Company is able to successfully gauge the market conditions based-on past data and experience in market conditions. With this, they can make an informed decision in terms of interest rate outlook.

Continuous and ongoing monitoring combined with in-depth research and statistical modelling, forms the basis of the Group's interest rate risk management strategy.

Risk Dashboards reflecting risk limits set on trading are updated daily and presented quarterly to the Board Risk Committee.

Post-decision reviews and guidance from the Board Risk Committee also play a crucial role in managing interest rate risk over time.

NOTES TO THE FINANCIAL STATEMENTS

31.2 Credit risk

Credit risk is the risk that counter-party will not meet its contractual obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily for the Company's investments in reverse repurchase agreements) and from its financing activities including any deposits with banks and financial institutions and other financial instruments.

31.2.1 Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date based on the concentration of the risk by sector was;

	Cash and cash equivalents Rs.	Financial assets measured at FVTPL Rs.	Financial assets measured at FVOCI Rs.	Financial assets measured at amortised cost Rs.	Other receivables Rs.
As at 31 March 2025					
Government	-	101,164,715,892	-	-	-
Corporate	36,185,695	1,036,283,737	-	3,003,008,988	-
Other	-	-	-	23,182,317	2,382,360
	36,185,695	102,200,999,629	-	3,026,191,305	2,382,360
As at 31 March 2024					
Government	-	58,627,406,456	-	-	-
Corporate	352,988,092	905,881,362	-	1,015,901,338	-
Other	-	-	-	11,766,209	252,178,079
	352,988,092	59,533,287,818	-	1,027,667,547	252,178,079

All the balances as at 31 March 2025 and 31 March 2024 are in the neither past due nor impaired category further, based on historic default rate, the company believe that no impairment allowance is necessary in respect of the financial assets.

31.2.2 Credit risk exposure - Cash at bank and in hand

Credit risk exposure of cash at bank and cash in hand is depicted in the below table using carrying values as at the Statement of Financial Position date.

31.2.3 Management of credit risk

Formulating credit policies in consultation with business units, covering collateral requirements, credit assessment, risk grading and reporting, documentary and legal procedures and compliance with regulatory and statutory requirements.

Establishing the authorisation structure for the approval and renewal of facilities.

Limiting concentrations of exposure to counterparties, industries, and by issuer, credit rating band and market liquidity.

Providing advice, guidance and specialist skills to business units to promote best practice throughout the Company in the management of credit risk.

Continually reviewing and assessing credit risk.

31.2.4 Impairment

The aging of other receivables at the reporting date was;

	2025 (Rs.) Gross	2024 (Rs.) Gross
Not past due	2,382,360	252,178,079
Past due 0 - 31 days	-	-
Past due 31 - 90 days	-	-
More than 90 days	-	-
	2,382,360	252,178,079

Based on the past due date, the Company believe that no provisions are required as at 31 March 2025.

31.2.5 Credit risk on financial investments

The Company is also exposed to credit risk through its financial investments. The credit worthiness of the financial instruments are assessed using the credit ratings assigned to each security and fixed deposit. This rating provides the Company the indication of the financial stability of the investment.

Credit risk exposure of Cash at Bank is depicted in the below table using the carrying values as at the Statement of Financial Position Date.

Institution	Rating	Rating Agency	2025 Rs.	2024 Rs.
Seylan Bank PLC	A+(lka)	Fitch Ratings	18,634,468	344,729,142
Sampath Bank PLC	AA-(lka)	Fitch Ratings	245,564	246,664
Commercial Bank of Ceylon PLC	AA-(lka)	Fitch Ratings	59,696	59,696
Nations Trust Bank PLC (NTB)	A(lka)	Fitch Ratings	3,720,152	6,251,896
People's Bank (Sri Lanka)	AA-(lka)	Fitch Ratings	221,279	221,280
National Development Bank PLC (NDB)	A(lka)	Fitch Ratings	9,386,551	-
DFCC Bank PLC	A(lka)	Fitch Ratings	98,550	99,550
Hatton National Bank PLC (HNB)	AA-(lka)	Fitch Ratings	529,151	-
Cargills Bank PLC	AA-(lka)	Fitch Ratings	1,100,890	-
Central Bank of Sri Lanka	-	-	2,189,594	1,379,864
			36,185,695	352,988,092

The above has been derived as per the Company's risk management policy of using the carrying values in the Statement of Financial Position. There were no off - balance sheet exposures as at the date. This does not include the exposure that would arise in the future as a result of changes in values.

NOTES TO THE FINANCIAL STATEMENTS

31.2.6 Collateral held for reverse repurchase investments

Reverse repurchase investments which fall under government securities is backed by treasury bills and bonds which are provided as collateral. The management monitors the market value of the collateral, requests additional collateral when needed and performs an impairment valuation when applicable. Details of collateral held for reverse repurchase agreements and the haircut policy are disclosed in Note no.14.1.

Risk response to credit risk on financial investments

The Company's investment policy prohibits non-rated investments, unless specifically authorised.

Regularly review credit worthiness of counterparties and take necessary actions if required.

Appropriate actions are implemented when the investments are expected to be high credit risk.

Clearly defined single party exposure limits based on the credit ratings and regulatory requirements and monitoring them closely at different levels.

31.3 Liquidity risk

The Liquidity risk is the risk that the Company may not be able to meet its present and future cash obligations without incurring unacceptable losses or impacting operations. The Company's objective when 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 Company's reputation.

31.3.1 Exposure to liquidity risk

The following are the remaining contractual maturities of financial assets and financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements.

As at 31 March 2025	Total carrying amount Rs.	Contractual cash flows			
		Total Rs.	12 months or less Rs.	1 - 2 years Rs.	2 - 8 Years Rs.
Assets					
Cash and cash equivalents	36,205,695	36,205,695	36,205,695	-	-
Financial assets measured at amortised cost	3,003,008,988	3,006,239,647	3,006,239,647	-	-
Financial assets measured at FVTPL	102,200,999,629	102,200,999,629	27,967,032,045	1,916,520,210	72,317,447,374
Amount due from related companies	23,182,317	23,182,317	23,182,317	-	-
Other receivables	2,382,360	2,382,360	2,382,360	-	-
	105,265,778,989	105,269,009,648	31,035,042,064	1,916,520,210	72,317,447,374
Liabilities					
Financial liabilities at amortised cost	87,809,641,973	88,540,225,332	88,540,225,332	-	-
Other payables	1,114,164,844	1,114,164,844	1,114,164,844	-	-
Lease liability	4,809,241	15,537,322	5,649,935	9,887,387	-
Amounts due to related companies	4,685,733	4,685,733	4,685,733	-	-
	88,933,301,791	89,674,613,231	89,664,725,844	9,887,387	-

As at 31 March 2024	Total carrying amount Rs.	Contractual cash flows			
		Total Rs.	12 months or less Rs.	1 - 2 years Rs.	2 - 8 Years Rs.
Assets					
Cash and cash equivalents	353,008,092	353,008,092	353,008,092	-	-
Financial assets measured at amortised cost	1,015,901,338	1,016,000,597	1,016,000,597	-	-
Financial assets measured at FVTPL	59,533,287,818	59,533,287,818	8,728,111,677	17,028,811,678	33,776,364,463
Amount due from related companies	11,766,209	11,766,209	11,766,209	-	-
Other receivables	252,178,079	252,178,079	252,178,079	-	-
	61,166,141,536	61,166,240,795	10,361,064,654	17,028,811,678	33,776,364,463
Liabilities					
Financial liabilities at amortised cost	37,346,396,228	38,550,979,651	38,550,979,651	-	-
Other payables	2,685,650,184	2,685,650,184	2,685,650,184	-	-
Lease liability	3,716,278	3,851,478	3,851,478	-	-
Amounts due to related companies	61,846,733	61,846,733	61,846,733	-	-
	40,097,609,423	41,302,328,046	41,302,328,046	-	-

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amount.

31.3.2 Management of liquidity risk

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company has access to approved short-term financing facilities from commercial banks, if required.

The Company monitors the level of expected cash inflows on Investments and other receivables together with expected cash outflows on Repurchase agreements and other payables and it is estimated that the maturity of financial assets as at the reporting date would occur in sufficient quantity and timing, given the historical trends, and currently available information which would enable the Company to meet its contractual obligations.

Company has taken following measures to manage the liquidity risk of the company

Maintaining a diversified funding base and appropriate contingency facilities.

Carrying a portfolio of highly liquid assets that can be readily converted into cash to protect against unforeseen short-term interruptions to cash flows.

Monitoring liquidity ratios and carrying out stress-testing of the Company's liquidity position.

Regular reviews cash flow projections.

Availability of stand by overdraft facility to be used in the event of an emergency.

NOTES TO THE FINANCIAL STATEMENTS

31.4 Equity risk

The Company's exposure to equity risk arises from its investments in equity securities. Equity risk is the risk that the fair value or future cash flows of financial instruments will fluctuate as a result of changes in market prices.

Listed equity investments

As at 31 March	2025 Rs.	2024 Rs.
Investment in Quoted Shares	1,036,283,737	905,881,362

Sensitivity analysis of equity risk

The following table shows the estimated impact on profitability an equity by fluctuation of stock market prices at the reporting date, assuming that all other variables remain constant.

