

11. ANNEXURES

11.1 ANNEXURE 1 – Accountant's Report and five-year summary



KPMG
(Chartered Accountants)
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06th January 2025

The Board of Directors,
Capital Alliance Holdings Limited,
Level 5, "Millennium House",
46/58, Nawam Mawatha,
Colombo 02,
Sri Lanka.

Dear Sirs,

ACCOUNTANTS' REPORT FOR THE INCLUSION IN THE PROSPECTUS OF CAPITAL ALLIANCE HOLDINGS LIMITED ISSUED IN CONNECTION WITH THE INITIAL PUBLIC OFFER TO SUBSCRIBE UP TO A MAXIMUM NO. OF 157,500,000 ORDINARY SHARES

This report has been prepared for the inclusion in the Prospectus issued in connection with the Initial Public Offer to subscribe up to a maximum no. of 157,500,000 ordinary shares of Capital Alliance Holdings Limited ("the Company").

1 INCORPORATION

The Company was incorporated on 25th March 2003 and commenced its commercial operations on 07th April 2003.

2 FINANCIAL STATEMENTS

We have examined the Financial Statements of Capital Alliance Holdings Limited for the financial years ended 31st March 2020 to 31st March 2024 and report as follows:

2.1 Five Years Summary of Audited Financial Statements

A Summary of Statements of Profit or Loss and Other Comprehensive Income, Statements of Financial Position, Statements of Changes in Equity and Statements of Cash Flows of Capital Alliance Holdings Limited for the years ended 31st March 2020 to 31st March 2024, based on the audited financial statements of the Group and Company are set out in Annexure 1 of the prospectus.

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. Shamsud FCA
Ms. P.M.K. Sumanasekera FCA

T.J.S. Rajakarier FCA
W.K.D.C. Abeyaratne FCA
Ms. B.K.D.T.N. Rodrigo FCA
Ms. C.T.K.N. Perera ACA
R.W.M.D.W.D.B. Rathnayakara FCA

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

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



2.2 Audited Financial Statements for the year ended 31st March 2024

Statement of Financial Position as at 31st March 2024, the related Statement of Profit or Loss and Other Comprehensive Income, Changes in Equity and Cashflows for the year then ended and summary of material accounting policies and other explanatory notes are included in Annexure 2 of the Prospectus.

We have audited these Financial Statements and our audit report thereon dated 26th November 2024 is also enclosed.

2.3 Audit Reports

We have audited the Financial Statements of Capital Alliance Holdings Limited for the years ended 31st March 2020 to 31st March 2024. Unmodified opinions have been expressed on the said Financial Statements.

2.4 Application of Accounting Standards and Accounting Policies

The Financial Statements of the Group and Company for the years ended 31st March 2020 to 31st March 2024 comply with Sri Lanka Accounting Standards.

The accounting policies of the Group and Company are disclosed in the audited Financial Statements of the Group and Company for the years ended 31st March 2020 to 31st March 2024.

There were no material changes in the accounting policies of the Group and Company for the years ended 31st March 2020 to 31st March 2024.

2.5 Dividends paid

The Company has paid dividend during the years ended 31st March 2020 to 31st March 2024 as follows:

Year	Dividend paid (LKR)	Dividend Per Share (LKR)
2019/2020	-	-
2020/2021	225,647,884	2.37
2021/2022	300,376,213	3.15
2022/2023	-	-
2023/2024	1,850,731,034	14.50

2.6 Events after Reporting date

There were no significant events occurred after the last audit report date.



2.7 Restriction on use

This report is made solely for the purpose of inclusion in the prospectus issued in connection with the Initial Public Offering of 157,500,000 ordinary shares by Capital Alliance Holdings Limited.

Yours faithfully,

A handwritten signature in blue ink, appearing to be 'KIM', written over a faint, stylized KPMG logo.

CHARTERED ACCOUNTANTS

CAPITAL ALLIANCE HOLDINGS LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST MARCH,

GROUP	2024 Rs.	2023 Rs.	2022 Rs.	2021 Rs.	2020 Rs.
Interest Income	10,741,758,453	4,933,953,995	662,249,284	1,171,893,216	1,544,525,187
Interest Expense	(6,759,307,512)	(3,320,326,008)	(421,859,171)	(851,805,274)	(1,270,632,385)
Net Interest Income/ (Expense)	3,982,450,941	1,613,627,987	240,390,113	320,087,942	273,892,802
Fee Based Income	2,291,380,619	1,179,733,009	1,463,557,411	1,029,089,634	500,574,966
Net Gains / (losses) from Trading	19,060,617,107	623,824,930	(181,598,626)	1,327,197,460	890,677,273
Net Fair Value Gains/(Losses) from Financial Assets at FVTPL	882,129,474	2,659,289,479	(5,549,284)	(103,843,844)	107,186,939
Direct Expenses	(68,752,133)	(16,912,618)	(7,516,770)	(17,883,924)	(22,182,385)
Other Income / (Expense)	73,378,918	11,620,083	29,154,519	16,559,574	8,561,172
Total Operating Income	26,221,204,926	6,071,182,870	1,538,437,363	2,571,206,842	1,758,710,767
Personnel Expenses	(3,579,266,059)	(1,231,545,577)	(836,229,001)	(729,915,805)	(444,823,033)
Depreciation & Amortization	(103,487,344)	(79,092,245)	(62,127,370)	(59,592,188)	(55,614,860)
Other Operating Expenses	(1,845,627,578)	(981,891,988)	(350,465,908)	(246,345,033)	(295,507,010)
(Impairment) / reversals of Subsidiaries	-	-	-	-	-
Operating Profit/ (Loss)	20,692,823,945	3,778,653,060	289,615,084	1,535,353,816	962,765,864
Share of Profit from Equity accounted Investee (Net of Tax)	21,070,301	4,540,470	5,784,768	(3,747,114)	5,399,871
Profit/(Loss) Before Income Tax	20,713,894,246	3,783,193,530	295,399,852	1,531,606,702	968,165,735
Income Tax (Expense) / Reversal	(6,622,920,742)	(1,007,669,830)	(158,484,026)	(418,916,878)	(282,054,585)
Profit / (Loss) for the year	14,090,973,504	2,775,523,700	136,915,826	1,112,689,824	686,111,150
Profit / (Loss) attributable to:					
Owners of the Company	11,337,769,357	2,239,277,079	171,040,767	1,020,774,715	615,174,884
Non-Controlling Interests	2,753,204,147	536,246,621	(34,124,941)	91,915,109	70,936,266
Profit / (Loss) for the year	14,090,973,504	2,775,523,700	136,915,826	1,112,689,824	686,111,150
Basic Earnings / (Loss) per Share (Rs.)	103.97	23.48	1.79	10.73	6.49



CAPITAL ALLIANCE HOLDINGS LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST MARCH

GROUP	2024 Rs.	2023 Rs.	2022 Rs.	2021 Rs.	2020 Rs.
Profit / (Loss) for the Year	14,090,973,504	2,775,523,700	136,915,826	1,112,689,824	686,111,150
Other Comprehensive Income / (Expense)					
Items that will not be reclassified to Profit or Loss					
Financial Asset Measured at FVOCI - Reclassified to Profit or Loss	-	-	-	-	(36,092,750)
Foreign currency translation differences of foreign operations	(201,223,460)	(201,301,471)	192,575,364	15,931,618	(2,726,278)
Items that will not be reclassified to Profit or Loss					
Defined Benefit Plan Actuarial Gains / (Losses)	(21,246,305)	(9,677,461)	23,745,180	(13,770,802)	2,103,704
Deferred Tax on Actuarial Gains / (Losses)	6,051,625	2,807,266	(4,667,130)	3,331,912	(363,655)
Loss on investment measured at FVTOCI	-	(773,695)	-	-	(174,695)
Share of other comprehensive income from equity accounted investees (net of tax)	(314,812)	3,739,718	9,835,846	2,131,111	78,468
Other Comprehensive Income / (Expense) for the year	(216,732,952)	(205,205,643)	221,489,260	7,623,839	(37,175,206)
Total Comprehensive Income / (Expense) for the year	13,874,240,552	2,570,318,057	358,405,086	1,120,313,663	648,935,944
Total Comprehensive Income/(Expense) attributable to:					
Owners of the Company	11,195,271,631	2,126,920,396	356,534,315	1,028,745,110	581,349,275
Non-controlling interests	2,678,968,921	443,397,661	1,870,771	91,568,553	67,586,669
Total Comprehensive Income/(Expenses) for the year	13,874,240,552	2,570,318,057	358,405,086	1,120,313,663	648,935,944



CAPITAL ALLIANCE HOLDINGS LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31ST MARCH

GROUP	2024	2023	2022	2021	2020
	Rs.	Rs.	Rs.	Rs.	Rs.
ASSETS					
Cash and Cash Equivalents	1,136,890,360	458,381,381	593,890,648	249,680,756	202,231,787
Financial Assets Measured at FVTPL	60,881,033,014	37,907,840,487	8,231,084,853	12,018,231,512	13,848,017,798
Financial Assets Measured at FVOCI	-	7,402,021	112,670,228	9,175,716	9,175,716
Financial Assets Measured at Amortized Cost	1,157,988,494	776,635,029	40,167,893	293,194,530	1,182,251,235
Trade and Other Receivables	2,975,864,325	2,177,793,399	2,466,656,990	1,856,119,326	569,848,922
Amounts Due from Related Entities	-	2,006,562	186,206	1,416,506	2,000,000
Investment in Subsidiaries	-	-	-	-	-
Investment in Joint Venture	-	86,361,754	78,122,307	62,501,693	64,117,696
Intangible Assets	149,708,614	157,032,206	89,097,689	60,782,174	80,742,827
Right of use Assets	102,801,321	137,045,860	129,498,322	59,974,804	14,067,267
Equipment	140,845,836	87,653,382	41,279,402	47,046,416	47,732,216
Deferred Tax Assets	45,622,443	26,294,177	50,182,230	14,278,467	57,942,264
Income Tax Recoverable	-	-	-	-	8,733,754
Total Assets	66,590,754,407	41,824,446,258	11,832,836,768	14,672,401,900	16,086,861,482
EQUITY AND LIABILITIES					
Liabilities					
Bank Overdrafts	-	-	-	80,106,617	208,467,202
Financial Liabilities Measured at Amortised Cost	37,914,225,387	31,897,725,903	6,886,954,879	10,169,835,183	12,953,143,944
Trade and Other Payables	3,912,195,041	1,933,500,669	1,002,714,901	967,184,199	276,251,740
Income Tax Payable	4,992,449,148	894,753,052	106,975,240	200,948,840	336,941,021
Amounts Due to Related Entities	-	-	-	-	250,017
Lease Liability	115,012,852	147,542,646	133,120,410	60,450,750	16,070,487
Deferred Tax Liability	180,298	1,439,962	1,387,910	2,271,858	-
Retirement Benefit Obligations	148,402,712	104,664,498	82,841,298	95,145,054	64,574,240
Total Liabilities	47,082,465,438	34,979,626,730	8,213,994,638	11,575,942,501	13,855,698,651
Equity					
Stated Capital	2,532,798,096	223,231,471	88,936,700	88,936,700	61,250,030
Special Risk Reserve	2,316,818,030	927,499,681	644,799,017	644,799,017	548,150,903
Fair Value Reserve	-	20,033,695	17,067,672	7,231,826	5,100,715
Retained Earnings	11,808,827,473	3,962,188,781	2,034,715,805	2,087,649,855	1,415,012,116
Foreign Currency Translation Reserve	(67,506,497)	61,298,454	170,747,153	13,205,340	(2,726,278)
Equity attributable to owners of the Company	16,590,937,102	5,194,252,082	2,956,266,347	2,841,822,738	2,026,787,486
Non Controlling Interest	2,917,351,867	1,650,567,446	662,575,783	254,636,661	204,375,345
Total Equity	19,508,288,969	6,844,819,528	3,618,842,130	3,096,459,399	2,231,162,831
Total Liabilities and Equity	66,590,754,407	41,824,446,258	11,832,836,768	14,672,401,900	16,086,861,482
Net Assets Value per Share (Rs.)	129.99	52.86	31.00	29.80	21.38



CAPITAL ALLIANCE HOLDINGS LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST MARCH