As at 31 March	Impact on PBT	
	2025 Rs.	2024 Rs.
10% decline in stock prices	(103,628,374)	(90,588,136)
10% Increase in stock prices	103,628,374	90,588,136

Management of Equity Risk

The Company manages the equity risk through diversification and placing limits on individual and total equity portfolio investments. The Company's equity risk management policies are;

Investment decisions are based on in depth macroeconomic and industry analysis as well as research reports on company performance.

Reports on the equity portfolio are submitted to the Company's senior management on a regular basis.

Adherence to the investment policy which includes stringent guidelines on risk exposures.

31.5 Currency risk

The foreign currency risk is the risk that the fair value or future cash flows of a financial instrument fluctuating due to changes in foreign exchange rates. The Company is exposed to foreign currency risk on foreign currency related payments arising from operational expenses. The currencies giving rise to this risk are primarily US Dollars. The exchange rate as at 31st March 2025 was 1 USD = LKR 292.07 (2014 - LKR.301.18)

31.6 Operational Risk

Operational risks due to internal and external frauds, employee practices and workplace safety, products and processes, technology and infrastructure, and business practices, damage to physical assets, business interruption, and system failures in execution, delivery, and process management and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behavior.

The goal of the operational risk management framework is to identify, assess, control and mitigate operational risk within the firm. A standard operational risk framework is applied across the firm in order to ensure consistency and completeness.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within department. This responsibility is supported by the development of overall Company's standards for the management of operational risk in the following areas:

- a. Requirements for appropriate segregation of duties, including the independent authorisation of transactions.
- b. Requirements for the reconciliation and monitoring of the transaction.
- c. Compliance with regulatory and other legal requirements.
- d. Development of business contingency plans.
- e. Training and professional development.
- f. Risk mitigation, including insurance where this is effective.

Further, the Company has identified key risk indicators and maintain a Risk register to monitor the operational risk of the Company. The company also do risk and control self-assessment and assesses the risk through scenario analysis.

Compliance with Company's internal controls and procedures is supported by a programme of periodic reviews undertaken by Internal Audit. The results of internal audit reviews are discussed with the management of the Company with summaries submitted to the Audit Committee.

32. FAIR VALUE OF ASSETS AND LIABILITIES

32.1 Accounting classification and fair value of financial instruments

Financial instruments measured subsequently on the ongoing basis either at fair value or amortized cost. The summary of significant accounting policies describes how the classes of financial instruments are measured, and how income and expenses, including fair value gains and losses, are recognized.

The following is a description of how fair values are determined for financial instruments that are recorded at fair value using valuation techniques. These incorporate the company's estimate of assumptions that a market participant would make when valuing the instruments. The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques.

Level 1 : category of financial assets that are measured in whole or in part by reference to published quotes in an active market

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

NOTES TO THE FINANCIAL STATEMENTS

The table below shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information of financial assets and financial liabilities not measured at fair value if the carrying amount is reasonable approximation of fair value.

As at 31 March 2025	Fair Value			Total Rs.
	Level 1 Rs.	Level 2 Rs.	Level 3 Rs.	
Financial assets				
Financial assets measured at FVTPL	102,200,999,629	-	-	102,200,999,629
Financial Assets measured at FVOCI	-	-	-	-
Assets carried at amortized cost	-	3,003,008,988	3,003,008,988	3,003,008,988
Cash and cash equivalents	-	-	36,205,695	36,205,695
Amount due from related companies	-	-	23,182,317	23,182,317
Other receivables	-	-	2,382,360	2,382,360
Total financial assets	102,200,999,629	-	3,064,779,360	105,265,778,989
Financial liabilities				
Financial liabilities at amortised cost	-	-	87,809,641,973	87,809,641,973
Amounts due to related companies	-	-	4,685,733	4,685,733
Other payables	-	-	1,114,164,844	1,114,164,844
Lease liability	-	-	4,809,241	4,809,241
Total financial liabilities	-	-	88,933,301,791	88,933,301,791

As at 31 March 2024	Fair Value			Total Rs.
	Level 1 Rs.	Level 2 Rs.	Level 3 Rs.	
Financial assets				
Financial assets measured at FVTPL	59,533,287,818	-	-	59,533,287,818
Financial Assets measured at FVOCI	-	-	-	-
Assets carried at amortized cost	-	1,015,901,338	1,015,901,338	1,015,901,338
Cash and cash equivalents	-	-	353,008,092	353,008,092
Amount due from related companies	-	-	11,766,209	11,766,209
Other receivables	-	-	252,178,079	252,178,079
Total financial assets	59,533,287,818	-	1,632,853,718	61,166,141,536
Financial liabilities				
Financial liabilities at amortised cost	-	-	37,346,396,228	37,346,396,228
Amounts due to related companies	-	-	61,846,733	61,846,733
Other payables	-	-	2,685,650,184	2,685,650,184
Lease liability	-	-	3,716,278	3,716,278
Total financial liabilities	-	-	40,097,609,423	40,097,609,423

33. FINANCIAL INSTRUMENTS

Financial instruments - Statement of financial position

The financial instruments Recognised in the statement of financial position are as follows:

As at 31 March		2025	2024
Financial assets	Note	Rs.	Rs.
Other receivables	16	2,382,360	252,178,079
Financial assets measured at amortised cost	14	3,003,008,988	1,015,901,338
Amounts due from related companies	22.1	23,182,317	11,766,209
Cash and cash equivalents	13	36,205,695	353,008,092
		3,064,779,360	1,632,853,718
Fair value through profit or loss			
Financial assets measured at FVTPL	15	102,200,999,629	59,533,287,818
		102,200,999,629	59,533,287,818
		105,265,778,989	61,166,141,536

As at 31 March		2025	2024
Financial liabilities	Note	Rs.	Rs.
Other financial liabilities			
Financial liabilities at amortised cost	21	87,809,641,973	37,346,396,228
Other payables	23	1,114,164,844	2,685,650,184
Lease liability	24	4,809,241	3,716,278
Amounts due to related companies	22.2	4,685,733	61,846,733
		88,933,301,791	40,097,609,423
		88,933,301,791	40,097,609,423

34. CAPITAL MANAGEMENT

The Company's policy is to retain a strong capital base so as to maintain investor, creditor & market confidence and to sustain future development of the business. Capital consists of share capital, reserves and retained earnings. The Board of Directors monitors the return on capital, interest covering ratio, dividend to ordinary shareholders.

The gearing ratio at the reporting date is as follows.

As at 31 March	2025	2024
	Rs.	Rs.
Interest bearing borrowing		
Interest bearing borrowing	87,809,641,973	37,346,396,228
Net debt	87,809,641,973	37,346,396,228
Equity	14,396,141,824	16,396,887,107
Gearing ratio	6.10	2.28

NOTES TO THE FINANCIAL STATEMENTS

Dividend policy

Subject to the provisions of the Companies Act No. 7 of 2007, the Articles of Associations of the Company and the provisions set out in the CBSL Direction No. 01 of 2021 applicable to Primary Dealer Companies, the Board of Directors may recommend and declare a maximum pay-out of 50% from and out of the Profit for the Year of the Company, to the Shareholders, by way of dividends. The exact dividend rate will be determined based on several factors, including but not limited to Company's earnings, future capital requirements and overall financial condition.

Minimum core capital

Capital Alliance PLC is an authorised Primary Dealer, supervised and regulated by the CBSL, and is subject to minimum Core Capital and Risk Weighted Capital Adequacy Ratio requirements stipulated by the regulator.

CBSL core capital compliance timeline

Core capital requirement	Effective date to comply
LKR 1.0 bn	Current requirement
LKR 2.0 bn	by 01 January 2022
LKR 2.5 bn	by 01 January 2023

*As per the CBSL direction No. 01 of 2021 applicable to primary dealer companies

CBSL core capital requirements

The Capital Adequacy Requirements as per the CBSL Direction No. 01 of 2021 applicable to Primary Dealer Companies (Core Capital)	The Timeline to Achieve such Requirements	The Level of Compliance As at 31 March 2025 Rs.	The Level of Compliance As at 31 March 2024 Rs.
LKR 2,500,000,000	1-Jan-23	11,321,509,433	16,366,719,329

CBSL capital adequacy requirement

The Capital Adequacy Requirements as per the CBSL Direction No. 01 of 2021 applicable to Primary Dealer Companies (Core Capital)	The Timeline to Achieve such Requirements	The Level of Compliance As at 31 March 2025	The Level of Compliance As at 31 March 2024
10.00%	N/A	16.15%	43.59%

35. INVESTOR INFORMATION**35.1 Market price per Share**

Information on shares of the Company for the year ended	31-Mar-25 Rs.	31-Mar-24 Rs.
Market price per share	54.80	53.00
Highest price per share during the year ended	67.70	93.40
Lowest price per share during the year ended	39.80	27.00