GROUP	Stated Capital Rs.	Fair Value Reserve Rs.	Foreign Currency Translation reserve Rs.	Special Risk Reserve Rs.	Retained Earnings Rs.	Total Rs.	Non Controlling Interests Rs.	Total Rs.
Balance as at 01 st April 2019	61,250,030	32,829,522	-	474,411,715	996,859,659	1,565,350,966	189,944,700	1,755,295,666
Impact on adoption of IFRIC 23	-	-	-	-	(99,271,821)	(99,271,821)	(10,542,140)	(109,813,961)
Adjusted Balance as at 01 st April 2019	61,250,030	32,829,522	-	474,411,715	897,587,838	1,466,079,145	179,402,560	1,645,481,705
Total comprehensive income for the year	-	-	-	-	615,174,884	615,174,884	70,936,266	686,111,150
Other comprehensive Income for the year	-	(27,728,807)	(2,726,278)	-	(3,370,524)	(33,825,609)	(3,349,397)	(37,175,206)
Total Comprehensive Expense	-	(27,728,807)	(2,726,278)	-	611,804,360	581,349,276	67,586,670	648,935,946
Transferred To the Special Risk Reserve	-	-	-	73,739,188	(73,739,188)	-	-	-
Transactions with equity holders	-	-	-	-	-	-	-	-
Adjustment due to changes in holding	-	-	-	-	(20,913,063)	(20,913,063)	(15,802,407)	(36,715,470)
Adjustment due to loss of Control	-	-	-	-	272,129	272,129	(29,311,486)	(29,039,358)
Issue of Shares (Pending Allotment)	-	-	-	-	-	-	2,500,010	2,500,010
Total Transactions with owners of the Company	-	-	-	-	(20,640,934)	(20,640,934)	(42,613,883)	(63,254,818)
Balance as at 31 st March 2020	61,250,030	5,100,715	(2,726,278)	548,150,903	1,415,012,116	2,026,787,487	204,375,347	2,231,162,831
Balance as at 01 st April 2020	61,250,030	5,100,715	(2,726,278)	548,150,903	1,415,012,116	2,026,787,486	204,375,345	2,231,162,831
Shares issued during the year	27,686,670	-	-	-	-	27,686,670	-	27,686,670
Total comprehensive income for the year	-	-	-	-	1,020,774,715	1,020,774,715	91,915,109	1,112,689,824
Other comprehensive Income for the year	-	2,171,111	15,931,618	-	(10,092,334)	7,970,395	(346,556)	7,623,839
Total Comprehensive Expense	-	2,171,111	15,931,618	-	1,010,682,381	1,028,745,111	91,568,554	1,120,313,664
Transferred To the Special Risk Reserve	-	-	-	96,648,114	(96,648,114)	-	-	-
Dividends Payment	-	-	-	-	(225,647,880)	(225,647,880)	(29,369,215)	(255,017,095)
Transactions with equity holders	-	-	-	-	-	-	-	-
Adjustment due to changes in holding	-	-	-	-	(15,748,648)	(15,748,648)	(11,938,022)	(27,686,670)
Total Transactions with owners of the Company	-	-	-	-	(15,748,648)	(15,748,648)	(11,938,022)	(27,686,670)
Balance as at 31 st March 2021	88,936,700	7,231,826	13,205,340	644,799,017	2,087,649,855	2,841,822,739	254,636,661	3,096,459,399
Balance as at 01 st April 2021	88,936,700	7,231,826	13,205,340	644,799,017	2,087,649,855	2,841,822,739	254,636,661	3,096,459,399
Shares issued during the year	-	-	-	-	-	-	497,378,390	497,378,390
Total comprehensive income for the year	-	-	-	-	171,040,767	171,040,767	(34,124,941)	136,915,826
Other comprehensive Income for the year	-	9,835,846	157,541,813	-	18,115,889	185,493,548	35,995,712	221,489,260
Total Comprehensive Income	-	9,835,846	157,541,813	-	189,156,656	356,534,315	1,870,771	358,405,086
Transferred To the Special Risk Reserve	-	-	-	-	-	-	-	-
Dividend paid during the year	-	-	-	-	(300,376,215)	(300,376,215)	(33,024,530)	(333,400,745)
Transactions with equity holders	-	-	-	-	-	-	-	-
Adjustment due to changes in holding	-	-	-	-	58,285,509	58,285,509	(58,285,509)	-
Total Transactions with owners of the Company	-	-	-	-	58,285,509	58,285,509	(58,285,509)	-
Balance as at 31 st March 2022	88,936,300	17,067,672	170,747,153	644,799,017	2,034,715,805	2,956,266,347	662,575,783	3,618,842,130
Balance as at 01 st April 2022	88,936,300	17,067,672	170,747,153	644,799,017	2,034,715,805	2,956,266,347	662,575,783	3,618,842,131
Shares issued during the year	134,294,771	-	-	-	-	134,294,771	-	134,294,771
Acquisition of subsidiary during the year	-	-	-	-	-	-	524,563,476	524,563,476
Total comprehensive income for the year	-	-	-	-	2,239,277,079	2,239,277,079	536,246,621	2,775,523,700
Other comprehensive Income for the year	-	2,966,023	(109,448,699)	-	(5,874,007)	(112,356,683)	(92,848,960)	(205,205,643)
Total Comprehensive Income	-	2,966,023	(109,448,699)	-	2,233,403,072	2,126,920,396	443,397,661	2,570,318,057
Transferred To the Special Risk Reserve	-	-	-	282,700,664	(282,700,664)	-	-	-
Dividend paid during the year	-	-	-	-	-	-	(3,198,906)	(3,198,906)
Transactions with equity holders	-	-	-	-	-	-	-	-
Adjustment due to changes in holding	-	-	-	-	(23,229,432)	(23,229,432)	23,229,432	-
Adjustment due to Loss of Control	-	-	-	-	-	-	-	-
Issue of Shares (Pending Allotment)	-	-	-	-	-	-	-	-
Total transactions with owners of the Company	-	-	-	-	(23,229,432)	(23,229,432)	23,229,432	-
Balance as at 31 st March 2023	223,231,471	20,033,695	61,298,454	927,499,681	3,962,188,781	5,194,252,082	1,650,567,446	6,844,819,528



Balance as at 01 st April 2023	223,231,471	20,033,695	61,298,434	927,499,681	3,962,188,781	5,194,252,082	1,650,567,946	6,844,819,528
Share issued during the year	2,309,566,625	-	-	-	-	2,309,566,625	-	2,309,566,625
Disposal of equity accounted investees during the year	-	(35,391,863)	-	-	(31,725,380)	(17,117,243)	-	(47,117,243)
Total comprehensive income for the year	-	-	-	-	11,337,769,357	11,337,769,357	2,753,204,147	14,090,973,504
Loss for the year	-	(314,812)	(128,804,951)	-	(13,377,962)	(141,497,720)	(74,225,220)	(216,232,552)
Other comprehensive Income/ (Expense) for the year	-	(314,812)	(128,804,951)	-	(13,377,962)	(141,497,720)	(74,225,220)	(216,232,552)
Total Comprehensive Expense	-	(314,812)	(128,804,951)	-	(13,377,962)	(141,497,720)	(74,225,220)	(216,232,552)
Transferred To the Special Risk Reserve	-	-	-	1,389,318,349	(1,389,318,349)	-	-	-
Reclassification of Fair Value Reserve	-	(4,327,020)	-	-	4,327,020	-	-	-
Dividend Payment	-	-	-	-	(1,850,731,034)	(1,850,731,034)	(506,887,187)	(2,357,618,221)
Transactions with equity holders	-	-	-	-	(210,304,959)	(210,304,959)	210,304,959	-
Adjustment due to changes in holding	-	-	-	-	-	-	-	-
Investment in Subsidiary	-	-	-	-	-	-	(1,312,585,481)	(1,312,585,481)
Issue of Shares (Pending Allotment)	-	-	-	-	-	-	196,983,208	196,983,208
Total transactions with owners of the Company	-	-	-	-	(210,304,959)	(210,304,959)	(905,297,314)	(1,115,602,273)
Balance as at 31 st March 2024	2,532,798,096	-	(67,506,497)	2,316,818,030	11,808,827,473	16,590,937,102	2,917,351,866	19,508,288,968



CAPITAL ALLIANCE HOLDINGS LIMITED

STATEMENT OF CASH FLOW

FOR THE YEAR ENDED 31ST MARCH

GROUP

CASH FLOWS FROM OPERATING ACTIVITIES

	2024 Rs.	2023 Rs.	2022 Rs.	2021 Rs.	2020 Rs.
Profit / (Loss) before Income Tax Expense	20,713,894,246	3,783,193,530	295,399,852	1,331,606,702	968,165,735
<i>Adjustments For:</i>					
Depreciation of Property Plant & Equipment	42,760,936	20,433,819	17,802,374	16,027,715	13,195,231
Amortization of Intangible Assets	12,148,195	15,264,278	23,033,673	26,394,294	23,663,274
Provision for Retiring Gratuity	34,507,409	22,771,739	15,095,168	17,335,003	15,626,188
Loss on Disposals of Property Plant & Equipment and Intangible Assets	4,896,303	1,429,415	2,233,651	111,552	652,991
Share of (profit)/loss of equity accounted investees (net of tax)	(21,070,301)	(4,540,470)	(5,784,768)	3,747,114	(5,399,871)
Disposal Gain on Sale of Associate	(1,945)	-	-	-	-
Provision for impairment of trade receivables	12,758,179	6,095,043	1,900,710	5,986,467	4,921,343
Write off Investment in Un quoted Shares	7,402,021	-	-	-	-
Provision for Investment in Un quoted Shares	20,872,440	-	-	-	-
Provision for impairment of Financial Assets Measured At FVOCI	-	-	1,000,000	-	-
Impairment of Subsidiary	-	-	-	-	-
Write off of debtors	-	-	4,669,988	1,593,263	920,714
Depreciation of ROU Assets	48,578,212	43,394,148	21,301,323	17,170,179	18,756,355
Finance Cost on ROU Assets	11,349,707	11,741,754	6,614,016	1,903,021	3,100,952
Net Fair Value Gains/(Losses) from Financial Assets at FVTPL	(882,129,474)	(2,659,289,479)	5,549,284	103,843,844	(107,186,939)
Net Capital (Gain)/ Losses on sale Investment in Shares	8,987,090	14,799,249	(55,737,420)	2,064,204	17,779,819
Net Capital Gains on Investment in Unit Trusts	(58,943,785)	(22,504,959)	(17,862,097)	(17,179,604)	(7,584,610)
Net Capital Gain on Debentures	-	-	-	-	(2,895,978)
Dividend Income	(21,296,934)	(3,814,385)	(8,573,019)	(4,604,464)	(2,940,744)
Net Capital Gain/ (Losses) on Treasury Bills, Bonds and Sovereign Bonds	(19,010,660,412)	(616,119,220)	255,198,143	(1,312,082,060)	(854,576,004)
Interest Income	(10,741,758,453)	(4,933,953,995)	(662,249,284)	(1,127,853,113)	(1,544,525,187)
Interest Expense	6,747,957,805	3,308,584,254	415,245,155	849,902,253	1,267,531,433
Operating Profit / (Loss) before Changes in Operating Activities	(3,069,748,761)	(1,012,515,279)	314,826,749	115,966,371	(190,795,297)
(Increase) / Decrease in Securities Purchase under Resale Agreements	(643,071,732)	(332,661,714)	938,547	812,178,509	989,003,462
(Increase) / Decrease in Financial Assets measured at FVTPL	(1,170,065,235)	(26,334,339,601)	2,921,618,786	3,486,210,719	(3,565,769,462)
(Increase) / Decrease in Trade and Other Receivables	(812,929,433)	29,670,623	(596,213,349)	(1,320,911,174)	(120,963,311)
(Increase) / Decrease in Amounts Due from Related Entities	2,006,562	(1,820,356)	1,230,300	583,494	(2,000,000)
Increase / (Decrease) in Securities Sold Under Repurchase Agreements	7,386,675,801	24,569,617,769	(3,034,866,847)	(3,494,025,527)	1,541,636,769
Increase / (Decrease) in Amounts Due to Related Entities	-	-	-	(250,017)	250,017
Increase / (Decrease) in Trade & Other Payables	1,978,694,372	946,186,190	34,088,607	690,932,458	184,110,001
	3,671,561,574	(2,135,862,368)	(318,377,207)	290,684,833	(1,164,527,821)
Tax Paid	(2,534,075,531)	(240,202,579)	(291,587,640)	(465,187,080)	(67,187,700)
Gratuity Paid	(12,015,500)	(10,626,000)	(3,653,744)	(535,000)	(6,458,730)
Net cash Generated from/ (Used in) Operating Activities	1,125,470,543	(2,386,690,947)	(613,618,591)	(175,037,248)	(1,238,174,271)
CASH FLOWS FROM INVESTING ACTIVITIES					
Net Investment in Shares	(1,095,383,289)	(3,020,264)	363,280,525	(134,374,248)	56,149,845
Net Investment in Commercial Papers	-	-	241,834,522	203,668,082	(237,846,369)
Proceeds from Disposal of Associate	107,434,000	-	-	-	-
Investment in Subsidiaries	(1,115,602,273)	-	-	-	(72,180,256)
Net Cash outflow on divestment of Subsidiary	-	-	-	-	(27,551,596)
Investment in Joint Venture	-	-	-	-	(59,400,000)
Investment in Financial Assets Measured at FVOCI	(20,872,440)	-	-	-	-
Sale Proceeds from Disposal of Property, Plant & Equipment	-	4,388,480	2,118,482	-	130,899
Acquisition of Subsidiary, Net of Cash Acquired	-	820,804,201	-	-	-
Acquisition of Property, Plant and Equipment	(103,250,834)	(71,241,557)	(14,523,246)	(15,453,467)	(42,239,465)
Acquisition of Software	(14,833,280)	(12,695,082)	(37,101,520)	(6,433,641)	(32,547,460)
Net (Investment)/Redemption in Debentures	-	-	6,157,101	(4,897,410)	708,311,162
Net (Investment) in shares investments in Beta One	-	-	(104,494,532)	-	-
Net (Investment)/ withdrawal of Placement with Banks	261,718,267	(403,805,422)	6,077,935	-	-
Net (Investment) in Available for sale financial assets- Treasury Bonds	-	-	-	-	424,763,400
Net (Investment) in Long Term Deposit	-	-	-	-	(5,717,439)
Net (Investment)/Redemption in Unit Trust Funds	(765,476,051)	(43,335,172)	315,099,438	(298,696,569)	239,769,106
Dividend Received	21,296,934	3,814,385	8,573,019	4,604,464	2,940,744
Interest Income Received	10,741,758,453	4,933,953,995	660,267,815	1,006,052,985	1,289,334,162
Net cash Generated from Investing Activities	8,016,789,487	5,228,863,564	1,447,289,559	754,470,198	2,243,916,734
CASH FLOWS FROM FINANCING ACTIVITIES					
Net Issue / (settlement) of Commercial Papers	(1,697,209,787)	814,921,865	(239,860,239)	(91,148,225)	271,723,101
Net settlement of Term Loans	140,000,000	(541,500,000)	(53,600,000)	705,100,000	(25,000,000)
Interest Paid	(6,560,924,335)	(3,140,852,864)	(369,591,578)	(757,889,218)	(1,147,589,480)
Lease Rental Paid	(57,235,986)	(53,065,067)	(25,116,951)	(20,600,476)	(19,854,087)
Shares issued during the year	2,309,566,625	134,294,771	497,378,390	-	-
Dividend Paid	(2,357,618,221)	(3,198,506)	(333,400,745)	(235,017,095)	-
Net cash Generated From / (used in) Financing Activities	(8,223,421,704)	(2,789,400,201)	(524,191,123)	(419,555,014)	(920,720,466)
Net increase/(decrease) in Cash and Cash equivalents	918,838,326	52,772,416	309,479,845	159,877,936	85,021,996
Cash and Cash equivalents at the beginning of the year	458,381,381	593,890,648	169,574,139	(6,235,415)	(88,531,134)
Effect of movement in exchange rates	(240,329,347)	(188,281,683)	114,836,664	15,931,618	(1,218,288)
Cash and Cash equivalents at the end of the year	1,136,890,360	458,381,381	593,890,648	169,574,139	85,021,996



CAPITAL ALLIANCE HOLDINGS LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST MARCH,