35.2 List of Twenty Major Shareholders as at 31 March 2025

	Name of Shareholder/Company	Shareholding	Percentage
1	Capital Alliance Holdings PLC	283,297,152	86.00%
2	Seylan Bank PLC/ H.M.S.Perera	4,318,604	1.31%
3	Deutsche Bank AG - Lynear Wealth Dynamic Opportunities Fund	2,516,607	0.76%
4	Mr. P.A. Schaffter	1,368,246	0.42%
5	Seylan Bank PLC/ Phantom Investments (Pvt) Ltd	1,058,877	0.32%
6	Ashthi Holdings (Private) Limited	1,000,012	0.30%
7	Mr. R.C.D. De Silva	933,223	0.28%
8	Mr. D.N.P. Rathnayake	679,191	0.21%
9	Trading Partners (Pvt) Ltd	639,278	0.19%
10	Mr. K.R.E.M.D.M.B. Jayasundara	500,000	0.15%
11	MAC Holdings (Pvt) Ltd	500,000	0.15%
12	Mr. D.G. Wirasekara	500,000	0.15%
13	People's Leasing & Finance PLC/ Mr.D.M.P.Disanayake	407,209	0.12%
14	Mr. L.H.S.L. Silva	339,650	0.10%
15	Ms. H.A. Wijerama	333,660	0.10%
16	Mrs R.S. Mortier	313,600	0.10%
17	Mr. A.B. Dissanayake	300,000	0.09%
18	People's Leasing and Finance PLC/ L.K.Karunawathi	300,000	0.09%
19	Mr. S.A. Simmons	300,000	0.09%
20	Mr. G. Wickremasinghe	300,000	0.09%

35.3 Shareholding of the Directors/ Chief Executive Officer

Name	Designation	Shareholding
Mr. W A T Fernando	Director/ CEO*	Nil
Mr. D A De Zoysa	Chairman	Nil
Mr. R J Arasaratnam	Director	3,312
Mr. C S R S Anthony	Director	2,600
Ms. A I C Nandasena	Director	Nil
Ms. K A D Siriwardene	Director	Nil
Mr. J.M. Jayasuriya	Director	Nil

* Resigned from the position of Chief Executive Officer with effect from 11th April 2025

35.4 Compliance relating to the Public Floating

Disclosure in accordance with the Section 7.13.1 (b) of CSE Listing Rules

Float adjusted market capitalisation as at 31st March 2025 (Rs)	2,195,315,886
Public holding percentage	12.16%
Number of public shareholders	4,853

The Company had complied with the Minimum Public Holding requirement under Option 2 of CSE Listing Rule 7.13.1 (b)

The image features a white background with two vertical lines: a thin purple line on the left and a thicker blue line on the right. Between these lines, a series of wavy, overlapping lines in shades of blue and purple create a sense of movement and depth. The text 'CRESCENDO OF OUR' is centered horizontally in a black, sans-serif font. Below it, the word 'FUTURE' is written in a larger, bold, sans-serif font, with 'FUTU' in purple and 'RE' in blue.

CRESCENDO OF OUR

FUTURE

INVESTOR INFORMATION

LIST OF TWENTY MAJOR SHAREHOLDERS

As at 31st March 2025:

	Name of Shareholder/Company	No. of Shares	Holding (%)
1	Capital Alliance Holdings PLC	283,297,152	86.00%
2	Seylan Bank PLC/ H.M.S. Perera	4,318,604	1.31%
3	Deutsche Bank AG - Lynear Wealth Dynamic Opportunities Fund	2,516,607	0.76%
4	Mr. P. A. Schaffter	1,368,246	0.42%
5	Seylan Bank PLC/ Phantom Investments (Pvt) Ltd	1,058,877	0.32%
6	Ashthi Holdings (Pvt) Ltd	1,000,012	0.30%
7	Mr. R.C.D. De Silva	933,223	0.28%
8	Mr. D.N.P. Rathnayake	679,191	0.21%
9	Trading Partners (Pvt) Ltd	639,278	0.19%
10	Mr. K.R.E.M.D.M.B. Jayasundara	500,000	0.15%
11	MAC Holdings (Pvt) Ltd	500,000	0.15%
12	Mr. D.G. Wirasekara	500,000	0.15%
13	People's Leasing & Finance PLC/ Mr. D. M. P. Disanayake	407,209	0.12%
14	Mr. L.H.S.L. Silva	339,650	0.10%
15	Ms. H. A. Wijerama	333,660	0.10%
16	Mrs. R.S. Mortier	313,600	0.10%
17	Mr. A.B. Dissanayake	300,000	0.09%
18	People's Leasing and Finance PLC/ L. K. Karunawathi	300,000	0.09%
19	Mr. S.A. Simmons	300,000	0.09%
20	Mr. G. Wickremasinghe	300,000	0.09%
	Total	299,905,309	91.02%

As at 31st March 2024:

	Name of Shareholder/Company	No. of Shares	Holding (%)
1	Capital Alliance Holdings PLC	283,297,152	86.00%
2	Seylan Bank PLC/ H.M.S. Perera	4,618,604	1.40%
3	Deutsche Bank AG – National Equity Fund	1,043,080	0.32%
4	Ashthi Holdings (Pvt) Ltd	1,000,012	0.30%
5	Mr. P. A. Schaffter	867,980	0.26%
6	Mr. K.L.D.N.N.M. Liyanage	850,000	0.26%
7	Dr. A. M. A. D. S. Abeysinghe	706,120	0.21%
8	Seylan Bank PLC/ ARRC Capital (Pvt) Ltd	662,354	0.20%
9	Mr. N.R. Goonasekera	560,564	0.17%
10	Mr. C. T. A. Schaffter	550,000	0.17%
11	Citizen Development Business Finance PLC/ T Ruchira	516,151	0.16%
12	Mr. T. T. A. De Silva Weerasooriya	511,444	0.16%
13	MAC Holdings (Pvt) Ltd	475,000	0.14%
14	Mr. E.J.B.U. Fernando	450,000	0.14%
15	Senkadagala Finance PLC/ M. E. Amarasinghe	370,000	0.11%
16	Mr. L.H.S.L. Silva	339,650	0.10%
17	Ms. H. A. Wijerama	333,660	0.10%
18	Mr. A. R. Gunasekara	317,500	0.10%
19	Mrs. R.S. Mortier	313,600	0.10%
20	Mr. N.P. W. Delgoda	312,016	0.09%
	Total	298,094,887	90.49%

INVESTOR INFORMATION

DISTRIBUTION OF SHARE HOLDINGS

Analysis of Share Holdings by Size

As at 31st March 2025

Shareholding	Resident			Non-Resident			Total		
	No. of shareholders	No. of shares	% shareholders	No. of shareholders	No. of shares	% shareholders	No. of shareholders	No. of shares	%
1-1000	2,512	764,368	0.23	2	161	0.00	2,514	764,529	0.23
1,001-10,000	1,782	6,485,059	1.97	1	10,000	0.00	1,783	6,495,059	1.97
10,001-100,000	497	15,049,819	4.57	6	197,479	0.06	503	15,247,298	4.63
10,0001-1,000,000	58	12,987,722	3.94	2	363,778	0.11	60	13,351,500	4.05
Over 1,000,000	6	293,559,498	89.12	-	-	0.00	6	293,559,498	89.12
Total	4,855	328,846,466	99.83	11	571,418	0.17	4,866	329,417,884	100.00

As at 31st March 2024

Shareholding	Resident			Non-Resident			Total		
	No. of shareholders	No. of shares	% shareholders	No. of shareholders	No. of shares	% shareholders	No. of shareholders	No. of shares	%
1-1000	2,017	637,517	0.19	2	336	0.00	2,019	637,853	0.19
1,001-10,000	1,606	5,786,210	1.76	2	13,005	0.00	1,608	5,799,215	1.76
10,001-100,000	510	15,665,663	4.76	2	39,800	0.01	512	15,705,463	4.77
10,0001-1,000,000	71	17,316,505	5.26	-	-	0.00	71	17,316,505	5.26
Over 1,000,000	4	289,958,848	88.02	-	-	0.00	4	289,958,848	88.02
Total	4,028	329,364,743	99.99	6	53,141	0.01	4,214	329,417,884	100.00

ANALYSIS OF SHARE HOLDINGS BY CATEGORY

Categories of Shareholders	31-Mar-2025			31-Mar-2024		
	No. of shareholders	No. of shares	%	No. of shareholders	No. of shares	%
Individual	4,679	31,992,054	9.71%	3,937	31,589,182	9.59%
Institutional	187	297,425,830	90.29%	277	297,828,702	90.41%
Total	4,866	329,417,884	100.00%	4,214	329,417,884	100.00%

Categories of Shareholders	31-Mar-2025			31-Mar-2024		
	No. of shareholders	No. of shares	%	No. of shareholders	No. of shares	%
Resident	4,855	328,846,466	99.83%	4,028	329,364,743	99.99%
Non-Resident	11	571,418	0.17%	6	53,141	0.01%
Total	4,866	329,417,884	100.00%	4,214	329,417,884	100.00%

SHAREHOLDING OF THE DIRECTORS/ CHIEF EXECUTIVE OFFICER

Name	Designation	Shareholding	
		31-Mar-2025	31-Mar-2024
Mr. W A T Fernando	Director/ CEO *	Nil	Nil
Mr. R J Arasaratnam	Director	3,312	3,312
Mr. D A De Zoysa	Director/ Chairman	Nil	Nil
Mr. C S R S Anthony	Director	2,600	2,600
Ms. A I C Nandasena	Director	Nil	Nil
Ms. K A D Siriwardene	Director	Nil	Nil
Mr. J. M. Jayasuriya	Director	Nil	Nil

* On 11th April 2025, Mr. W. A. T. Fernando had stepped down as Chief Executive Officer and continue to serve on the board of directors as a Non-Independent, Non-Executive Director.

COMPLIANCE RELATING TO THE PUBLIC FLOATING

	31-Mar-25	31-Mar-24
Float adjusted market capitalisation (LKR)	2,195,315,886	2,106,969,963
Public holding percentage	12.16%	12.07%
Number of public shareholders	4,853	4,200

The Company had complied with the Minimum Public Holding requirement under Option 2 of CSE Listing Rule 7.13.1 (b) of the Listing Rules of the Colombo Stock Exchange.

FIVE YEAR SUMMARY

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31ST MARCH,	2025	2024	2023	2022	2021
	Rs.	Rs.	Rs.	Rs.	Rs.
Interest Income	8,874,907,017	10,504,518,985	4,720,189,909	508,341,479	1,075,181,078
Interest Expenses	(5,842,375,955)	(6,641,372,092)	(3,127,944,659)	(284,028,315)	(707,137,564)
Net Interest Income	3,032,531,062	3,863,146,893	1,592,245,250	224,313,164	368,043,514
Net Gain/(Loss) from Trading	6,096,133,620	19,005,251,921	609,575,468	(202,893,988)	1,345,009,255
Net Gain / (Loss) from remeasurement of Financial Assets at FVTPL	(1,554,535,633)	874,512,729	2,660,964,068	(16,022,056)	(132,025,344)
Direct Expenses	(42,681,085)	(33,074,086)	(11,006,189)	(6,680,015)	(16,433,846)
Other Income	38,779,419	19,336,409	14,850	7,438,593	5,345,044
Net Operating Income	7,570,227,383	23,729,173,866	4,851,793,447	6,155,698	1,569,938,623
Operating Expenses					
Personnel Expenses	(554,470,901)	(2,775,753,100)	(523,007,810)	(109,427,411)	(202,937,870)
Depreciation and Amortisation	(19,047,677)	(15,668,881)	(6,753,856)	(7,770,871)	(9,404,921)
Other Expenses	(625,594,123)	(839,740,454)	(627,148,978)	(95,249,211)	(87,369,677)
Profit /(Loss) Before Tax	6,371,114,682	20,098,011,431	3,694,882,803	(206,291,795)	1,270,226,155
Income Tax (Expenses)/Benefits	(1,950,520,698)	(6,204,827,939)	(867,876,159)	34,916,243	(303,745,017)
Profit /(Loss) for the year	4,420,593,984	13,893,183,492	2,827,006,644	(171,375,552)	966,481,138
Other Comprehensive Income/ (Expense) for the year	2,309,471	(8,387,173)	(4,733,422)	4,161,806	(3,526,610)
Total Comprehensive Income/ (Expense) for the year	4,422,903,455	13,884,796,319	2,822,273,222	(167,213,746)	962,954,528

STATEMENT OF FINANCIAL POSITION

AS AT 31ST MARCH,	2025	2024	2023	2022	2021
	Rs.	Rs.	Rs.	Rs.	Rs.
ASSETS					
Cash and Cash Equivalents	36,205,695	353,008,092	28,962,086	14,265,035	10,472,382
Financial Assets measured at Amortised Cost	3,003,008,988	1,015,901,338	372,829,607	40,167,893	47,184,373
Financial Assets measured at FVTPL	102,200,999,629	59,533,287,818	37,574,397,952	8,075,894,287	11,464,111,249
Amount due from Related Companies	23,182,317	11,766,209	21,788,960	886,146	3,437,023
Other Receivables	12,959,192	260,547,704	13,701,998	23,966,904	10,097,759
Financial Assets measured at FVOCI	-	-	-	-	1,000,000
Deferred Tax Asset	27,748,880	24,583,978	16,861,765	43,977,351	9,401,526
Intangible Assets	7,490,561	4,506,832	1,414,824	932,103	2,541,625
Right-of-use Asset	4,466,900	3,055,983	7,130,643	11,205,302	13,413,645
Equipment	40,471,576	51,569,663	3,582,166	3,595,286	2,992,394
Total Assets	105,356,533,738	61,258,227,617	38,040,670,002	8,214,890,307	11,564,651,976
LIABILITIES AND EQUITY					
Liabilities					
Financial Liabilities at Amortised Cost	87,809,641,973	37,346,396,228	30,055,282,689	5,465,983,373	8,461,113,826
Amounts due to Related Companies	4,685,733	61,846,733	107,959,732	7,046,054	86,857,147
Loan from Related Party	-	-	1,023,143,836	-	-
Other Payables	1,179,367,985	2,740,283,723	541,635,648	9,592,308	78,590,712
Lease Liability	4,809,241	3,716,278	7,974,191	11,772,683	13,550,810
Retirement Benefit Obligation	92,823,233	81,309,710	54,808,736	38,506,345	40,783,555
Income Tax Payable	1,869,063,749	4,627,787,838	759,836,711	14,234,307	160,308,628
Total Liabilities	90,960,391,914	44,861,340,510	32,550,641,542	5,547,135,070	8,841,204,678
EQUITY					
Stated Capital	723,348,421	723,348,421	723,348,421	723,348,421	311,576,061
Special Risk Reserve	2,758,877,428	2,316,818,030	927,499,681	644,799,017	644,799,017
Retained Earnings	10,913,915,975	13,356,720,656	3,839,180,357	1,299,607,799	1,767,072,220
Total Equity	14,396,141,824	16,396,887,107	5,490,028,459	2,667,755,237	2,723,447,298
Total Liabilities and Equity	105,356,533,738	61,258,227,617	38,040,670,002	8,214,890,307	11,564,651,976

INDEPENDENT ASSURANCE ON INTEGRATED REPORTING

GRI 2-5



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INDEPENDENT LIMITED ASSURANCE REPORT TO THE DIRECTORS OF CAPITAL ALLIANCE PLC ON THE INTEGRATED REPORT FOR THE YEAR ENDED 31ST MARCH 2025

Conclusion

We have performed a limited assurance engagement on whether the Integrated Report of Capital Alliance PLC for the year ended 31st March 2025 (the "Integrated Report") has been prepared in accordance with the Content Elements of the IFRS Foundation's International <IR> Framework.

Based on the procedures performed and evidence obtained, as described below, nothing has come to our attention to cause us to believe that the Integrated Report of Capital Alliance PLC for the year ended 31st March 2025 is not prepared, in all material respects, in accordance with the Content Elements of the IFRS Foundation's International <IR> Framework.

This conclusion on the Integrated Report of Capital Alliance PLC for the year ended 31st March 2025 does not extend to any other information that accompanies the integrated report. We have read the other information, but we have not performed any procedures with respect to the other information.

Basis for conclusion

We conducted our engagement in accordance with the Sri Lankan Standard on Assurance Engagements SLSAE 3000 (Revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information, issued by the Institute of Chartered Accountants of Sri Lanka (CASL). Our responsibilities under this standard are further described in the 'Our responsibilities' section of our report.

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the Institute of Chartered Accountants of Sri Lanka.

Our firm applies Sri Lanka Standard on Quality Management 1 (SLSQM 1), Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, and, accordingly, maintains a comprehensive system of quality management, including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusions.

We have not been engaged to provide an assurance conclusion on the fitness for purpose or the operating effectiveness of the Company's strategy or how the Company creates value, including the governance, strategic management and other key business processes. The procedures we have performed in relation to the Company's strategy and how the Company creates value are outlined in the 'Summary of the work we performed as the basis for our conclusion'.

Criteria Used as the Basis of Reporting

The criteria used as a basis of reporting is the Content Elements of the IFRS Foundation's International <IR> Framework as disclosed in the Integrated Report.

Intended Purpose of our Report

We have been engaged by the Directors of Capital Alliance PLC ("the Company") to provide limited assurance on whether the Integrated Report of Capital Alliance PLC for the year ended 31st March 2025 (the "Integrated Report") has been prepared in accordance with the Content Elements of the IFRS Foundation's International <IR> Framework

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

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M.N.M. Shameel FCA
Ms. P.M.K. Sumanasekara FCA

T. J. S. Rajakarier FCA
W. K. D. C. Abeyrathne FCA
Ms. B.K.D.T.N. Rodrigo FCA
Ms. C.T.K.N. Perera ACA
R. G. H. Raddella ACA,

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

Principals: S.R.I. Perera FCMA (UK), LLB, Attorney-at-Law, H.S. Goonewardene ACA, Ms. F.R.Zyad FCMA (UK), FCIT, K. Somasundaram ACMA (UK), Ms. D Corea Dharmaratne

Restriction of use of our report

This report has been prepared for the Company for the purpose of providing an assurance conclusion on the Integrated Report and may not be suitable for another purpose. We disclaim any assumption of responsibility for any reliance on this report, to any person other than the Company, or for any other purpose than that for which it was prepared.

Our report should not be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than the Company, for any purpose or in any other context. Any party other than the Company who obtains access to our report or a copy thereof and chooses to rely on our report (or any part thereof) will do so at its own risk. To the fullest extent permitted by law, we accept or assume no responsibility and deny any liability to any party other than the Company for our work, for this independent assurance report, or for the conclusions we have reached.