COMPANY	2024 Rs.	2023 Rs.	2022 Rs.	2021 Rs.	2020 Rs.
Interest Income	76,988,878	53,155,676	22,073,919	49,688,616	104,907,402
Interest Expense	(176,518,025)	(279,176,510)	(109,639,822)	(137,993,298)	(175,390,352)
Net Interest Income/ (Expense)	(99,529,147)	(226,020,834)	(87,565,903)	(88,304,682)	(70,482,950)
Fee Based Income	3,913,143	57,666,900	23,104,704	43,983,482	77,059,614
Net Gains / (losses) from Trading	19,512,068	19,609,671	10,911,441	(5,904,906)	(13,175,917)
Net Fair Value Gains/(Losses) from Financial Assets at FVTPL	9,021,051	(9,236,868)	10,367,775	28,776,087	29,553,196
Direct Expenses	-	-	-	(15,620)	-
Other Income / (Expense)	2,182,564,022	89,909,873	595,132,017	312,960,082	2,887,848
Total Operating Income / (Expense)	2,115,481,137	(68,071,258)	551,950,034	291,494,443	25,841,791
Personnel Expenses	(53,515,849)	(49,792,264)	(12,136,537)	(16,338,108)	(19,147,052)
Depreciation & Amortization	(7,147,301)	(8,014,034)	(9,147,214)	(8,474,417)	(6,252,386)
Other Operating Expenses	(123,024,964)	(42,608,093)	(70,143,099)	(39,737,305)	(25,642,484)
(Impairment) / reversals of Subsidiaries	3,914,626	7,195,573	11,666,411	16,286,850	(3,956,339)
Operating Profit/ (Loss)	1,935,707,649	(161,290,076)	472,189,595	243,231,463	(29,156,470)
Share of Profit from Equity accounted Investee (Net of Tax)	-	-	-	-	-
Profit/(Loss) Before Income Tax	1,935,707,649	(161,290,076)	472,189,595	243,231,463	(29,156,470)
Income Tax (Expense) / Reversal	864,576	2,953,245	(45,686,896)	(57,647,352)	-
Profit / (Loss) for the year	1,936,572,225	(158,336,831)	426,502,699	185,584,111	(29,156,470)
Profit / (Loss) attributable to:					
Owners of the Company	1,936,572,225	(158,336,831)	426,502,699	185,584,111	(29,156,470)
Non-Controlling Interests	-	-	-	-	-
Profit / (Loss) for the year	1,936,572,225	(158,336,831)	426,502,699	185,584,111	(29,156,470)
Basic Earnings / (Loss) per Share (Rs.)	17.76	(1.66)	4.47	1.95	(0.31)



CAPITAL ALLIANCE HOLDINGS LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST MARCH

COMPANY	2024 Rs.	2023 Rs.	2022 Rs.	2021 Rs.	2020 Rs.
Profit / (Loss) for the Year	1,936,572,225	(158,336,831)	426,502,699	185,584,111	(29,156,470)
Other Comprehensive Income / (Expense)					
Items that will not be reclassified to Profit or Loss					
Defined Benefit Plan Actuarial Gains / (Losses)	(3,462,159)	1,271,933	1,593,587	38,989	521,618
Deferred Tax on Actuarial Gains / (Losses)	1,038,648	(381,580)	(382,461)	(9,357)	(174,695)
Loss on Investment measured at FVTOCI	-	(773,695)			
Other Comprehensive Income / (Expense) for the year	(2,423,511)	116,658	1,211,126	29,632	346,923
Total Comprehensive Income / (Expense) for the year	1,934,148,714	(158,220,173)	427,713,826	185,613,743	(28,809,547)
Total Comprehensive Income/(Expense) attributable to:					
Owners of the Company	1,934,148,714	(158,220,173)	427,713,826	185,613,743	(28,809,547)
Non-controlling interests	-	-	-	-	-
Total Comprehensive Income/(Expenses) for the year	1,934,148,714	(158,220,173)	427,713,826	185,613,743	(28,809,547)



CAPITAL ALLIANCE HOLDINGS LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31ST MARCH

	2024 Rs.	2023 Rs.	2022 Rs.	2021 Rs.	2020 Rs.
COMPANY					
ASSETS					
Cash and Cash Equivalents	11,399,645	49,412,397	101,770,128	15,065,040	3,838,079
Financial Assets Measured at FVTPL	473,366,448	29,245,420	145,833,401	322,630,754	221,565,423
Financial Assets Measured at FVOCI	-	7,402,021	8,175,716	8,175,716	8,175,716
Other Investments	-	-	-	246,010,155	405,695,890
Trade and Other Receivables	76,093,412	201,148,275	221,252,614	468,066,242	199,434,530
Amounts Due from Related Entities	144,733,691	70,130,984	27,932,069	13,990,170	46,004,576
Loan given to Related Company	-	1,023,143,836	-	-	-
Investment in Subsidiaries	2,269,287,082	1,029,898,502	1,432,234,529	1,202,103,816	805,570,799
Investment in Joint Venture	-	60,000,000	60,000,000	60,000,000	60,000,000
Intangible Assets	3,787,829	5,220,733	5,547,213	6,097,475	3,906,391
Property, Plant and Equipment	1,987,009	6,459,460	13,440,686	24,895,372	22,622,196
Deferred Tax Assets	4,775,705	2,872,481	300,816	-	51,054,986
Income Tax Receivable	9,656,037	9,656,037	-	-	5,650,947
Total Assets	2,995,086,858	2,494,590,146	2,016,487,171	2,367,034,740	1,833,519,533
EQUITY AND LIABILITIES					
Liabilities					
Bank Overdrafts	-	-	-	-	188,384,581
Financial Liabilities Measured at Amortised Cost	-	1,808,524,688	1,409,320,442	1,877,210,804	1,174,140,525
Trade and Other Payables	35,649,314	30,926,621	18,390,663	12,536,235	13,514,655
Income Tax Payable	-	-	4,282,967	558,951	-
Amounts Due to Related Entities	3,179,501	98,600,190	13,822,034	31,037,812	327,599
Deferred Tax Liability	-	-	-	391,825	-
Retirement Benefit Obligations	17,456,276	10,921,185	1,128,201	3,093,862	2,599,451
Total Liabilities	56,485,091	1,948,972,684	1,446,944,307	1,924,829,489	1,378,966,811
Equity					
Stated Capital	2,532,798,096	223,231,471	88,936,700	88,936,700	61,250,030
Fair Value Reserve	-	4,327,020	5,100,715	5,100,715	5,100,715
Retained Earnings	405,803,671	318,058,971	475,505,449	348,167,836	388,201,977
Total Equity	2,938,601,767	545,617,462	569,542,864	442,205,251	454,552,722
Total Liabilities and Equity	2,995,086,858	2,494,590,146	2,016,487,171	2,367,034,740	1,833,519,533
Net Assets Value per Share (Rs.)	23.02	5.55	5.97	4.64	4.79



CAPITAL ALLIANCE HOLDINGS LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST MARCH

COMPANY	Stated Capital Rs.	Fair Value Reserve Rs.	Retained Earnings Rs.	Total Rs.
Balance as at 01 st April 2019	61,250,030	5,275,411	416,836,827	483,362,268
Total comprehensive income for the year	-	-	(29,156,470)	(29,156,470)
Loss for the year	-	(174,695)	521,618	346,923
Other comprehensive Income for the year	-	(174,695)	521,618	346,923
Total Comprehensive Expense	-	(174,695)	(28,634,852)	(28,809,547)
Balance as at 31 st March 2020	61,250,030	5,100,715	388,201,977	454,552,722
Balance as at 01 st April 2020	61,250,030	5,100,715	388,201,977	454,552,722
Shares issued during the year	27,686,670	-	-	27,686,670
Total comprehensive income for the year	-	-	185,584,111	185,584,111
Profit for the year	-	-	29,632	29,632
Other comprehensive Income for the year	-	-	29,632	29,632
Total Comprehensive Income	-	-	185,613,743	185,613,743
Dividend paid during the year	-	-	(225,647,884)	(225,647,884)
Balance as at 31 st March 2021	88,936,700	5,100,715	348,167,836	442,205,251
Balance as at 01 st April 2021	88,936,700	5,100,715	348,167,836	442,205,251
Total comprehensive income for the year	-	-	426,502,699	426,502,699
Profit for the year	-	-	1,211,126	1,211,126
Other comprehensive Income for the year	-	-	1,211,126	1,211,126
Total Comprehensive Income	-	-	427,713,826	427,713,826
Dividend paid during the year	-	-	(300,376,213)	(300,376,213)
Balance as at 31 st March 2022	88,936,700	5,100,715	475,505,449	569,542,864
Balance as at 01 st April 2022	88,936,700	5,100,715	475,505,449	569,542,864
Shares issued during the year	134,294,771	-	-	134,294,771
Total comprehensive income for the year	-	-	(158,336,831)	(158,336,831)
Loss for the year	-	(773,695)	890,353	116,658
Other comprehensive Income/ (Expenses) for the year	-	(773,695)	890,353	116,658
Total Comprehensive Expense	-	(773,695)	(157,446,478)	(158,220,173)
Balance as at 31 st March 2023	223,231,471	4,327,020	318,058,971	545,617,462
Balance as at 01 st April 2023	223,231,471	4,327,020	318,058,971	545,617,462
Shares issued during the year	2,309,566,625	-	-	2,309,566,625
Total comprehensive income for the year	-	-	1,936,572,225	1,936,572,225
Profit for the year	-	-	(2,423,511)	(2,423,511)
Other comprehensive Expenses for the year	-	-	(2,423,511)	(2,423,511)
Total Comprehensive Income	-	-	1,934,148,714	1,934,148,714
Reclassification of Fair Value Reserve	-	(4,327,020)	4,327,020	-
Dividend Paid during the year	-	-	(1,850,731,034)	(1,850,731,034)
Balance as at 31 st March 2024	2,532,798,096	-	405,803,671	2,938,601,767



CAPITAL ALLIANCE HOLDINGS LIMITED
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31ST MARCH

COMPANY	2024 Rs.	2023 Rs.	2022 Rs.	2021 Rs.	2020 Rs.
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit / (Loss) before Income Tax Expense	1,935,707,649	(161,290,076)	472,189,595	243,271,463	(29,156,470)
<i>Adjustments For:</i>					
Depreciation of Property Plant & Equipment	4,830,451	5,691,702	6,910,753	5,897,559	3,868,447
Amortization of Intangible Assets	2,316,850	2,322,332	2,216,462	2,581,857	2,383,939
Provision for Retiring Gratuity	3,072,932	962,417	547,936	533,400	1,067,963
Loss on Disposals of Property Plant & Equipment and Intangible Assets	503,337	1,377,365	2,238,424	-	658,597
Disposal Gain/ (Loss) on Sale of Subsidiary Shares	49,205,312	-	1,253,096	-	-
Disposal Gain on Sale of Associate	(47,434,000)	-	-	-	-
Impairment of Investment in Subsidiaries	(3,914,626)	(7,195,573)	(11,666,411)	(16,286,850)	3,956,339
Provision for impairment of trade receivables	(467,296)	713,579	342,296	-	775,867
Write off of debtors	-	-	-	335,825	420,714
Write off Investment in Un quoted Shares	7,402,021	-	-	-	-
Provision for Investment in Un quoted Shares	20,872,440	-	-	-	-
Net Fair Value Gains/(Losses) from Financial Assets at FVTPL	(9,021,051)	9,236,868	(10,367,775)	(28,776,087)	(29,553,196)
Net Capital (Gain)/ Losses on sale Investment in Shares	(263,868)	794,400	(3,433,265)	6,620,534	17,779,819
Net Capital Gains on Investment in Unit Trusts	(19,248,200)	(20,404,071)	(7,478,176)	(715,628)	(1,609,312)
Net Capital Gain on Debentures	-	-	-	-	(2,994,590)
Dividend Income	(2,181,988,248)	(89,027,874)	(596,597,427)	(312,273,903)	(2,940,744)
Interest Income	(76,988,878)	(53,155,676)	(22,073,919)	(49,688,616)	(104,907,402)
Interest Expense	176,518,025	279,176,510	109,639,822	137,993,298	175,390,352
Operating Loss before Changes in Operating Activities	(138,898,150)	(30,798,097)	(56,258,600)	(10,557,148)	35,140,322
(Increase) / Decrease in Securities Purchase under Resale Agreements	-	-	-	-	92,280,216
(Increase) / Decrease in Trade and Other Receivables	125,522,159	19,391,160	246,471,332	(268,967,538)	(85,650,202)
(Increase) / Decrease in Amounts Due from Related Entities	(74,602,707)	(32,096,415)	(13,941,898)	32,014,406	(9,529,633)
Increase / (Decrease) in Securities Sold Under Repurchase Agreements	-	-	-	-	(663,278,332)
Increase / (Decrease) in Amounts Due to Related Entities	(95,220,689)	84,778,156	(17,215,778)	30,710,213	(52,969,738)
Increase / (Decrease) in Trade & Other Payables	4,722,693	12,535,958	5,854,428	(978,420)	16,092,795
	(178,476,694)	53,810,762	164,909,484	(217,773,487)	(667,914,571)
Tax Paid	-	(13,939,004)	(43,037,982)	-	-
Gratuity Paid	-	-	(920,000)	-	(1,072,500)
Net cash Generated from/ (Used in) Operating Activities	(178,476,694)	39,871,758	120,951,502	(217,773,487)	(668,987,071)
CASH FLOWS FROM INVESTING ACTIVITIES					
Net Investment in Shares	(96,467,408)	4,969,281	115,598,393	71,090,222	56,149,845
Net Investment in Commercial Papers	-	-	241,834,521	203,668,082	(237,849,751)
Loan given to related party	1,023,143,836	-	-	-	-
Proceeds from Disposal of Associate	107,434,000	-	-	-	-
Investment in Subsidiaries	(1,312,585,481)	409,531,600	(219,717,398)	(352,559,497)	(218,898,570)
Investment in Joint Venture	-	-	-	-	(59,400,000)
Sale Proceeds from Disposal of Property, Plant & Equipment	-	-	2,330,936	-	64,000
Acquisition of Property, Plant and Equipment	(358,000)	-	(45,426)	(8,165,735)	(25,070,300)
Acquisition of Software	(1,386,283)	(2,084,094)	(1,666,200)	(4,772,941)	(1,671,810)
Proceeds from Disposal of Subsidiary	27,906,215	-	-	-	-
Investment in Financial Assets Measured at FVOCI	(20,872,440)	-	-	-	-
Net (Investment)/Redemption in Debentures	-	-	6,157,101	(4,897,410)	681,963,958
Net (Investment)/Redemption in Unit Trust Funds	(319,120,501)	121,991,503	82,478,176	(149,284,372)	251,609,263
Dividend Received	2,181,988,248	89,027,874	596,597,427	312,273,903	2,940,744
Interest Income Received	76,988,878	30,011,840	20,092,453	10,603,681	582,452
Net cash Generated from Investing Activities	1,666,671,064	653,448,004	843,659,983	77,955,933	430,419,871
CASH FLOWS FROM FINANCING ACTIVITIES					
Net Issue / (settlement) of Commercial Papers	(1,683,524,688)	475,004,371	(337,124,485)	197,673,874	282,319,280
Loan Given to Related Company	-	(1,000,000,000)	-	-	-
Net settlement of Term Loans	(125,000,000)	(300,000,000)	(200,000,000)	400,000,000	(25,000,000)
Interest Paid	(176,518,025)	(54,976,635)	(40,405,699)	(32,596,893)	(59,212,656)
Shares Issued	2,309,566,625	134,294,771	-	-	-
Dividend Paid	(1,850,731,034)	-	(300,376,213)	(225,647,885)	-
Net cash Generated From / (used in) Financing Activities	(1,526,207,122)	(745,677,493)	(877,906,397)	339,429,096	198,106,623
Net increase/(decrease) in Cash and Cash equivalents	(38,012,752)	(52,357,731)	86,705,088	199,611,542	(20,460,577)
Cash and Cash equivalents at the beginning of the year	49,412,397	101,770,128	15,065,040	(184,546,502)	(164,085,925)
Cash and Cash equivalents at the end of the year	11,399,645	49,412,397	101,770,128	15,065,040	(184,546,502)



11.2 ANNEXURE 2 – Audited Financial Statements for the year ended 31st March 2024

CAPITAL ALLIANCE HOLDINGS LIMITED
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31ST MARCH 2024



KPMG
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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF CAPITAL ALLIANCE HOLDINGS LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Capital Alliance Holdings Limited ("the Company") and the consolidated financial statements of the company and its subsidiaries ("the Group") which comprise the statement of financial position as at March 31st, 2024, and the statement of profit and 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.

In our opinion, the accompanying financial statements of the Company and the Group give a true and fair view of the financial position of the Company and the Group as at March 31st, 2024, and of its financial performance and its 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.

Other Information

Management is responsible for the other information. These financial statements do not include the other information.

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

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



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R.M.D.B. Rajapakse FCA
M.N.M. Shamsiel FCA
Ms. P.M.K. Sumanasekara FCA

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

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A.M.R.P. Alshakoon ACA

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



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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

A further description of the auditor's responsibilities for the audit of the financial statements is located at Sri Lanka Accounting and Auditing Standards website at: <http://slaasc.com/auditing/auditorsresponsibility.php>. This description forms part of our auditor's report.

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.

CHARTERED ACCOUNTANTS

Colombo, Sri Lanka
26th November 2024



CAPITAL ALLIANCE HOLDINGS LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST MARCH,

	Note	GROUP		COMPANY	
		2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Income	5	33,049,264,571	9,408,421,496	2,291,999,162	211,105,252
Interest Income	6	10,741,758,453	4,933,953,995	76,988,878	53,155,676
Interest Expense	7	(6,759,307,512)	(3,320,326,008)	(176,518,025)	(279,176,510)
Net Interest Income/ (Expense)		3,982,450,941	1,613,627,987	(99,529,147)	(226,020,834)
Fee Based Income	8	2,291,380,619	1,179,733,009	3,913,143	57,666,900
Net Gains from Trading	9.1	19,060,617,107	623,824,930	19,512,068	19,609,671
Net Fair Value Gains/(Losses) from Financial Assets at FVTPL	9.2	882,129,474	2,659,289,479	9,021,051	(9,236,868)
Direct Expenses	10	(68,752,133)	(16,912,618)	-	-
Other Income	11	73,378,918	11,620,083	2,182,564,022	89,909,873
Total Operating Income		26,221,204,926	6,071,182,870	2,115,481,137	(68,071,258)
Personnel Expenses		(3,579,266,059)	(1,231,545,577)	(53,515,849)	(49,792,264)
Depreciation & Amortization		(103,487,344)	(79,092,245)	(7,147,301)	(8,014,034)
Other Operating Expenses		(1,845,627,578)	(981,891,988)	(123,024,964)	(42,608,093)
Reversals of Impairment of Subsidiaries	21.1	-	-	3,914,626	7,195,573
Operating Profit/ (Loss)	12	20,692,823,945	3,778,653,060	1,935,707,649	(161,290,076)
Share of Profit from Equity accounted Investee (Net of Tax)	22.1	21,070,301	4,540,470	-	-
Profit/(Loss) Before Income Tax		20,713,894,246	3,783,193,530	1,935,707,649	(161,290,076)
Income Tax (Expense)/ Reversal	13.1	(6,622,920,742)	(1,007,669,830)	864,576	2,953,245
Profit / (Loss) for the year		14,090,973,504	2,775,523,700	1,936,572,225	(158,336,831)
Profit / (Loss) attributable to:					
Owners of the Company		11,337,769,357	2,239,277,079	1,936,572,225	(158,336,831)
Non-Controlling Interests		2,753,204,147	536,246,621	-	-
Profit / (Loss) for the year		14,090,973,504	2,775,523,700	1,936,572,225	(158,336,831)
Basic Earnings / (Loss) per Share (Rs.)	14	103.97	23.48	17.76	(1.66)

The Accounting Policies and explanatory notes form an integral part of these Financial Statements.

Figures in brackets indicate deductions.



CAPITAL ALLIANCE HOLDINGS LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST MARCH

	Note	GROUP		COMPANY	
		2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Profit / (Loss) for the Year		14,090,973,504	2,775,523,700	1,936,572,225	(158,336,831)
Other Comprehensive Income / (Expense)					
Items that are or may be reclassified to Profit or Loss					
Foreign currency translation differences of foreign operations		(201,223,460)	(201,301,471)	-	-
Items that will not be reclassified to Profit or Loss					
Defined Benefit Plan Actuarial Gains / (Losses)	30.3	(21,246,305)	(9,677,461)	(3,462,159)	1,271,933
Deferred Tax on Actuarial Gains / (Losses)	13.7.2	6,051,625	2,807,266	1,038,648	(381,580)
Loss on Investment measured at FVTOCI		-	(773,695)	-	(773,695)
Share of other comprehensive income/ (Expense) from equity accounted investees (net of tax)	22.2	(314,812)	3,739,718	-	-
Other Comprehensive Income / (Expense) for the year		(216,732,952)	(205,205,643)	(2,423,511)	116,658
Total Comprehensive Income / (Expense) for the year		13,874,240,552	2,570,318,057	1,934,148,714	(158,220,173)
Total Comprehensive Income/(Expense) attributable to:					
Owners of the Company		11,195,271,631	2,126,920,396	1,934,148,714	(158,220,173)
Non-controlling interests		2,678,968,921	443,397,661	-	-
Total Comprehensive Income/(Expenses) for the year		13,874,240,552	2,570,318,057	1,934,148,714	(158,220,173)

The Accounting Policies and explanatory notes form an integral part of these Financial Statements.

Figures in brackets indicate deductions.



CAPITAL ALLIANCE HOLDINGS LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31ST MARCH

STATEMENT OF FINANCIAL POSITION		GROUP		COMPANY	
AS AT 31 ST MARCH		2024	2023	2024	2023
	Note	Rs.	Rs.	Rs.	Rs.
ASSETS					
Cash and Cash Equivalents	15.1	1,136,890,360	458,381,381	11,399,645	49,412,397
Financial Assets Measured at FVTPL	16	60,881,033,014	37,907,840,487	473,366,448	29,245,420
Financial Assets Measured at FVOCI	17	-	7,402,021	-	7,402,021
Financial Assets Measured at Amortised Cost	18	1,157,988,494	776,635,029	-	-
Trade and Other Receivables	19	2,975,864,325	2,177,793,399	76,093,412	201,148,275
Amounts Due from Related Entities	20.1	-	2,006,562	144,733,691	70,130,984
Loan given to Related Company	20.2	-	-	-	1,023,143,836
Investment in Subsidiaries	21	-	-	2,269,287,082	1,029,898,502
Investment in Joint Venture	22	-	86,361,754	-	60,000,000
Intangible Assets	23	149,708,614	157,032,206	3,787,829	5,220,733
Right-of-use Assets	24	102,801,321	137,045,860	-	-
Property, Plant and Equipment	25	140,845,836	87,653,382	1,987,009	6,459,460
Deferred Tax Assets	13.7.1	45,622,443	26,294,177	4,775,705	2,872,481
Income Tax Receivable	13.3	-	-	9,656,037	9,656,037
Total Assets		66,590,754,407	41,824,446,258	2,995,086,858	2,494,590,146
EQUITY AND LIABILITIES					
Liabilities					
Financial Liabilities Measured at Amortised Cost	26	37,914,225,387	31,897,725,903	-	1,808,524,688
Trade and Other Payables	27	3,912,195,041	1,933,500,669	35,649,314	30,926,621
Income Tax Payable	13.3	4,992,449,148	894,753,052	-	-
Amounts Due to Related Entities	28	-	-	3,379,501	98,600,190
Lease Liability	29	115,012,852	147,542,646	-	-
Deferred Tax Liability	13.7	180,298	1,439,962	-	-
Retirement Benefit Obligations	30	148,402,712	104,664,498	17,456,276	10,921,185
Total Liabilities		47,082,465,438	34,979,626,730	56,485,091	1,948,972,684
Equity					
Stated Capital	31	2,532,798,096	223,231,471	2,532,798,096	223,231,471
Special Risk Reserve	32.1	2,316,818,030	927,499,681	-	-
Fair Value Reserve	32.2	-	20,033,695	-	4,327,020
Retained Earnings		11,808,827,473	3,962,188,781	405,803,671	318,058,971
Foreign Currency Translation Reserve	32.3	(67,506,497)	61,298,454	-	-
Equity attributable to owners of the Company		16,590,937,102	5,194,252,082	2,938,601,767	545,617,462
Non-controlling interests		2,917,351,867	1,650,567,446	-	-
Total Equity		19,508,288,969	6,844,819,528	2,938,601,767	545,617,462
Total Liabilities and Equity		66,590,754,407	41,824,446,258	2,995,086,858	2,494,590,146

Net Assets Value per Share (Rs.)

129.99

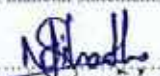
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Accounting Policies and Notes form an integral part of these Financial Statements.

These Financial statements have been prepared in accordance with the requirements of the Companies Act No. 07 of 2007.


Vice President - Finance

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

These Financial Statements were approved and signed for and on behalf of the Directors of Capital Alliance Holdings Limited.


Director


Director

26th November 2024
Colombo



CAPITAL ALLIANCE HOLDINGS LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31st MARCH 2024
OUP

	Attributable to owners of the Company					Non-Controlling Interests	Total Equity
	Statutory Capital Rs.	Fair Value Reserve Rs.	Foreign currency Translation reserve Rs.	Special Risk Reserve Rs.	Retained Earnings Rs.	Total Rs.	Total Equity Rs.
Balance as at 01 st April 2022	88,936,700	17,367,672	170,747,153	644,799,617	2,014,715,805	2,946,266,347	667,578,383
Shares issued during the year	134,294,771	-	-	-	-	(134,294,771)	-
Dividends paid during the year	-	-	-	-	-	524,363,479	524,363,479
Net comprehensive income for the year	-	-	-	-	2,239,277,979	534,246,621	2,773,523,790
Net comprehensive income for the year	-	2,946,023	(109,448,609)	-	(5,874,007)	(92,448,960)	(208,203,643)
Net comprehensive income	-	2,946,023	(109,448,609)	-	2,233,403,972	441,897,661	2,970,318,067
Transferred To the Special Risk Reserve	-	-	-	282,700,664	(282,700,664)	-	-
Dividends Payment	-	-	-	-	-	(2,198,969)	(3,178,966)
Transactions with equity holders	-	-	-	-	(23,229,432)	23,229,432	-
Net income due to changes in holding of Shares	-	-	-	-	(23,229,432)	(23,229,432)	(3,178,966)
Balance as at 31 st March 2023	223,231,471	20,313,695	61,298,454	927,499,681	2,962,186,781	3,194,253,082	6,844,819,528
Balance as at 01 st April 2023	223,231,471	20,313,695	61,298,454	927,499,681	2,962,186,781	3,194,253,082	6,844,819,528
Shares issued during the year	2,309,566,629	-	-	-	-	2,309,566,629	2,309,566,629
Dividends paid during the year	-	(13,391,462)	-	-	(31,723,380)	(45,114,842)	(45,114,842)
Net comprehensive income for the year	-	-	-	-	11,337,769,357	2,733,204,147	14,099,973,504
Net comprehensive income for the year	-	(314,812)	(128,804,951)	-	(13,277,963)	(14,393,525)	(14,393,525)
Net comprehensive income	-	(314,812)	(128,804,951)	-	11,324,491,394	2,718,810,622	14,085,580,000
Transferred To the Special Risk Reserve	-	-	-	1,289,318,349	(1,289,318,349)	-	-
Dividends Payment	-	(4,327,020)	-	-	4,327,020	-	-
Transactions with equity holders	-	-	-	-	(1,801,531,034)	(1,801,531,034)	(2,357,818,223)
Net income due to changes in holding of Shares	-	-	-	-	(210,304,959)	210,304,959	-
Net income due to changes in holding of Shares	-	-	-	-	(210,304,959)	(210,304,959)	(210,304,959)
Net income due to changes in holding of Shares	-	-	-	-	(210,304,959)	(210,304,959)	(210,304,959)
Balance as at 31 st March 2024	2,531,798,090	-	(67,806,497)	2,316,818,030	11,988,827,473	16,599,937,102	19,538,288,569

Accounting policies and notes to the Financial Statements form an integral part of these Financial Statements.
Items in brackets indicate deductions.