Responsibilities of the Board of Directors and Management

The Board of Directors and Management of Capital Alliance PLC are responsible for:

- designing, implementing and maintaining internal control relevant to the preparation of the Company's Integrated Report such that it is free from material misstatement, whether due to fraud or error
- selecting suitable criteria for preparing the Integrated Report and appropriately referring to or describing the criteria used
- determining that the criteria is appropriate to meet the needs of intended users, being the company's members and any other intended users.
- preparing and presenting of the Integrated Report in accordance with the criteria set out in the IFRS Foundation's <IR> Framework. This includes disclosing the criteria, including any significant inherent limitations.
- ensuring the Company's strategy is well presented in the Company's Integrated Report and reflects how the Company creates value as they operate in practice
- identifying stakeholders and stakeholder requirements;
- identifying material issues and reflecting those in the Company's Integrated Report; and
- preparation and fair presentation of the Integrated reporting information; Design and implementation of internal controls that the company determines necessary to enable the preparation and presentation of the Integrated Report that is free from material misstatement, whether due to fraud or error.
- Informing us of any known and/or contentious issues relating to the Integrated Report.
- Preventing and detecting of fraud and for identifying and ensuring that the Company complies with laws and regulations applicable to its activities;
- Process to ensure that the Company personnel involved with the preparation and presentation of the integrated reporting information are properly trained, systems are properly updated and that any changes in reporting is relevant to the integrated report information encompass all significant business units. This responsibility also includes informing us of any changes in the Company's operations.
- The responsibility also includes informing changes in the Company's operations since the date of our most recent assurance report on the Integrated reporting information.

Inherent limitations in preparing the Integrated Report

The Integrated Report includes prospective information. Inherent to prospective information, the actual future results are uncertain. We do not provide any assurance on the assumptions and achievability of prospective information in the Integrated Report.

Due to the inherent limitations of any internal control structure, it is possible that errors or irregularities may occur in the preparation of the Integrated Report and not be detected. Our engagement is not designed to detect all internal control weaknesses in the preparation of the Integrated Report because the engagement was not performed on a continuous basis throughout the period and the audit procedures performed were on a test basis.

Our Responsibilities

We are responsible for:

- Planning and performing the engagement to obtain limited assurance on whether the Company's Integrated Report, is free from material misstatement, whether due to fraud or error;
- Forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and
- Reporting our conclusion to the Board of Directors.

INDEPENDENT ASSURANCE ON INTEGRATED REPORTING

Summary of the work we performed as the basis for our conclusion

We exercised professional judgment and maintained professional scepticism throughout the engagement. We designed and performed our procedures to obtain evidence about the Integrated Report that is sufficient and appropriate to provide a basis for our conclusion. Our procedures selected depended on our understanding of the Company's Integrated Report and other engagement circumstances, and our consideration of areas where material misstatements are likely to arise. In carrying out our engagement, the procedures we performed primarily consisted of:

1. Interviews with executives, senior management and relevant staff to understand the internal controls, governance structure and reporting process relevant to the Report;
2. Reviewing of the relevant internal policies and procedures developed by the Company, including those relevant to determining what matters most to the Company's stakeholders, how the Company creates value, the Company's external environment, strategy, governance and reporting.
3. Reviewing the description of the Company's strategy and how the Company creates value in the Report and enquiring of management as to whether the description accurately reflects their understanding;
4. Assessing of the suitability and application of the Content Elements of the <IR> Framework in the Report;
5. Assessing of the alignment between the Company's strategy, the disclosures on how the Company creates value and what matters most to the Company's stakeholders.
6. Reviewing Board minutes to ensure consistency with the content of the Report.
7. Reviewing the Report in its entirety to ensure it is consistent with our overall knowledge obtained during the assurance engagement.
8. Obtaining a letter of representation from management dated 29th July 2025 on the content of the Company's Integrated Report.

A limited assurance engagement is restricted primarily to enquiries and analytical procedures. The procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Misstatements, including omissions, are considered material if, individually or in the aggregate, they could reasonably be expected to influence relevant decisions of the Directors of Capital Alliance PLC.



CHARTERED ACCOUNTANTS

Colombo
29th July 2025

GRI CONTENT INDEX

Statement of use	Capital Alliance PLC has reported the information cited in this GRI content index for the period 1 April 2024 to 31 March 2025 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021	2-1 Organizational details	2, 8, 157
	2-2 Entities included in the organization's sustainability reporting	2
	2-3 Reporting period, frequency and contact point	2, 4
	2-4 Restatements of information	No reinstatement
	2-5 External assurance	4, 150, 208, 215
	2-6 Activities, value chain and other business relationships	8
	2-7 Employees	74, 95
	2-8 Workers who are not employees	74, 95
	2-9 Governance structure and composition	112
	2-10 Nomination and selection of the highest governance body	144
	2-11 Chair of the highest governance body	109
	2-12 Role of the highest governance body in overseeing the management of impacts	111
	2-13 Delegation of responsibility for managing impacts	114
	2-14 Role of the highest governance body in sustainability reporting	126
	2-15 Conflicts of interest	91, 98, 141
	2-16 Communication of critical concerns	91, 98, 141
	2-17 Collective knowledge of the highest governance body	26
	2-18 Evaluation of the performance of the highest governance body	144
	2-19 Remuneration policies	145
	2-20 Process to determine remuneration	145
	2-21 Annual total compensation ratio	Confidentiality Constraints
	2-22 Statement on sustainable development strategy	74
	2-23 Policy commitments	78
	2-24 Embedding policy commitments	78
	2-25 Processes to remediate negative impacts	93
	2-26 Mechanisms for seeking advice and raising concerns	122
	2-27 Compliance with laws and regulations	3
	2-28 Membership associations	101
	2-29 Approach to stakeholder engagement	51
	2-30 Collective bargaining agreements	Not applicable
GRI 3: Material Topics 2021	3-1 Process to determine material topics	56
	3-2 List of material topics	59
	3-3 Management of material topics	18
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	18
	201-2 Financial implications and other risks and opportunities due to climate change	37
	201-3 Defined benefit plan obligations and other retirement plans	182
	201-4 Financial assistance received from government	Not Applicable
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	47, 87, 88, 89, 99
	203-2 Significant indirect economic impacts	76
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	91, 125
	205-2 Communication and training about anti-corruption policies and procedures	87
	205-3 Confirmed incidents of corruption and actions taken	75

GRI CONTENT INDEX

GRI STANDARD	DISCLOSURE	LOCATION
GRI 207: Tax 2019	207-1 Approach to tax	43
	207-2 Tax governance, control, and risk management	43, 166, 167
	207-3 Stakeholder engagement and management of concerns related to tax	40, 54
	207-4 Country-by-country reporting	Not applicable
GRI 302: Energy 2016	302-1 Energy consumption within the organization	102, 103
	302-2 Energy consumption outside of the organization	Not applicable
	302-3 Energy intensity	Not applicable
	302-4 Reduction of energy consumption	103
	302-5 Reductions in energy requirements of products and services	Not applicable
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	103
	303-2 Management of water discharge-related impacts	103
	303-3 Water withdrawal	Not applicable
	303-4 Water discharge	Not applicable
	303-5 Water consumption	74
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	74, 95
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	96, 97
	401-3 Parental leave	97
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Not applicable
	403-2 Hazard identification, risk assessment, and incident investigation	Not applicable
	403-3 Occupational health services	Not applicable
	403-4 Worker participation, consultation, and communication on occupational health and safety	Not applicable
	403-5 Worker training on occupational health and safety	98
	403-6 Promotion of worker health	98
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Not applicable
	403-8 Workers covered by an occupational health and safety management system	Not applicable
	403-9 Work-related injuries	74
	403-10 Work-related ill health	74
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Not applicable
	404-2 Programs for upgrading employee skills and transition assistance programs	87, 90, 92, 97
	404-3 Percentage of employees receiving regular performance and career development reviews	Not applicable
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	75, 109, 110
	405-2 Ratio of basic salary and remuneration of women to men	Not applicable
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	73, 98
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Not applicable
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	71
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	50

INDEPENDENT ASSURANCE ON SUSTAINABILITY REPORTING



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INDEPENDENT LIMITED ASSURANCE REPORT TO THE DIRECTORS OF CAPITAL ALLIANCE PLC ON SUSTAINABILITY INDICATORS IN THE INTEGRATED ANNUAL REPORT FOR THE YEAR ENDED 31ST MARCH 2025

Conclusion

We have performed a limited assurance engagement on whether the Sustainability Indicators in the Integrated Annual Report of Capital Alliance PLC for the year ended 31st March 2025 has been prepared in accordance with the Consolidated Set of Global Reporting Initiative Sustainability Reporting Standards.

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the Sustainability Indicators in the Integrated Annual Report of Capital Alliance PLC for the year ended 31st March 2025 (summarized in the table below) are not prepared, in all material respects, in accordance with the Consolidated Set of Global Reporting Initiative Sustainability Reporting Standards.

Limited Assurance Sustainability Indicators	Integrated Annual Report Page
Financial Highlights	16 to 18
Our Approach Towards Sustainable Development	74 to 75
Information provided on following	
Financial Capital	84 to 86
Manufactured Capital	87 to 88
Intellectual Capital	89 to 92
Human Capital	93 to 98
Social & Relationship Capital	99 to 101
Natural Capital	102 to 103

This conclusion on the Sustainability Indicators in the Integrated Annual Report of Capital Alliance PLC for the year ended 31st March 2025 does not extend to any other information that accompanies the integrated report. We have read the other information, but we have not performed any procedures with respect to the other information.

Basis for conclusion

We conducted our engagement in accordance with Sri Lankan Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by the Institute of Chartered Accountants of Sri Lanka (ICASL). Our responsibilities under this standard are further described in the "Our responsibilities" section of our report.

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

Our firm applies Sri Lanka Standard on Quality Management 1 (SLSQM 1), Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, and, accordingly, maintains a comprehensive system of quality management, including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

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INDEPENDENT ASSURANCE ON SUSTAINABILITY REPORTING

Criteria Used as the Basis of Reporting

The criteria used as the basis of reporting is the Consolidated Set of Global Reporting Initiative Sustainability Reporting Standards.

Intended purpose of our Report

We have been engaged by the Directors of Capital Alliance PLC ("the Company") to provide limited assurance on the Sustainability Indicators in the Integrated Annual Report of Capital Alliance PLC for the year ended 31st March 2025 (the "Integrated Report"), prepared in accordance with Consolidated Set of Global Reporting Initiative Sustainability Reporting Standards.

Restriction on use or distribution of our Report

This report has been prepared for the Directors of Capital Alliance PLC for the purpose of providing an assurance conclusion on the Sustainability Indicators in the Integrated Annual Report of Capital Alliance PLC for the year ended 31st March 2025 and may not be suitable for another purpose. We disclaim any assumption of responsibility for any reliance on this report, to any person other than the Company, or for any other purpose than that for which it was prepared.

Our report should not be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than Capital Alliance PLC, for any purpose or in any other context. Any party other than Capital Alliance PLC who obtains access to our report or a copy thereof and chooses to rely on our report (or any part thereof) will do so at its own risk. To the fullest extent permitted by law, we accept or assume no responsibility and deny any liability to any party other than Capital Alliance PLC for our work, for this independent assurance report, or for the conclusions we have reached.

Board of Directors and Management's responsibility

The Board of Directors and Management are responsible for:

- designing, implementing and maintaining internal controls relevant to the preparation of the Sustainability Indicators in the Integrated Annual Report of Capital Alliance PLC for the year ended 31st March 2025 that are free from material misstatement, whether due to fraud or error.
- selecting suitable criteria for preparing the Sustainability Indicators in the Integrated Annual Report of Capital Alliance PLC for the year ended 31st March 2025 and appropriately referring to or describing the criteria used; and
- preparation and fair presentation of the Sustainability Indicators in the Integrated Annual Report of Capital Alliance PLC for the year ended 31st March 2025 in accordance with the Consolidated Set of Global Reporting Initiative Sustainability Reporting Standards.
- preventing and detecting fraud and for identifying and ensuring that the Company complies with laws and regulations applicable to its activities.
- ensuring that staff involved with the preparation and presentation of the Sustainability Indicators in the Integrated Annual Report of Capital Alliance PLC for the year ended 31st March 2025 are properly trained, information systems are properly updated and that any changes in reporting encompass all significant business units.

Inherent Limitations in Preparing the Limited Assurance Sustainability Indicators

Due to the inherent limitations of any internal control structure, it is possible that errors or irregularities may occur in disclosures of the Sustainability Information and not be detected. Our engagement is not designed to detect all internal control weaknesses in the preparation of the Sustainability Information because the engagement was not performed on a continuous basis throughout the period and the audit procedures performed were on a test basis.

Our responsibilities

We are responsible for:

- planning and performing the engagement to obtain limited assurance about whether the Sustainability Indicators in the Integrated Annual Report of Capital Alliance PLC for the year ended 31st March 2025 are free from material misstatement, whether due to fraud or error;
- forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and;
- reporting our conclusion to the Board of Directors.

Summary of the work we performed as the basis for our conclusion

We exercised professional judgment and maintained professional skepticism throughout the engagement. We designed and performed our procedures to obtain evidence about the Sustainability Indicators in the Integrated Annual Report of Capital Alliance PLC for the year ended 31st March 2025 that is sufficient and appropriate to provide a basis for our conclusion.

Our procedures selected depended on our understanding of the Sustainability Indicators in the Integrated Annual Report of Capital Alliance PLC for the year ended 31st March 2025 and other engagement circumstances, and our consideration of areas where material misstatements are likely to arise. In carrying out our engagement, the procedures we performed primarily consisted of:

- interviews with senior management and relevant staff at corporate and selected site level concerning sustainability strategy and policies for material issues, and the implementation of these across the business;
- enquiries of management to gain an understanding of the Company's processes for determining material issues for the Company's key stakeholder groups;
- enquiries of relevant staff at corporate and selected site level responsible for the preparation of the Sustainability Indicators in the Integrated Annual Report of Capital Alliance PLC for the year ended 31st March 2025;
- enquiries about the design and implementation of the systems and methods used to collect and report the Sustainability Indicators in the Integrated Annual Report of Capital Alliance PLC for the year ended 31st March 2025, including the aggregation of the reported information;
- comparing the Sustainability Indicators in the Integrated Annual Report of Capital Alliance PLC for the year ended 31st March 2025 to relevant underlying sources on a sample basis to determine whether all the relevant information has been appropriately included in the Report;
- reading the Sustainability Indicators in the Integrated Annual Report of Capital Alliance PLC for the year ended 31st March 2025 presented in the Report to determine whether they are in line with our overall knowledge of, and experience with, the sustainability performance of the Company;
- reading the remainder of the Report to determine whether there are any material misstatements of fact or material inconsistencies based on our understanding obtained as part of our assurance engagement.

A limited assurance engagement is restricted primarily to enquires and analytical procedures. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Misstatements, including omissions, are considered material if, individually or in the aggregate, they could reasonably be expected to influence relevant decisions of the Directors of Capital Alliance PLC.

CHARTERED ACCOUNTANTS

Colombo
29th July 2025

BASIS OF RATIOS

Ratio	Definition
Earnings per share (EPS) (Rs.)	Profit/loss attributable to ordinary shareholders / Average number of shares
Net assets value per share (NAPS) (Rs.)	Total shareholders' equity / Average number of shares
Dividend per Share (Rs.)	Total Gross Dividend (Proposed) / Number of Shares as at the reporting date
Dividend yield (%)	Dividend per ordinary share / Market price per share X 100
Dividend cover (Times)	Profit/loss attributable to ordinary shareholders / Total dividend paid to shareholders
Dividend payout (%)	Total dividend paid to shareholders / Profit/loss attributable to ordinary shareholders X 100
Earnings yield (%)	Earnings per share / Market price per share x 100
Return on equity (ROE) (%)	Profit/loss attributable to ordinary shareholders/ Average shareholders' equity X 100
Return on asset (ROA) (%)	Profit/loss attributable to ordinary shareholders / Average total assets X 100
Debt to equity (Times)	Borrowings / Total shareholders' equity
Cost to income ratio (%) (Excluding VAT on FS)	Total operating cost without VAT on financial services / Total operating income X 100
Net interest margin (%)	Net interest income / Average total assets x 100
Capital adequacy ratio (%)	Tier 1 & Tier 11 capital / Total risk weighted assets
Cost to income ratio (times)	Total expenses / Total income
Debt to equity ratio (times)	Total debt/ Total equity
Interest cover (times)	Profit before interest and tax expense / Interest expenses
Net profit margin (%)	Profit / (loss) for the year / Income
Operating profit margin (%)	Operating profit / (loss) for the year/ Income

GLOSSARY OF FINANCIAL TERMINOLOGY

ACCOUNTING POLICIES

The specific principles, bases, conventions, rules, and practices adopted by an entity in preparing and presenting financial statements.

ACCRUAL BASIS

Recognising the effects of transactions and other events when they occur without waiting for receipt or payment of cash or cash equivalent.

ACTUARIAL GAIN/(LOSS)

The differences between an employer's actual pension payments relative to the expected payments.

AMORTISATION

The systematic allocation of the depreciable amount of an intangible asset over its useful life.

AMORTISED COST

The amount at which the financial asset or financial liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and minus any reduction for impairment or uncollectability.

ASSET

A resource controlled by the entity as a result of past events and from which future economic benefits are expected to flow to the entity.

ASSET BACKED SECURITISATIONS

Short or long-term financial securities which are backed by financial assets and also referred to Securitisations.

BASIS POINTS

A standard measure for interest rates and other percentages in finance. One basis point equals 1/100th of 1%, or 0.01%.

CAPITAL ADEQUACY RATIO (CAR)

A measure of a Primary Dealer's capital and is a prudential requirement reflecting the dealer's level of stability. Two categories of capital are measured by the CAR namely Tier 1 and Tier 2.

- Tier 1 capital in view of local Primary Dealers consists of shareholders' equity, retained earnings or other surpluses and preference shares types as selectively set out by the Central Bank of Sri Lanka.
- Tier 2 capital includes revaluation reserves, subordinated term debt, perpetual subordinated debt and cumulative preference shares as selectively set out by the Central Bank of Sri Lanka.

CAPITAL EMPLOYED

The sum of shareholders' equity and debt Capital denoting the total amount of capital used in the acquisition of profits.

CAPITAL RESERVES

The profits of a company which (for various reasons) are not regarded as distributable to shareholders as dividends. These include gains on the revaluation of capital assets.