CAPITAL ALLIANCE HOLDINGS LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST MARCH 2024

COMPANY

	Stated Capital Rs.	Fair Value Reserve Rs.	Retained Earnings Rs.	Total Rs.
Balance as at 01 st April 2022	88,936,700	5,100,715	475,505,449	569,542,864
Shares issued during the year	134,294,771	-	-	134,294,771
Total comprehensive income for the year				
Loss for the year	-	-	(158,336,831)	(158,336,831)
Other comprehensive Income/ (Expenses) for the year	-	(773,695)	890,353	116,658
Total Comprehensive Expense	-	(773,695)	(157,446,478)	(158,220,173)
Balance as at 31st March 2023	223,231,471	4,327,020	318,058,971	545,617,462
Balance as at 01 st April 2023	223,231,471	4,327,020	318,058,971	545,617,462
Shares issued during the year	2,309,566,625	-	-	2,309,566,625
Total comprehensive income for the year				
Profit for the year	-	-	1,936,572,225	1,936,572,225
Other comprehensive Expenses for the year	-	-	(2,423,511)	(2,423,511)
Total Comprehensive Income	-	-	1,934,148,714	1,934,148,714
Reclassification of Fair Value Reserve	-	(4,327,020)	4,327,020	-
Dividend Paid during the year			(1,850,731,034)	(1,850,731,034)
Balance as at 31st March 2024	2,532,798,096	-	405,803,671	2,938,601,767

The Accounting policies and notes to the Financial Statements form an integral part of these Financial Statements.
Figures in brackets indicate deductions.



CAPITAL ALLIANCE HOLDINGS LIMITED
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31ST MARCH

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 ST MARCH		GROUP		COMPANY		
		2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.	
CASH FLOWS FROM OPERATING ACTIVITIES		Note				
Profit / (Loss) before Income Tax Expense			20,713,894,246	3,783,193,530	1,935,707,649	(161,290,076)
Adjustments For:						
Depreciation of Property Plant & Equipment	25		42,760,936	20,433,819	4,830,451	5,691,702
Amortization of Intangible Assets	23		12,148,195	15,264,278	2,316,850	2,322,332
Provision for Retiring Gratuity	30		34,507,409	22,771,739	3,072,932	962,417
Loss on Disposals of Property Plant & Equipment and Intangible Assets	11		4,896,303	1,429,415	502,337	1,377,365
Disposal Loss on Sale of Subsidiary Shares	11		-	-	49,205,312	-
Disposal Gain on Sale of Joint Venture	11		-	-	(47,434,000)	-
Share of (profit)/loss of equity accounted investee (net of tax)	22		(21,070,301)	(4,540,470)	-	-
Impairment of Investment in Subsidiaries	21		-	-	(3,914,626)	(7,195,573)
Provision for impairment of trade receivables	19		12,758,179	6,095,043	(467,296)	713,579
Write off Investment in Un quoted Shares	12		7,402,021	-	7,402,021	-
Provision for Investment in Un quoted Shares			20,872,440	-	20,872,440	-
Depreciation of ROU Assets	24		48,578,212	43,394,148	-	-
Finance Cost on ROU Assets	7		11,349,707	11,741,754	-	-
Net Fair Value Gains/(Losses) from Financial Assets at FVTPL	9.2		(882,129,474)	(2,659,289,479)	(9,021,051)	9,236,868
Net Capital (Gain)/ Losses on sale Investment in Shares	9.1		8,987,090	14,799,249	(263,868)	794,400
Net Capital Gains on Investment in Unit Trusts	9.1		(58,943,785)	(22,504,959)	(19,248,200)	(20,404,071)
Net Capital Gains/(Losses) on Treasury Bills, and Bonds	9.1		(19,010,660,412)	(616,119,220)	-	-
Dividend Income	11		(21,296,934)	(3,814,385)	(2,181,988,248)	(89,027,874)
Interest Income	6		(10,741,758,453)	(4,933,953,995)	(76,988,878)	(53,155,676)
Interest Expense	7		6,747,957,805	3,308,584,254	176,518,025	279,176,510
Operating Profit before Changes in Operating Activities			(3,069,746,816)	(1,012,515,279)	(138,898,150)	(30,798,097)
(Increase) / Decrease in Securities Purchase under Resale Agreements			(643,071,732)	(332,661,714)	-	-
(Increase) / Decrease in Government securities measured at FVTPL			(1,170,065,235)	(26,334,339,601)	-	-
(Increase) / Decrease in Trade and Other Receivables			(812,929,433)	29,670,623	125,522,159	19,391,160
(Increase) / Decrease in Amounts Due from Related Entities			2,006,562	(1,820,356)	(74,602,707)	(32,096,415)
Increase / (Decrease) in Securities Sold Under Repurchase Agreements			7,386,678,801	24,569,617,769	-	-
Increase / (Decrease) in Amounts Due to Related Entities			-	-	(95,220,689)	84,778,156
Increase / (Decrease) in Trade & Other Payables			1,978,692,427	946,186,190	4,722,693	12,535,958
			3,671,561,574	(2,135,862,368)	(178,476,694)	53,810,762
Tax Paid	13.2		(2,534,075,531)	(240,202,579)	-	(13,939,004)
Gratuity Paid	30		(12,015,500)	(10,626,000)	-	-
Net cash Used in Operating Activities			1,125,470,543	(2,386,690,947)	(178,476,694)	39,871,758
CASH FLOWS FROM INVESTING ACTIVITIES						
Net Investment in Shares	16.3		(1,095,383,289)	(3,020,264)	(96,467,408)	4,969,281
Loan given to related party			-	-	1,023,143,836	-
Proceeds from Disposal of Associate			107,434,000	-	107,434,000	-
Investment in Subsidiaries			(1,115,602,273)	-	(1,312,585,481)	409,531,600
Sale Proceeds from Disposal of Property, Plant & Equipment			-	4,388,480	-	-
Acquisition of Subsidiary, Net of Cash Acquired			-	820,804,201	-	-
Acquisition of Property, Plant and Equipment	25		(103,250,834)	(71,241,557)	(358,000)	-
Acquisition of Software	23.2		(14,833,280)	(12,695,082)	(1,386,283)	(2,084,094)
Proceeds from Disposal of Subsidiary			-	-	27,906,215	-
Investment in Financial Assets Measured at FVOCI			(20,872,440)	-	(20,872,440)	-
Net Investment in withdrawal of Placement with Banks			261,718,267	(403,805,422)	-	-
Net (Investment)/Redemption in Unit Trust Funds	16.2.1		(765,476,051)	(43,335,172)	(319,120,501)	121,991,503
Dividend Received	11		21,296,934	3,814,385	2,181,988,248	89,027,874
Interest Income Received			10,741,758,453	4,933,953,995	76,988,878	30,011,840
Net cash generated from Investing Activities			8,016,789,487	5,228,863,564	1,666,671,064	653,448,004
CASH FLOWS FROM FINANCING ACTIVITIES						
Net Issue /(settlement) of Commercial Papers	26.3		(1,697,209,787)	814,921,865	(1,683,524,688)	475,004,371
Loan Given to Related Company			-	-	-	(1,000,000,000)
Net settlement of Term Loans	26.2		140,000,000	(541,500,000)	(125,000,000)	(300,000,000)
Interest Paid			(6,560,924,335)	(3,140,852,864)	(176,518,025)	(54,976,635)
Lease rental Paid	29.1		(57,235,986)	(53,065,067)	-	-
Shares Issued			2,309,566,625	134,294,771	2,309,566,625	134,294,771
Dividend Paid			(2,357,618,221)	(3,198,906)	(1,850,731,034)	-
Net cash From /(used in) Financing Activities			(8,223,421,704)	(2,789,400,201)	(1,526,207,122)	(745,677,493)
Net increase/(decrease) in Cash and Cash equivalents			918,838,326	52,772,416	(38,012,752)	(52,357,731)
Cash and Cash equivalents at the beginning of the year	15		458,381,381	593,890,648	49,412,397	101,770,128
Effect of movement in exchange rates			(240,329,347)	(188,281,683)	-	-
Cash and Cash equivalents at the end of the year	15		1,136,890,360	458,381,381	11,399,645	49,412,397

Notes to the Financial Statements form an integral part of these Financial Statements.
Figures in brackets indicate deductions.



CAPITAL ALLIANCE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2024

1. REPORTING ENTITY

The Capital Alliance Holdings Limited is a Limited Liability Company incorporated and domiciled in Sri Lanka under the Companies Act No. 7 of 2007. The Registered Office of the Company is situated at Level -5, "Millennium House", No. 46/58, Nawam Mawatha, Colombo 2 where the principal business is carried out.

The Consolidated Financial Statements of Capital Alliance Holdings Limited for the year ended 31st March 2024 comprises those of the Company (Parent company), its Subsidiaries and Joint Venture Company (together referred to as the 'Group').

1.1. Date of incorporation and commencement of commercial operations

The Company was incorporated on 25th March 2003 and commenced its commercial operations on 7th April 2003.

1.2. Principal activities and nature of operations

1.2.1. The principal activities of the Company

The Principal Activities of the Company continued to be engaging in investment activities and management of subsidiaries.

1.2.2. The principal activities of subsidiaries are as follows;

Name of the Subsidiary/Joint Venture	Principal Activities
Capital Alliance PLC (Formerly Capital Alliance Limited)	The Principal Activities of the Capital Alliance PLC are dealing in Government Securities and corporate debt securities.
Capital Alliance Partners Limited	The Principal Activities of the Capital Alliance Partners Limited are dealing in Corporate Finance and fee-based activities.
Capital Alliance Securities (Pvt) Limited	The Principal Activity of the Capital Alliance Securities (Pvt) Limited is Stock Brokering.
Capital Alliance Investments Limited	The Principal Activities of the Capital Alliance Investments Limited are managing Unit Trust Funds and Private Wealth Management.
Finnovation (Pvt) Limited	The Principal Activity of the Finnovation (Pvt) Limited is providing IT services to Related Companies.
Tempest PE Partners (Pvt) Limited (Joint Venture)	The Principal Activities of the Company are financing private equity related services. The shares owned by the Capital Alliance Holdings Limited were fully transferred to Insite Holdings (Private) Limited on 14 th March 2024.
FipBox (Pvt) Limited	The Principal Activity of the FipBox (Pvt) Ltd is to promote digitalized transactions for investment related products.
CAL Investment Consultancy FZ LLC (Formerly CAL Investment Holdings Limited)	The Principal Activity of the Company is investment holding and investment consultancy.
CAL Bangladesh Limited	The Principal Activity of the Company is provision of Consultancy services.
CAL Securities Limited	The Principal Activity of the Company is Stock Brokering.



CAPITAL ALLIANCE HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2024

1.2. Principal activities and nature of operations (Contd...)

1.2.2 The principal activities of the Company (Contd...)

CAL Investments Limited	The Principal Activity of the Company is full-fledged Merchant bank activities.
Fixed Income Investment I (Private) Limited	The Principal Activities of the Company are investment holding, fund management and securitization.
Fixed Income Investment II (Private) Limited	The Principal Activities of the Company are investment holding, fund management and securitization.
Fixed Income Investment III (Private) Limited	The Principal Activities of the Company are investment holding, fund management and Securitization.
Fixed Income Investment V (Private) Limited (Formerly CAL Property Fund (Private) Limited)	The Principal Activities of the Company are investment holding, fund management and Securitization.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

The Financial Statements of the Company and those consolidated with such comprise the Statements of Profit or Loss and Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and Statement of Cash Flows together with the Accounting Policies and Notes to the Financial Statements.

These Statements are prepared in accordance with the Sri Lanka Accounting Standards (SLFRS/LKAS), adopted by The Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and the requirements of the Companies Act No. 07 of 2007 and Sri Lanka Accounting and Auditing Standards Act No.15 of 1995. These Financial Statements, except for information on cash flows have been prepared following the accrual basis of accounting.

The Group 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. Approval of financial statements by Directors

The financial statements of the Group and the Company for the year ended 31st March 2024 were approved and authorised for issue by the Board of Directors on 26th November 2024.

2.3. Responsibility for Financial Statements

The board of directors are responsible for preparation and presentation of the financial statements of the Company and the Group as per the provision of Companies Act No. 07 of 2007 and Sri Lanka Accounting Standards.

2.4. Reporting date

The financial statements of all companies in the group are prepared for a common financial year, which end on 31st March 2024.



CAPITAL ALLIANCE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2024

2.5. Basis of Measurement

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

Item	Basis of Measurement	Note Number
Financial assets at Fair Value through Profit or Loss (FVTPL)	Measured at fair Value	16
Financial assets at Fair Value through Other Comprehensive Income (FVOCI)	Measured at fair Value	17
Defined Benefit Obligations	Measured at the present value of the defined benefit obligation	30

2.6. Functional and Presentation Currency

Items included in these financial statements are measured using the currency of the primary economic environment in which the Company operates (the Functional Currency), which is the Sri Lankan Rupees.

The financial statements of the Group are presented in Sri Lankan Rupees (LKR) which is the functional currency of the Group entities other than for the companies listed below where the functional currency is either based on the country of incorporation of the respective Company or elements that could influence in determining its functional currency.

Company	Country of Incorporation	Functional Currency
CAL Investment Consultancy FZ LLC (Formerly CAL Investment Holdings Limited)	United Arab Emirates (UAE)	USD
CAL Bangladesh Limited	Bangladesh	BDT
CAL Securities Limited	Bangladesh	BDT
CAL Investments Limited	Bangladesh	BDT

Foreign currency transactions

All foreign exchange transactions are converted to functional currency, at the rates of exchange prevailing at the time the transactions are affected.

Monetary assets and liabilities denominated in foreign currency are retranslated to functional currency equivalents at the spot exchange rate prevailing at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. The gain or loss arising on translation of non-monetary items is recognised in line with the gain or loss of the item that gave rise to the translation difference.

Foreign Operations

Subsidiaries incorporated outside Sri Lanka are treated as foreign operations. The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated at the rate of exchange prevailing on the reporting date. Income and expenses of the foreign entities are translated at exchange rate approximating to the actual rate at the time of the transaction.



CAPITAL ALLIANCE HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2024**Foreign Operations (Contd.)**

Foreign currency differences are recognised in other comprehensive income and presented in the foreign currency translation reserve in equity. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. On the partial disposal of a subsidiary that includes a foreign operation, the relevant proportion of such cumulative amount is reattributed to non-controlling interest, in any other partial disposal of foreign operation, the relevant proportion is reclassified to profit or loss.

Foreign exchange gains or losses arising from a monetary item receivable from or payable to a foreign operation, the settlement of which is neither planned nor likely to occur in the foreseeable future and which in substance is considered to form part of the net investment in the foreign operation, are recognised in other comprehensive income in the foreign currency translation reserve.