CASH EQUIVALENTS

Short-term, highly liquid investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

COMMERCIAL PAPER

A short term unsecured promissory note issued in the open market by quoted public companies representing an obligation of the issuing entity.

CONTINGENT LIABILITIES

Conditions or situations at the reporting date, the financial effects of which are to be determined by future events which may or may not occur.

CONTROL

The power over an investee, exposure, or rights, to variable returns from its involvement with the investee, and the ability to use its powers over the investee to affect the amount of the investor's returns.

CORPORATE GOVERNANCE

The Process by which corporate entities are governed to promote stakeholder interest. Shareholders exert collective pressure on management to ensure equitable decision making on matters that may affect the value of their holdings and base their response on statutory requirements or on so called "Best Practice".

COST METHOD

Cost method is a method of accounting for an investment whereby the investment is recognised at cost. The investor recognizes income from the investment only to the extent that the investor receives distributions from accumulated profits of the investee arising after the date of acquisition. Distributions received in excess of such profits are regarded as a recovery of investment and are recognised as a reduction of the cost of the investment.

CREDIT RATING

An evaluation of a corporate's ability to repay its obligations or likelihood of not defaulting, carried out by an independent rating agency.

CREDIT RISK

The risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

DEBT MARKET

This also refers to as the bond market. A financial market where participants can issue new fixed income securities, known as the primary market, or buy and sell fixed income securities, known as the secondary market.

GLOSSARY OF FINANCIAL TERMINOLOGY

DEFERRED TAX

Sum set aside in the financial statements that may become payable/receivable in a financial year other than the current financial year. It arises because of temporary differences between tax rules and accounting conventions.

DE-RECOGNITION

Removal of a previously recognised financial asset or financial liability from an entity's Statement of Financial Position.

DERIVATIVES

A derivative is a financial instrument or other contract, the value of which changes in response to some underlying variable (e.g. an interest rate), that has an initial net investment smaller than would be required for other instruments that have a similar response to the variable, and that will be settled at a future date.

DIVIDEND COVER

Profit after tax divided by gross dividends. This measures the number of times the dividend is covered by distributable profits.

DEPRECIATION

The systematic allocation of the depreciable amount of an asset over its useful life.

DIVIDEND PAYOUT

It is the percentage of earnings paid to shareholders in dividends.

DIVIDEND YIELD

Dividend earned per share as a percentage of its market value.

EARNINGS PER SHARE

Profit attributable to ordinary shareholders, divided by the weighted average number of ordinary shares in issue.

EFFECTIVE INTEREST METHOD

A method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period.

EVENTS OCCURRING AFTER THE REPORTING PERIOD

Significant events that occur between the reporting date and the date on which financial statements are authorised for issue.

EQUITY INSTRUMENT

Equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all its liabilities

EXPECTED CREDIT LOSSES

Expected credit losses are a probability – weighted estimate of credit losses over the expected life of the financial instrument.

- 12 Month expected Credit Losses: The portion of expected credit losses that result from default events that are possible within the 12 months after the reporting date.
- Lifetime Expected Credit Losses: The expected credit losses that result from all possible default events over the expected life of a financial instrument.

FAIR VALUE

The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

FINANCIAL ASSETS RECOGNIZED THROUGH PROFIT OR LOSS -MEASURED AT FAIR VALUE

These financial assets are held within a business model with the objective to sell financial assets.

FINANCIAL ASSETS AT AMORTISED COST

These financial assets are held within a business model with the objective to hold financial assets in order to collect contractual cash flows. These assets are tested for impairment.

FINANCIAL ASSETS - FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

These financial assets are held within a business model with the objective to both hold financial assets in order to collect contractual cash flows and sell financial assets.

FINANCIAL ASSET OR FINANCIAL LIABILITY AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial asset or financial liability that is held for trading or upon initial recognition designated by the entity as 'at fair value through profit or losses'.

FINANCIAL INSTRUMENT

Any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

FIXED INCOME SECURITIES

Securities whose current income is fixed or based on some underlying index. These are also known as debt securities since they represent a fixed obligation of the company unlike equity, which pays dividends only when the company makes profits.

GLOBAL REPORTING INITIATIVES (GRI)

GRI is a leading organisation in the sustainability field. GRI promotes the use of sustainability reporting as a way for organisations to become more sustainable and contribute to sustainable development.

GROSS DIVIDENDS

The portion of profit inclusive of tax withheld distributed to shareholders.

GUARANTEE

A promise made for a fee by a third party (Guarantor), who is not a party to the contract between two others, that the guarantor will be liable if one of the parties fails to fulfil the contractual obligations.

IMPAIRMENT

This occurs when recoverable amount of an asset is less than its carrying amount.

IMPAIRMENT ALLOWANCES

Impairment allowances are provisions held on the Statement of Financial Position as a result of the raising of a charge against profit for the incurred loss. An impairment allowance may either be identified or unidentified and individual (specific) or collective respectively.

INTANGIBLE ASSET

An identifiable non-monetary asset without physical substance held for use in the production/supply of goods/services or for rental to others or for administrative purposes.

INTEREST RATE RISK

The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

INTEREST COVER

A ratio showing the number of times interest charges is covered by earnings before interest and tax.

INITIAL PUBLIC OFFERING (IPO)

The first sale of a company's shares to the public, leading to the listing of its shares on the stock market.

ISSUE

The issuance of new shares for sale to public by a company that has already held its Initial Public Offering (IPO).

KEY MANAGEMENT PERSONNEL (KMP)

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly.

KEY PERFORMANCE INDICATORS (KPI)

The quantifiable measures that a company uses to gauge its performance over time.

LEASE

An agreement whereby the lessor conveys to the lessee in return for a payment or series of payments the right to use an asset for an agreed period of time.

LIABILITIES

Debt or obligations of a business.

LIQUIDITY RISK

The risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

LISTED

A company or its financial securities which are admitted for trading on a stock exchange.

LOANS AND RECEIVABLES

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market other than those intended to be sold immediately or in the near term and designated as fair value through profit or loss or available for sale on initial recognition.

MARKET VALUE PER SHARE

The price at which an ordinary share is transacted in the stock market.

MARKET CAPITALIZATION

The market value of a company at a given date obtained by multiplying the share price by the number of issued shares.

MATERIALITY

The relative significance of a transaction or an event, the omission or misstatement of which could influence the decisions of users of financial statements.

NET ASSETS PER SHARE (NAV)

Net assets (total assets less total liabilities) divided by the number of shares issued.

OPERATIONAL RISK

The risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events.

OPERATING ACTIVITIES

The principal revenue producing activities of an entity and other activities that are not investing or financing activities.

GLOSSARY OF FINANCIAL TERMINOLOGY

POLICY RATES

The rates that are used by a central bank to implement or signal its monetary policy stance. The Central Bank of Sri Lanka uses the Standing Deposit Facility Rate and Standing Lending Facility Rate as policy rates.

PRIMARY DEALER

A dealer in government securities licensed by the Central Bank of Sri Lanka.

RELATED PARTIES

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

RELATED PARTY TRANSACTIONS

A transfer of resources, services, or obligations between related parties, regardless of whether a price is charged or not.

REPURCHASE AGREEMENT

An agreement (Repo for short) is the simultaneous sale and repurchase of a security on different settlement dates.

REVERSE REPURCHASE AGREEMENT

An agreement (Reverse Repo for short) is the simultaneous purchase and resale of a security on different settlement dates.

RIGHT OF USE ASSETS

An assets which bears the lessee's right to use that throughout the lease term.

SHAREHOLDERS' FUNDS

The Shareholders funds consist of issued and fully paid ordinary share capital plus capital and revenue reserves.

SIGNIFICANT INFLUENCE

Significant influence is the power to participate in the financial and operating policy decisions of an investee but is not controlled or jointly controlled over those policies.

STATUTORY RESERVE REQUIREMENT (SRR)

A sum equivalent to 10% of profit after tax of a primary dealer has been transferred to Special Risk Reserve in accordance with the Directions issued by the Central Bank of Sri Lanka.

SUBSTANCE OVER FORM

The consideration that the accounting treatment and the presentation in financial statements of transactions and the events are governed by their financial reality and not merely by its legal form.

TRANSACTION COSTS

Incremental costs which are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability.

UNLISTED

A financial instrument that is not traded on a stock exchange. This also refers to a company that has not been admitted to the stock exchange or acquired 'listed' status.

YIELD CURVE

The graphical depiction of the relationship between the yield on Treasury securities and the corresponding period.

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NOTICE OF MEETINGS

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting (AGM) of Capital Alliance PLC (the Company) will be held as a Virtual meeting on 28th August 2025 at 10.30 a.m., for the purpose of conducting the routine business of the Company to be undertaken at an AGM, as set out in the detailed Notice of Meeting available on the Corporate website of the Company https://cal.lk/wp-content/uploads/2025/03/Notice_AGM_2025.pdf and the website of the Colombo Stock Exchange (CSE) : <https://cse.lk/pages/company-profile/company-profile.component.html?symbol=CALT.N0000>

The business to be brought before the Meeting will be to:

1. Read the Notice convening the Meeting
2. Receive and consider the Report of the Board of Directors and the Statements of Accounts for the year ended 31st March 2025 together with the Report of the Auditors thereon.
3. Re- elect as a Director, Mr. W A T Fernando, who will be retiring from the Board by rotation in terms of Articles 79 & 80 of the Articles of Association of the Company.
4. Re- elect as a Director, Ms. K A D Siriwardena, who will be retiring from the Board by rotation in terms of Articles 79 & 80 of the Articles of Association of the Company.
5. Re-elect Mr. J M Jayasuriya as a Director, who was appointed to the Board on 28th November 2024, in terms of Article 86 of the Articles of Association of the Company.
6. Re-appoint M/s KPMG - Sri Lanka, Chartered Accountants, as the Auditors of the Company for the ensuing year and to authorize the Directors to determine their remuneration.
7. Authorize the Directors to determine contributions to charities and other donations for the year 2025/26.

BY ORDER OF THE BOARD OF DIRECTORS OF
CAPITAL ALLIANCE PLC



S S P CORPORATE SERVICES (PRIVATE) LIMITED
SECRETARIES
Colombo, Sri Lanka.
29th July 2025

Notes:

- A shareholder entitled to attend and vote at the above Meeting is entitled to appoint a proxy to attend and vote on his/her behalf.
- A form of proxy accompanies this notice.

The Annual Report of the Company is available on the;

Corporate Website of the Company - https://cal.lk/wp-content/uploads/2025/03/Annual_Report_2025.pdf (THE LINK) Annual Report for Year Ended 31st March 2025 and in the website of the CSE <https://cse.lk/pages/company-profile/company-profile.component.html?symbol=CALT.N0000>

Members may also access the Annual Report and Financial Statements on their mobile phones by scanning the following QR code.



FORM OF PROXY

I/We,.....(NIC No.....) of.....
being a member/members of Capital Alliance PLC hereby appoint Mr./Mrs./Ms.
(NIC No.....) of.....failing him / her,

- Mr. Dinesh Ajith De Zoysa of Colombo or failing him
- Mr. Widanalage Ajith Terence Fernando of Colombo or failing him
- Mr. Rajadurai James Arasaratnam of Colombo or failing him
- Mr. Conganige Sextus Roland Sanjeewa Anthony of Colombo or failing him
- Ms. Aloka Irudiyani Chathurangani Nandasena of Colombo or failing her
- Ms. Koruwage Aruni Dharshika Siriwardene of Colombo or failing her
- Mr. Jehan Maithree Jayasuriya of Colombo

as my /our Proxy to represent me/us and vote and speak for me/us on my/our behalf at the 4th annual General Meeting of the Company to be held as a virtual meeting on 28th August 2025 at 10.30 a.m. and at any adjournment thereof and to vote at every poll which may be taken in consequence thereof.

Please indicate your preference by placing a "X" against the Resolution Number.

	FOR	AGAINST
(1) To receive and consider the Report of the Board of Directors and the Statements of Accounts for the year ended 31st March 2025 together with the Report of the Auditors thereon.		
(2) To re-elect as a Director, Mr. W A T Fernando, who will be retiring from the Board by rotation in terms of Articles 79 & 80 of the Articles of Association of the Company		
(3) To re-elect as a Director, Ms. K A D Siriwardena, who will be retiring from the Board by rotation in terms of Articles 79 & 80 of the Articles of Association of the Company.		
(4) To re-elect Mr. J M Jayasuriya as a Director, who was appointed to the Board on 28th November 2024, in terms of Article 86 of the Articles of Association of the Company.		
(5) To re-appoint M/s KPMG, Sri Lanka, Chartered Accountants, as the Auditors of the Company for the ensuing year and to authorize the Directors to determine their remuneration.		
(6) To authorize the Directors to determine contributions to charities and other donations for the year 2025/26.		

As witness my/our hand/s this day of2025

.....
 NIC Number / Reg. No (Signatures)

Please provide the following details:

- Name of the Shareholder :
- Email Address of the Shareholder :
- CDS A/C No/ NIC No/Company Reg No :
- Folio No/ No of Shares held :
- Name of the Proxy holder :
- Email Address of the Proxy holder :
- Proxy holder's ID No (if not a Director) :

FORM OF PROXY

INSTRUCTIONS AS TO COMPLETION OF FORM OF PROXY

1. Kindly perfect the Form of Proxy by filling in legibly your full name, NIC No, address, instructions as to voting and by signing and filling in the date of signature in the space provided.
2. Please indicate with a 'X' in the cages provided how your proxy is to vote on the Resolutions. If no indication is given, the Proxy in his/her discretion may vote as he/she thinks fit.
3. To be valid , the completed Form of Proxy should be deposited at the Registered Office of the Company , Level 5, "Millennium House", 46/58, Nawam Mawatha, Colombo 2, not less than 48 hours before the time appointed for holding the Meeting.
4. If the Shareholder is a Company or a body corporate, a form of Corporate Representation executed under the Common Seal in accordance with the Articles of Association or the Constitution should be submitted.
5. Where the Form of Proxy is signed under a Power of Attorney (POA) which has not been registered with the Company, the original POA together with a photocopy of same or a copy certified by a Notary Public must be lodged with the Company along with the Form of proxy.
6. In case of Margin Trading Accounts (Slash Accounts), the Form of Proxy should be signed by the respective authorized Fund Manager/ Banker with whom the account is maintained.

CORPORATE INFORMATION

NAME OF THE COMPANY

Capital Alliance PLC (Formally Capital Alliance Limited)

LEGAL FORM

Date of Incorporation: 10th August 2000
Date of Listing in CSE: 15th December 2021

COMPANY REGISTRATION NO.

PQ 00252285

REGISTERED OFFICE

Capital Alliance PLC
Level 5, "Millennium House"
46/58, Navam Mawatha,
Colombo 2, Sri Lanka.
Tel: +94 11 231 7777
Fax: +94 11 231 7788
E Mail: info@cal.lk
URL: www.cal.lk
SWIFT Code: CALDLKXXXX

TAXPAYER IDENTIFICATION NUMBER (TIN)

134008938

ACCOUNTING YEAR END

31st March

BOARD OF DIRECTORS

Mr. D A De Zoysa
Chairman, Non-Executive Non-Independent Director

Mr. W A T Fernando
Non-Executive Non-Independent Director

Mr. R J Arasaratnam
Non-Executive Non-Independent Director

Mr. C S R S Anthony
Non-Executive Non-Independent Director

Ms. A I C Nandasena
Non-Executive Independent Director

Ms. K A D Siriwardene
Non-Executive Independent Director

Mr. J M Jayasuriya
Non-Executive Independent Director

REMUNERATION COMMITTEE MEMBERS

Ms. A. I. C. Nandasena
Chairman, Non-Executive Independence Director

Mr. D. A. De Zoysa
Non-Executive Non-Independence Director

Ms. K. A. D. Siriwardene
Non-Executive Independence Director

AUDIT COMMITTEE MEMBERS

Mr. J. M. Jayasuriya
Chairman, Non-Executive Independent Director

Mr. C. S. R. S. Anthony
Non-Executive Non-Independent Director

Ms. A. I. C. Nandasena
Non-Executive Independent Director

Ms. K. A. D. Siriwardene
Non-Executive Independent Director

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE MEMBERS

Ms. A. I. C. Nandasena
Chairperson, Non-Executive Independent Director

Mr. C. S. R. S. Anthony
Non-Executive Non-Independent Director

Ms. K. A. D. Siriwardene
Non-Executive Independent Director

RISK COMMITTEE MEMBERS

Mr. J. M. Jayasuriya
Chairman, Non-Executive Independent Director

Mr. C. S. R. S. Anthony
Non-Executive Non-Independent Director

Ms. A. I. C. Nandasena
Non-Executive Independent Director

Ms. K. A. D. Siriwardene
Non-Executive Independent Director

NOMINATION AND GOVERNANCE COMMITTEE MEMBERS

Ms. K. A. D. Siriwardene
Chairperson, Non-Executive Independent Director

Mr. D. A. De Zoysa
Non-Executive Non-Independent Director

Ms. A. I. C. Nandasena
Non-Executive Independent Director

EXTERNAL AUDITORS

Messer. KPMG, Chartered Accountants
32A, Sir Mohamed Macan Marker
Mawatha
Colombo 03
Sri Lanka
Tele: +94 11 542 6426
Fax: +94 11 244 5872 / +94 11 244 6058

INTERNAL AUDITORS

Messer. Ernst & Young
Rotunda Towers,
No. 109, Galle Road,
Colombo 03
Sri Lanka
Tele: +94 11 246 3500
Fax: +94 11 269 7369

COMPANY SECRETARIES & REGISTRARS

S S P Corporate Services (Pvt) Limited
101, Inner Flower Road
Colombo 03
Sri Lanka
Tele: +94 11 257 3894
Fax: +94 11 257 3609
Email: sspsec@sltnet.lk

BANKERS

Seylan Bank PLC
Sampath Bank PLC
Nations Trust Bank PLC
Commercial Bank of Ceylon PLC
Peoples Bank
DFCC Bank PLC
National Development Bank PLC
Cargills Bank PLC
Hatton National Bank PLC

LAWYERS

F J and G De Saram
Attorney-At-Law
216, De Saram Place
Colombo 10
Sri Lanka
Tele: +94 11 460 5100
Fax: +94 11 471 8220 / +94 11 2677 863
Email: fgjdesaram@fgjdesaram.com

CREDIT RATING

A (Stable) by Lanka Rating Agency PLC