2.7. Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non- financial assets and liabilities. Group regularly reviews significant unobservable inputs and valuation adjustments. If third party information is used to measure fair values, Group assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of SLFRS, including the level in the fair value hierarchy in which such valuations should be classified.

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.

2.8. Use of Estimates and Judgments

The preparation of consolidated financial statements in conformity with Sri Lanka Accounting Standards requires management to make judgments, estimates and assumptions that affects the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgement about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.



CAPITAL ALLIANCE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2024

2.8. Use of Estimates and Judgments (Contd.)

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or the period of the revision and future periods if the revision affects both current and future periods.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognized in the Consolidated financial statements is included in following notes.

Critical accounting assumptions and estimation uncertainties	Note
Useful lifetime of the property, plant and equipment	3.2.1.4
Impairment on non-financial assets	3.5.2
Measurement of defined benefit obligation: key actuarial assumptions	30.5
Impairment measurement of financial assets: determination of inputs into the ECL measurement model, including key assumptions and incorporation of forward-looking information	3.5.1
Measurement of Deferred tax liabilities	13.7

2.9. Comparative Information

Comparative information including quantitative, narrative, and descriptive information is disclosed in respect of the previous period in the Financial Statements 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 year are amended, where relevant for better presentation and to be comparable with those of the current year.

2.10. 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. Notes to the Financial Statements are presented in a systematic manner which ensures the understandability and comparability of Financial Statements of the Group and 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.

2.11. 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'.

2.12. Going Concern

The Group has prepared the financial statements for the year ended 31st March 2024 on the basis that it will continue to operate as a going concern. In determining the basis of preparing the financial statements for the year ended 31st March 2024, based on available information, the management has assessed the prevailing macroeconomic conditions and its effect on the Group companies and the appropriateness of the use of the going concern basis.

In management's view, the Group will have sufficient resources to continue for a future period. Management concluded that the range of possible outcomes considered at arriving at this judgment does not give rise to material uncertainties related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. Therefore, the Consolidated Financial Statements of the Group continued to be prepared on a going concern basis.



CAPITAL ALLIANCE HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2024**3. SIGNIFICANT ACCOUNTING POLICIES**

The Group and the Company has consistently applied the following accounting policies to all periods presented in these Consolidated Financial Statements.

3.1. BASIS OF CONSOLIDATION

The Group's financial statements comprise of the financial statements of the Company its subsidiaries prepared in terms of Sri Lanka Accounting standard (SLFRS -10) - Consolidated Financial Statements and share of profit and loss and net assets of equity accounted investees prepared in terms of Sri Lanka Accounting standard (LKAS 28) - Investments in Associates and Joint Ventures.

3.1.1. Business Combination

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

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

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

If share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards), then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based measure of the replacement awards compared with the market-based measure of the acquiree's awards and the extent to which the replacement awards relate to pre-combination service.

3.1.2. Subsidiaries

Subsidiaries are those entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Adjustments required to the accounting policies of Subsidiary have been changed wherever necessary to align them with the policies adopted by the Group.

The cost of an acquisition is measured at the fair value of the consideration, including contingent consideration. The acquired identifiable assets, liabilities and contingent liabilities are measured at their fair value at the date of acquisition. Subsequent to the acquisition, the Company continues to recognize the investment in the subsidiary at cost.



CAPITAL ALLIANCE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2024

3.1.3. Non-Controlling Interest

The proportion of the profits or losses after taxation applicable to outside shareholders of subsidiary companies is included under the heading “Non – controlling interest” in the Consolidated Income Statement. Losses applicable to the non-controlling interests in a subsidiary is allocated to the non-controlling interest even if doing so causes the non- controlling interests to have a deficit balance.

The interest of the minority shareholders in the net assets employed of these companies are reflected under the heading “Non – controlling interest” in the Consolidated Statement of Financial Position.

Acquisitions of non-controlling interests are accounted for as transactions with equity holders in their capacity as owners and therefore no goodwill is recognised as a result of such transactions. Adjustments to non-controlling interest arising from transactions that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary.

3.1.4. Loss of Control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

3.1.5. Interests in equity-accounted investees

The Group’s interests in equity-accounted investees comprise interests in joint ventures.

A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities. Interests in joint venture are accounted for using the equity method in the Consolidated financial statement. They are initially recognized at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group’s share of the profit or loss and OCI of equity-accounted investees, until the date on which significant influence or joint control ceases.

3.1.6. Intra-group Transactions

Transfer prices between Group entities are set on an arms-length basis in a manner similar to transactions with third parties.

3.1.7. Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group’s interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

3.2. ASSETS AND THE BASE OF THEIR VALUATION

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



CAPITAL ALLIANCE HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2024

3.2.1. Plant & Equipment

3.2.1.1. Recognition and Measurement

Items of Plant and Equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

The cost of an item of Plant & Equipment comprises its purchase price and any directly attributable costs of bringing the asset to working condition for its intended use. The cost of self-constructed assets includes the cost of materials, direct labour, and any other costs directly attributable to bringing the asset to the working condition for its intended use.

All items of property, plant and equipment are recognised initially at cost.

Gains and losses on disposal of an item of plant and equipment are determined by comparing the proceeds from disposal of with the carrying amount of property, plant and equipment and are recognised net within other income in income statement.

3.2.1.2. Subsequent Costs

The cost of replacing part of an item of Plant & Equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within that part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognized in accordance with the derecognition policy given below. The costs of the day-to-day Plant & Equipment are recognized in profit or loss as incurred.

3.2.1.3. Derecognition

The carrying amount of an item of Plant & Equipment is derecognized on disposal, or when no future economic benefits are expected from its use. Gains or losses on derecognition are recognized in the Statement of Profit or Loss and other Comprehensive income and gains are not classified as revenue.

3.2.1.4. Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost less its residual value. Depreciation is recognized in the Statement of Comprehensive Income on a straight-line basis over the estimated useful lives of each part of an item of Equipment.

The estimated useful lives are as follows:

Asset Category	Useful Life (Years)	Depreciation Rate (%)
Furniture and Fittings	5 years	20%
Office Equipment	4 years	25%
Computer Hardware	3 years	33.33%
Motor Vehicle	2 years	50%
Communication Devices	1 year	100%

Capital Alliance Securities (Pvt) Ltd, Capital Alliance Investments Limited

Asset Category	Useful Life (Years)	Depreciation Rate (%)
Computer Equipment	4 years	25%

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.



CAPITAL ALLIANCE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2024

3.2.2. Intangible Assets

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

Separately acquired intangible assets are measured on initial recognition at cost.

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

The cost of an internally generated intangible asset arising from the development phase of an internal project which is capitalised includes all directly attributable costs necessary to create, produce, and prepare the asset to be capable of operating in the manner intended by the Management. Other development expenditure and expenditure on research activities, undertaken with the prospect of gaining new technical knowledge and understanding is expensed in the income statement as and when incurred.

3.2.2.1. 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.

Asset Category	Useful Life (Years)	Depreciation Rate (%)
Computer Software	4 years	25%

3.2.2.2. Goodwill

Goodwill arising on an acquisition represents the excess of the cost of acquisition over the fair value of net assets acquired. Goodwill is measured at cost less accumulated impairment losses.

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets, the policy on measurement of goodwill is at initial recognition.

Negative goodwill arising on an acquisition represents the excess of the fair value of the net assets acquired over the cost of acquisition. Negative goodwill is recognized immediately in the Statement of Comprehensive Income.

3.2.3. Leases

At inception of a contract, the Group 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 Group uses the definition of a lease in SLFRS 16.

3.2.3.1 As a lessee

At commencement or on modification of a contract that contains a lease component, the Group 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 Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.



CAPITAL ALLIANCE HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2024**3.2.3. Leases (Contd.)**

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove 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 Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group 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 Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by 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 Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group 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.



CAPITAL ALLIANCE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2024

Lease modifications

The Group shall account for a lease modification as a separate lease if both:

- a. the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- b. the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, at the effective date of the lease modification the Group shall:

- a) allocate the consideration in the modified contract
- b) determine the lease term of the modified lease
- c) remeasure the lease liability by discounting the revised lease payments using a revised discount rate. The revised discount rate is determined as the interest rate implicit in the lease for the remainder of the lease term, if that rate can be readily determined, or the lessee's incremental borrowing rate at the effective date of the modification, if the interest rate implicit in the lease cannot be readily determined.

For a lease modification that is not accounted for as a separate lease, the Group shall account for the remeasurement of the lease liability by:

- a) decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease. The lessee shall recognise in profit or loss any gain or loss relating to the partial or full termination of the lease.
- b) making a corresponding adjustment to the right-of-use asset for all other lease modifications.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

3.3. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are defined as cash in hand, demand deposits and short-term highly liquid investments readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

For the purpose of Statement of Cash Flows, cash and cash equivalents consist of cash in hand and deposits held in banks net of outstanding bank overdrafts.

Investments with short term maturities are also treated as cash and cash equivalents.



CAPITAL ALLIANCE HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2024**3.4. FINANCIAL INSTRUMENTS****3.4.1. Financial Assets****Recognition and initial measurement**

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument. This includes purchases or sale of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

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 Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

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.

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 Group 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 Group 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.



CAPITAL ALLIANCE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2024

Financial assets - Business model assessment

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

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

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

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

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.



CAPITAL ALLIANCE HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2024

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.

3.4.2. Financial Liability

Initial Recognition and Measurement

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

The EIR amortisation is included in 'Interest expense' in the Statement of Profit or Loss and Other Comprehensive Income. Gains and losses too are recognised in the Statement of Profit or Loss and Other Comprehensive Income, when the liabilities are derecognised as well as through the EIR amortisation process.



CAPITAL ALLIANCE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2024

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.

3.4.3. Derecognition

(a) Financial assets

The Group 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 Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group 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 Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group 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.

3.4.4. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

3.5. IMPAIRMENT

3.5.1. 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 Group's historical experience and informed credit assessment and including forward-looking information.

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



CAPITAL ALLIANCE HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2024**3.5. IMPAIRMENT (CONTD...)**

The Group considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held).

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

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

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

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost 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 Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

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

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures to recovery of amounts due.

3.5.2. Non-financial assets

The carrying amount of the Group'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, or when annual impairment testing for an asset is required, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.



CAPITAL ALLIANCE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2024

3.5. IMPAIRMENT (CONTD...)

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. An impairment loss is recognized if the carrying amount of an asset or cash generating unit (CGU) exceeds its recoverable amount. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its estimated recoverable amount.

Impairment losses are recognized in Profit or Loss. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

3.6. PROVISIONS

Provisions are recognised when the Group has a binding present obligation. This may be either legal because it derives from a contract, legislation or other operation of law, or constructive because the Group created valid expectations on the part of third parties by accepting certain responsibilities. To record such an obligation, it must be probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made for the amount of the obligation. The amount recognized as a provision and the indicated time range of the outflow of economic benefits are the best estimate (most probable outcome) of the expenditure required to settle the present obligation at the reporting date, considering the risks and uncertainties surrounding the obligation. Non-current provisions are discounted if the impact is material.

3.7. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company and the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation.

A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company and the Group does not recognize a contingent liability but discloses its existence in the financial statements.

A contingent asset is a possible asset that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company and the Group. The Company and the Group does not recognize contingent assets but discloses its existence where inflows of economic benefits are probable, but not virtually certain. In the acquisition of subsidiaries by the Group under business combinations, contingent liabilities assumed are measured initially at their fair value at the acquisition date, irrespective of the extent of any minority interest.



CAPITAL ALLIANCE HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2024**3.8. RETIREMENT BENEFIT COSTS****(i) 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 a Defined Benefit Plan is the present value of the defined benefit obligation at the Statement of Financial Position date. The defined benefit obligation is calculated annually by independent actuaries, using the projected unit credit method, as recommended by LKAS 19, "Employee Benefits".

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. The assumptions based on which the results of the actuarial valuation were determined are included in the note 30 to the Financial Statements. This liability is not externally funded, and the item is grouped under Non-Current Liabilities in the Statement of Financial Position.

The qualifying remuneration of all permanent employees is considered in the calculation of the defined benefit obligation. However, under the Payment of Gratuity Act No. 12 of 1983, the liability to an employee arises only on completion of five years of continued service. Liabilities are computed on the basis of half a month's salary for each year of completed service. The Company's obligations under the said Act is determined based on an actuarial valuation using the projected unit credit method carried out by a professional actuary.

Remeasurements of the defined benefit liability, which comprise actuarial gains and losses, are recognised immediately in OCI. The Group determines the interest expense on the defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then defined benefit liability, taking into account any changes in the defined benefit liability during the period as a result of benefit payments. Interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(ii) 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 Comprehensive Income.

(iii) Share-based payment transactions

The grant date fair value of share-based payment awards granted to employees is recognized as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.



CAPITAL ALLIANCE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2024

3.8. RETIREMENT BENEFIT COSTS (CONTD...)

(iv) Termination benefits

Termination benefits are recognized as an expense when the Company and the Group 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 and the Group 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.

(v) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus if the Company has a present legal or constructive obligation to pay this amount as a result of past service rendered by the employee and the obligation can be measured reliably.

3.9. STATED CAPITAL

As per the Companies Act No. 07 of 2007, section 58 (1), stated capital in relation to a Group means the total of all amounts received by the Group or due and payable to the Group in respect of the issue of shares and in respect of call-in arrears.

3.10. STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

3.10.1. Revenue

3.10.1.1. Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue and the associated costs incurred or to be incurred can be reliably measured. The Group recognises revenue when it transfers control over a service to a customer.

3.10.1.1.1. Interest Income

Interest income is recognized on an accrual basis.

3.10.1.1.2. Capital Gains

Income from capital gains on sale of government debt securities and other security dealings is recognized at the point of trading.



CAPITAL ALLIANCE HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2024

3.10.1.1.3. Fee Income

Type of product/ service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition
Corporate Finance Fee Income	Corporate Finance fee is calculated based on the terms of the agreement.	Revenue is recognized point in time as the services are provided in accordance with the terms of the contract.
Management Fees	Management fee is calculated based on net Assets Under Management and is attributed to the services provided during the period.	Revenue is recognized over time as the services are provided in accordance with the terms of the asset management contract.

3.10.1.1.4. Dividend income

Dividend income is recognized when the Group's right to receive the dividend is established.

3.10.1.1.5. Brokering Commission

Brokering commission is recognized on an accrual basis.

3.10.1.1.6. Other Income

Other income is recognized on an accrual basis.

3.10.2. Expenditure Recognition

3.10.2.1. Operating Expenses

All expenses incurred in day-to-day operations of the business and in maintaining the plant and equipment in a state of efficiency has been charged to the Statement of Comprehensive Income in arriving at the profit/(loss) for the year. Provision has also been made for impairment of financial assets, slow moving stocks, all known liabilities and depreciation on plant and equipment.

3.10.3. 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 Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under LKAS 37 Provisions, Contingent Liabilities and Contingent Assets.

3.10.3.1. Current Taxes

Current Income tax liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the Commissioner General of Inland Revenue. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

The provision for income tax on Sri Lankan operation is based on the elements of income and expenditures reported in the Financial Statements and computed in accordance with the provisions of the Inland Revenue Act.



CAPITAL ALLIANCE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2024

3.10.3.2. Deferred Taxation

Deferred taxation is provided, using the liability method, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences and carry forward of unused tax losses / credits can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted as at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if legally enforceable right exists to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax assets and liabilities recognised by individual companies within the Group are disclosed separately as assets and liabilities in the Group statement of financial position and are not offset against each other.

3.10.3.3. Tax exposures

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. This assessment relies on estimates and assumptions and may involve a series of judgments about future events.

New information may become available that causes the Company and the Group to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact the tax expense in the period that such a determination is made.

3.10.4. Finance cost

Finance cost comprises interest expenses on borrowings. 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 rate method.

3.11. RELATED PARTY TRANSACTIONS

Disclosure has been made in respect of the transactions in which one party has the ability to control or exercise significant influence over the financial and operating policies/decisions of the other, irrespective of whether a price is being charged or not.

The relevant details are disclosed in the respective notes to the Financial Statements.

3.12. STATEMENT OF CASH FLOWS

Interest received and dividends received are classified as operating cash flows, while dividend paid and interest paid, is classified as financing cash flows for the purpose of presentation of Statement of Cash Flows which has been prepared using the 'Indirect Method'.



CAPITAL ALLIANCE HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2024**3.13. EARNING PER SHARE**

The Group presents Basic and Diluted Earnings Per Share (EPS) and for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

3.14. DIVIDEND ON ORDINARY SHARES

Dividend on Ordinary Shares are recognized as a liability and deducted from equity when they are approved by the Company's Directors and for the final dividend once the shareholders' approval is received.

3.15. CAPITAL COMMITMENT AND CONTINGENT LIABILITIES

Capital commitments and contingencies which exist as at the Statement of Financial Position date are disclosed in the respective notes to the Financial Statement.

3.16. EVENTS AFTER THE REPORTING PERIOD

Events after the reporting period are those events favorable and unfavorable that occurs between the end of the reporting period and the date when the financial statements are authorized for issue.

The materiality of the events occurring after the reporting period is considered and appropriate adjustments to or disclosures are made in the Financial Statements, where necessary.

4. NEW ACCOUNTING STANDARDS ISSUED BUT NOT EFFECTIVE AS AT REPORTING DATE

A number of new standards are effective for annual periods beginning on or after 1st January 2024 and earlier application is permitted. However, the Company has not early adopted the new or amended standards in preparing these financial statements.

SLFRS S1 - Sustainability Disclosure Standard- General Requirements for Disclosure of Sustainability-related Financial Information,

The objective of SLFRS S1 General Requirements for Disclosure of Sustainability related Financial Information is to require 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.

An entity shall apply this Standard in preparing and reporting sustainability related financial disclosures in accordance with SLFRS Sustainability Disclosure Standards.

An entity may apply SLFRS Sustainability Disclosure Standards irrespective of whether the entity's related general purpose financial statements (referred to as 'financial statements') are prepared in accordance with Sri Lanka Accounting Standards or other generally accepted accounting principles or practices (GAAP).



CAPITAL ALLIANCE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2024

SLFRS Sustainability Disclosure Standard - Climate-related Disclosures

The objective of SLFRS S2 Climate-related Disclosures is to require 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.

This Standard applies to:

- (a) climate-related risks to which the entity is exposed, which are:
 - (i) climate-related physical risks; and
 - (ii) climate-related transition risks; and
- (b) climate-related opportunities available to the entity.

Climate-related risks and opportunities that could not reasonably be expected to affect an entity's prospects are outside the scope of this Standard has context menu

Classification of Liabilities as Current or Non-Current (Amendments to LKAS 1)

The amendments, as issued in 2020, aim to clarify the requirements on determining whether a liability is current or non-current and apply for annual reporting periods beginning on or after 1st January 2023. However, the IASB has subsequently proposed further amendments to LKAS 1 and the deferral of the effective date of the 2020 amendments to no earlier than 1st January 2024. Due to these ongoing developments, the Company is unable to determine the impact of these amendments on the financial statements in the period of initial application. The Company is closely monitoring the developments.

Supplier Finance Arrangements (Amendments to LKAS 7 and SLFRS 7)

The amendments introduce new disclosures relating to supplier finance arrangements that assist users of the financial statements to assess the effects of these arrangements on an entity's liabilities and cash flows and on an entity's exposure to liquidity risk. The amendments apply for annual periods beginning on or after 1 January 2024.

Other accounting standards

The following new and amended accounting standards are not expected to have a significant impact on the financial statements.

- Lease Liability in a Sale and Leaseback (Amendments to SLFRS 16)
- Lack of Exchangeability (Amendments to LKAS 21)



CAPITAL ALLIANCE HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH,

5 INCOME

	GROUP		COMPANY	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Interest Income (Note 6)	10,741,758,453	4,933,953,995	76,988,878	53,155,676
Fee Based Income (Note 8)	2,291,380,619	1,179,733,009	3,913,143	57,666,900
Net Gains/ (Losses) From Trading (Note 9.1)	19,060,617,107	623,824,930	19,512,068	19,609,671
Net Gain/(Loss) From Remeasurement of Financial Assets at FVTPL (Note 9.2)	882,129,474	2,659,289,479	9,021,051	(9,236,868)
Other Income (Note 11)	73,378,918	11,620,083	2,182,564,022	89,909,873
	33,049,264,571	9,408,421,496	2,291,999,162	211,105,252

6 INTEREST INCOME

Financial Assets measured at FVTPL

Interest on Treasury Bills	1,242,672,969	2,239,451,447	-	-
Interest on Treasury Bonds	9,180,310,714	2,465,940,607	-	-
	10,422,983,683	4,705,392,054	-	-

Financial Assets measured at Amortised Cost

Interest on Securities Purchased under Resale Agreements	84,240,007	42,450,057	23,078,246	-
Interest on Related Party Loans	-	-	53,738,029	52,860,334
Interest on Deposits with Banks	26,763,410	15,927,732	-	-
Interest Income on Loans to Corporates	172,603	2,824,211	172,603	295,342
Interest income on credit extended to clients and early settlements	207,598,750	167,359,941	-	-
	318,774,770	228,561,941	76,988,878	53,155,676
	10,741,758,453	4,933,953,995	76,988,878	53,155,676

7 INTEREST EXPENSE

Interest on Securities Sold Under Repurchase Agreements	6,469,811,101	3,024,502,515	-	-
Interest expense from Bank loan	81,217,173	95,947,603	36,012,440	38,847,466
Interest on Commercial Papers	183,798,867	167,731,390	130,729,936	224,199,875
Finance Cost- lease	11,349,707	11,741,754	-	-
Bank Charges - Overdraft	13,130,664	20,402,746	9,775,649	16,129,169
	6,759,307,512	3,320,326,008	176,518,025	279,176,510

8 FEE BASED INCOME

Placement Fee Income	171,435,452	143,629,174	750,000	54,388,886
Management Fee	1,496,135,062	558,324,985	-	-
Other Fee Based Income	53,936,251	41,776,333	-	-
Brokerage Fee	510,032,966	412,378,754	-	-
Consultancy & Advisory Fee	59,840,888	23,623,763	3,163,143	3,278,014
	2,291,380,619	1,179,733,009	3,913,143	57,666,900

9 GAINS AND LOSSES ARISE FROM FINANCIAL ASSETS

9.1 Net Gains/ (Losses) From Trading

Net Capital Gain/ (Loss) on Treasury Bills	228,094,739	43,106,729	-	-
Net Capital Gain/ (Loss) on Treasury Bonds	18,782,565,673	573,012,491	-	-
Net Capital Gain/ (Loss) on Investment in Unit Trusts (Note 16.2.1)	58,943,785	22,504,959	19,248,200	20,404,071
Net Capital Gain/(Loss) on sale Investment in Shares (Note 16.3)	(8,987,090)	(14,799,249)	263,868	(794,400)
	19,060,617,107	623,824,930	19,512,068	19,609,671

9.2 Net Gain/(Loss) From Remeasurement of Financial Assets at FVTPL

Remeasurement Gain/ (Loss) on Government Securities	936,779,822	2,655,724,613	-	-
Remeasurement Gain on Shares (Note 16.3)	(63,017,421)	7,746,064	3,700,795	2,342,648
Remeasurement Gain/(Loss) on Unit Trusts (Note 16.2.1)	8,367,073	(4,181,198)	5,320,256	(11,579,516)
	882,129,474	2,659,289,479	9,021,051	(9,236,868)



CAPITAL ALLIANCE HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH,

10 DIRECT EXPENSES

	GROUP		COMPANY	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Brokerage Commission	33,074,086	11,006,189	-	-
Other Direct Expenses	35,678,047	5,906,429	-	-
	68,752,133	16,912,618	-	-

11 OTHER INCOME

Dividend Income	21,296,934	3,814,385	2,181,988,248	89,027,874
Brokerage fee on IPO / Debentures	-	1,174,065	-	-
Interest income - Staff Loans	1,861,932	2,272,078	1,790,189	2,190,299
Sundry Income	7,682,355	5,788,970	1,059,234	69,065
Disposal Gain on Sale of Joint Venture	47,434,000	-	47,434,000	-
Disposal Loss on Sale of Subsidiary	-	-	(49,205,312)	-
Loss on disposal of Property Plant and Equipment and Intangible assets	(4,896,303)	(1,429,415)	(502,337)	(1,377,365)
	73,378,918	11,620,083	2,182,564,022	89,909,873

12 OPERATING PROFIT/ (LOSS)

Is stated after charging all expenses including the following:

	GROUP		COMPANY	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Directors' Fees	9,250,000	7,450,000	6,050,000	4,100,000
Auditor's Remuneration - Statutory Audit (KPMG)	4,919,125	3,297,000	1,150,000	915,000
- Statutory Audit (Other auditors)	2,774,471	2,650,753	-	-
- Non audit services	5,277,780	2,440,633	1,646,621	397,894
Consultancy Fee	21,349,865	29,192,487	3,653,864	28,197,775
Write off of Trade and Other Receivables	2,518,859	-	1,364,446	-
Provision for Impairment on Trade Receivables	34,785,032	6,095,043	19,040,698	713,579
Donations	15,000,000	25,002,252	-	-
Impairment/(Reversal) of Investment in Subsidiaries	-	-	3,914,626	(7,195,573)

Depreciation and Amortisation includes:

Depreciation on Property, Plant, and Equipment	42,760,936	20,433,819	4,830,451	5,691,702
Amortizations of Intangible Assets	12,148,195	15,264,278	2,316,850	2,322,332
Depreciation of Right-of-use Asset	48,578,212	43,394,148	-	-
	103,487,343	79,092,245	7,147,301	8,014,034

Staff Cost includes:

Salaries & Other benefits	3,478,281,180	1,153,911,711	46,205,628	44,987,162
Defined Benefit Plan - Gratuity	34,507,409	22,771,739	3,072,932	962,417
Defined Contribution Plans - EPF	53,221,949	43,889,700	3,389,831	3,074,148
- ETF	13,255,521	10,972,427	847,458	768,537
	3,579,266,059	1,231,545,577	53,515,849	49,792,264

13 INCOME TAX EXPENSE

13.1 Income tax recognised in Profit or Loss

	GROUP		COMPANY	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Current Taxation (Note 13.4)	6,655,262,806	978,300,393	-	-
Under/(Over) provision	(17,719,009)	1,667,674	-	-
	6,637,543,797	979,968,067	-	-

Deferred Tax Expense

Reduction in tax rate (Note 13.7.2)	-	(44,414,896)	-	75,205
Deferred Taxation Charge/(Reversal) (Note 13.7.2)	(14,623,055)	72,116,659	(864,576)	(3,028,450)
	(14,623,055)	27,701,763	(864,576)	(2,953,245)

Total Income Tax Recognised in the Statement of Profit or Loss	6,622,920,742	1,007,669,830	(864,576)	(2,953,245)
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CAPITAL ALLIANCE HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH

13 INCOME TAX EXPENSE (CONTD.)

13.2 Amount Recognised in the Statement of Other Comprehensive Income

	GROUP		COMPANY	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Actuarial Gain/(Loss) Arising from Retirement Benefit Obligations	(21,246,305)	(9,677,461)	(3,462,159)	1,271,933
Deferred Tax on Actuarial Gains/(Loss)	6,051,625	2,807,266	1,038,648	(381,580)
	<u>(15,194,680)</u>	<u>(6,870,195)</u>	<u>(2,423,511)</u>	<u>890,353</u>

13.3 Income Tax Payable/ (Receivable)

Balance as at 01 st April	894,753,052	106,975,240	(9,656,037)	4,282,967
Acquisition During the year	-	48,000,760	-	-
Income Tax Provision for the year	6,655,262,806	978,300,393	-	-
Under/ (Over) provision	(17,719,009)	1,667,674	-	-
Income Tax payments	(2,534,075,531)	(240,202,579)	-	(13,939,004)
Withholding and Other Credits	(2,100,328)	-	-	-
Exchange Difference	(3,671,842)	11,564	-	-
Balance as at 31 st March	<u>4,992,449,148</u>	<u>894,753,052</u>	<u>(9,656,037)</u>	<u>(9,656,037)</u>

13.4 Reconciliation between Accounting Profit/ (Loss) and Taxable Profit/ (Loss)

	GROUP		COMPANY	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Accounting Profit / (Loss) before Income Tax Expense	20,713,894,246	3,783,193,530	1,935,707,649	(161,290,076)
Consolidation Adjustment	2,652,823,762	287,046,549	-	-
	<u>23,366,718,008</u>	<u>4,070,240,079</u>	<u>1,935,707,649</u>	<u>(161,290,076)</u>
Other Sources of Income & exempt income	(2,309,155,590)	(378,014,877)	(2,195,187,793)	172,125,843
Aggregate Disallowable Items	1,105,462,284	646,458,854	337,882,117	24,527,960
Aggregate Allowable Items	(64,923,017)	(172,341,117)	(9,403,722)	(9,270,423)
Adjustment on tax losses incurred during the year	20,883,872	208,906,858	-	318,158,382
Taxable Income From Business	<u>22,118,985,557</u>	<u>4,375,249,797</u>	<u>68,998,251</u>	<u>-</u>
Other Sources of Income	64,578,707	332,301,172	-	162,586,794
Total statutory income	<u>22,183,564,264</u>	<u>4,707,550,969</u>	<u>68,998,251</u>	<u>162,586,794</u>
Less : Tax Losses set-off for the taxable profit	(86,095,336)	(297,280,269)	(68,998,251)	(162,586,794)
Taxable Income	<u>22,097,468,928</u>	<u>4,410,270,700</u>	<u>-</u>	<u>-</u>
Current Tax at 14%	-	291,560,892	-	-
Current Tax at 24%	-	56,402,936	-	-
Current Tax at 27.5%	25,403,856	6,059,807	-	-
Current Tax at 30%	6,621,223,105	617,674,740	-	-
Current Tax at 37.5%	8,635,845	6,602,018	-	-
Current Tax charged to Statement of Profit or Loss	<u>6,655,262,806</u>	<u>978,300,393</u>	<u>-</u>	<u>-</u>

13.5 Accumulated tax losses

Balance at the beginning of the year	228,932,329	313,516,503	155,571,588	-
Losses incurred during the year	20,883,872	208,906,858	-	318,158,382
Adjustment with respect of previous year	-	3,789,237	-	-
Losses utilised during the year	(86,095,336)	(297,280,269)	(68,998,251)	(162,586,794)
Balance at the end of the year	<u>163,720,865</u>	<u>228,932,329</u>	<u>86,573,337</u>	<u>155,571,588</u>

13.6 Applicable income Tax Rates as per the Department of Inland Revenue

The income tax provision of Capital Alliance Holdings Limited, its subsidiaries and equity accounted investees which are resident in Sri Lanka has been calculated in accordance with the Inland Revenue Act No. 24 of 2017 and its amendments thereto and the circular issued by the Department of Inland Revenue on 9th May 2023 (No. SEC/2023/E/03) on the subject "Calculation of Income Tax Payable for the Year of Assessment commencing on April 1, 2023".

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 different income tax rates as per the Inland Revenue (Amendment) Act No. 45 of 2022. Specifically, the rate was 30% effective from 1 October 2022 and 14% up to 30 September 2022.

Sri Lankan operations

The business profits and income of Capital Alliance PLC, Capital Alliance Securities (Pvt) Ltd, Capital Alliance Partners Limited, Capital Alliance Investments Limited, Capital Alliance Holdings Limited, and FipBox (Private) Ltd arising from their primary operation activities and Other Income of Finnovation (Private) Limited are liable for income tax at standard rate of 30% and The comparative figures reflect different income tax rates as per the Inland Revenue (Amendment) Act No. 45 of 2022. Specifically, the rate was 30% effective from 1 October 2022 and 14% up to 30 September 2022.



CAPITAL ALLIANCE HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
AS AT 31ST MARCH 2024

13 INCOME TAX EXPENSE (CONTD.)

Overseas operations

As per the Tax regulations in the United Arab Emirates, Corporate taxation in Dubai is limited only to banks and oil companies and Other types of companies in Dubai, which includes CAL Investment Consultancy FZ LLC, are not subject to the corporate tax.

CAL Bangladesh Limited, CAL Securities Limited and CAL Investments Limited are taxed at 27.5% and 37.5% during the financial year (2023: 27.5% and 37.5%)

Applicable Deferred Tax Rates

Deferred tax for the year has been computed based on the substantively enacted rates as of the reporting date. Accordingly the enacted rates specified in the Inland Revenue (Amendment) Act No. 45 of 2022 and its amendments thereto has been used.

Deferred Tax is provided using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences associated with the Group for which a deferred tax Liability/(Asset) has been recognized. Deferred Tax has been computed, taking into consideration the effective tax rate, which is 30% (2023 - 30%) for the Group.

13.7 DEFERRED TAX

GROUP		COMPANY	
2024	2023	2024	2023
Rs.	Rs.	Rs.	Rs.
(180,298)	(1,439,962)	-	-
45,622,443	26,294,177	4,775,705	2,872,481
45,442,145	24,854,215	4,775,705	2,872,481

Deferred Tax Liability (13.7.3.1)

Deferred Tax Assets (13.7.3.2)

Net Deferred Tax Assets

13.7.1 NET DEFERRED TAX ASSET MOVEMENT DURING THE YEAR

GROUP		COMPANY	
2024	2023	2024	2023
Rs.	Rs.	Rs.	Rs.
Balance as at the beginning of the year	24,854,215	48,794,320	2,872,481
Acquisition During the year	-	1,095,178	-
Deferred tax recognised/(reversed) during the year	20,674,680	(24,894,497)	1,903,224
Net Effect of Movement of Exchange Rates	(86,750)	(140,786)	-
Balance at the end of the year	45,442,145	24,854,215	4,775,705

13.7.2 Amount recognized/(reversed) during the year

Amount recognized/(reversed) during the year - Profit and Loss
Effect of change in tax rates - recognized during the year recognised in profit/ (Loss)
Amount recognized/(reversed) during the year - Other Comprehensive Income
Total amount recognized/(reversed) during the year

(14,623,055)	48,176,554	(864,576)	(3,028,450)
-	(44,414,896)	-	75,205
(6,051,625)	(2,807,266)	(1,038,648)	381,580
(20,674,680)	954,392	(1,903,224)	(2,571,665)

13.7.3 GROUP DEFERRED TAX ASSET/(LIABILITY)

13.7.3.1 DEFERRED TAX LIABILITY
Group

2024		2023	
Temporary difference	Tax Effect	Temporary difference	Tax Effect
Rs.	Rs.	Rs.	Rs.
On Equipment	63,184	18,955	2,785,101
On Intangible Assets	23,012,093	6,903,628	22,728,292
On Right-of-use Asset	3,461,778	1,038,533	60,663,624
On Lease Creditor on Right-of-use Asset	(4,209,736)	(1,262,921)	(65,017,751)
On Provision for Impairment of Trade and Other Receivables	(686,387)	(205,916)	(3,701,206)
On Retirement Benefit Obligation	(21,039,936)	(6,311,981)	(12,590,813)
600,996	180,298	4,867,247	1,439,962

13.7.3.2 DEFERRED TAX ASSET

Group

2024		2023	
Temporary difference	Tax Effect	Temporary difference	Tax Effect
Rs.	Rs.	Rs.	Rs.
On Equipment	(3,694,273)	(1,215,862)	624,789
On Intangible Assets	(1,701,460)	(1,487,966)	(13,918,148)
On Right-of-use Asset	(14,787,205)	(7,182,535)	(70,327,078)
On Lease Creditor on Right-of-use Asset	54,821,891	19,315,004	82,524,893
On Retirement Benefit Obligation	110,514,472	28,211,107	82,950,362
On Provision for Impairment of Trade and Other Receivables	23,536,386	7,060,916	5,931,646
On Carry forward Tax Losses	3,072,595	921,779	-
171,762,406	45,622,443	87,786,464	26,294,177



CAPITAL ALLIANCE HOLDINGS LIMITED
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13.7.3 GROUP DEFERRED TAX ASSET/(LIABILITY) (CONTD)

13.7.3.3 Unrecognised deferred tax assets

The Deferred Tax assets have been recognised in the Financial Statements to the extent of forecasted profit. Capital Alliance Partners (Private) Limited, Capital Alliance Holdings Limited and Finnovation Private Limited have not recognized the deferred tax assets on following accumulated tax losses since it is not probable that future taxable profits will be available against which the Company can utilise the benefit therefrom.

	2024		2023	
	Temporary difference	Tax Effect	Temporary difference	Tax Effect
	Rs.	Rs.	Rs.	Rs.
Carried forward tax losses	163,720,865	49,116,259	225,143,092	67,542,928
	163,720,865	49,116,259	225,143,092	67,542,928

13.7.4 COMPANY DEFERRED TAX ASSET/ (LIABILITY)

Company

	2024		2023	
	Temporary difference	Tax Effect	Temporary difference	Tax Effect
	Rs.	Rs.	Rs.	Rs.
On Equipment	(49,290)	(14,787)	1,848,151	554,445
On Intangible Assets	(1,487,969)	(446,391)	(3,194,398)	(958,319)
On Retirement Benefit Obligation	17,456,276	5,236,883	10,921,184	3,276,355
	15,919,017	4,775,705	9,574,937	2,872,481



CAPITAL ALLIANCE HOLDINGS LIMITED
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14 BASIC EARNINGS PER SHARE

The Earnings / (Loss) Per Share is computed on the profit / (loss) for the period attributable to equity holders of the Parent Company divided by the weighted average number of ordinary shares outstanding.

	GROUP		COMPANY	
	2024	2023	2024	2023
Profit / (Loss) attributable to Equity Holders of the company	11,337,769,357	2,239,277,079	1,936,572,225	(158,220,173)
Weighted average number of Ordinary Shares	109,045,753	95,364,907	109,045,753	95,364,907
Basic Earnings / (Loss) per share - (Rs.)	103.97	23.48	17.76	(1.66)

14.1 Weighted Average Number of Ordinary Shares Movement

Balance as at 01 st April	98,258,063	95,357,528	98,258,063	95,357,528
Effect of Shares Issued During the year*	10,787,690	7,379	10,787,690	7,379
Weighted average number of Ordinary Shares Balance as at 31 st March	109,045,753	95,364,907	109,045,753	95,364,907

* The Company raised additional share capital of Rs. 2,309,566,625/- by issuing 29,378,360 number of Ordinary shares for the year ended 31st March 2024.

14.2 Diluted Earnings Per Share

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.

15 CASH AND CASH EQUIVALENTS

	GROUP		COMPANY	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
15.1 Favorable Balance				
Cash at Bank	1,136,650,019	458,113,569	11,399,645	49,412,397
Cash in Hand	240,341	267,812	-	-
	1,136,890,360	458,381,381	11,399,645	49,412,397
Cash and Cash Equivalents for the Purpose of Statement of Cash Flows	1,136,890,360	458,381,381	11,399,645	49,412,397

16 FINANCIAL ASSETS MEASURED AT FVTPL

	GROUP		COMPANY	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Investment in Government Treasury Bills (Note 16.1)	5,658,036,806	9,384,840,775	-	-
Investment in Government Treasury Bonds (Note 16.1)	53,132,143,015	28,287,833,577	-	-
Investment in Unit Trust Funds (Note 16.2)	1,017,136,577	184,349,669	343,855,579	166,622
Investment in Shares (Note 16.3)	1,073,716,616	50,816,466	129,510,869	29,078,798
	60,881,033,014	37,907,840,487	473,366,448	29,245,420

16.1 Securities pledged as Collateral-Group

Capital Alliance PLC

The Government securities classified as Financial Assets measured at FVTPL, following amounts have been pledged as collateral for Repurchase Agreements entered into by the Capital Alliance PLC (Subsidiary).

	Market Value (Rs.)		Face Value (Rs.)	
	2024	2023	2024	2023
Treasury Bills	1,791,594,247	5,399,273,924	5,633,501,539	5,633,501,539
Treasury Bonds	41,036,273,706	27,772,069,738	32,528,394,669	32,528,394,669
	42,827,867,953	33,171,343,662	38,161,896,208	38,161,896,208



CAPITAL ALLIANCE HOLDINGS LIMITED
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16.2 Investment in Unit Trust Funds

Capital Alliance High Yield Fund
Capital Alliance Income Fund
Capital Alliance Investment Grade Fund
Capital Alliance Corporate Treasury Fund
Capital Alliance Gilt Money Market Fund
Capital Alliance Medium Risk Debt Fund
Capital Alliance Gilt Fund
CAL Fixed Income Opportunities Fund
Capital Alliance Balanced Fund
Capital Alliance Gilt Trading Fund
Capital Alliance Quantitative Equity Fund

GROUP		COMPANY	
2024	2023	2024	2023
Rs.	Rs.	Rs.	Rs.
1,053,272	242,930	-	-
45,058,475	-	-	-
947,064,014	150,881,614	343,638,957	-
7,609	9,127	-	-
3,074,769	1,938,120	-	-
2,005,636	1,968,617	-	-
2,250,659	2,107,431	-	-
960,303	13,314,256	-	-
5,223	1,436,506	-	-
2,036,538	2,181,723	-	-
13,620,079	10,269,345	216,622	166,622
1,017,136,577	184,349,669	343,855,579	166,622

16.2.1 Reconciliation of Investments in Unit Trust

Fair value as at 1st April
Investment during the year
Redemption during the year
Disposal gain
Gain/ (Loss) on remeasurement
Fair Value of Unit Trust as at 31st March

GROUP		COMPANY	
2024	2023	2024	2023
Rs.	Rs.	Rs.	Rs.
184,349,669	122,690,736	166,622	113,333,570
1,850,107,167	394,870,962	1,991,000,000	-
(1,084,631,116)	(351,535,700)	(1,671,879,499)	(121,991,303)
58,943,785	22,504,959	19,248,200	20,404,071
8,367,073	(4,181,198)	5,320,256	(11,579,516)
1,017,136,578	184,349,669	343,855,579	166,622

16.2.2 Investment in Unit Trust Funds

COMPANY

Capital Alliance Investment Grade Fund
Capital Alliance Quantitative Equity Fund

2024			2023		
No. of Units	Fair Value (Rs.)	Cost (Rs.)	No. of Units	Fair Value (Rs.)	Cost (Rs.)
10,459,514	343,638,957	338,368,700	-	-	-
5,390	216,622	175,174	5,390	166,622	175,174
10,464,904	343,855,579	338,543,874	5,390	166,622	175,174

GROUP

Capital Alliance Income Fund
Capital Alliance Investment Grade Fund
Capital Alliance Corporate Treasury Fund
Capital Alliance Quantitative Equity Fund
Capital Alliance High Yield Fund
Capital Alliance Gilt Money Market Fund
Capital Alliance Medium Risk Debt Fund
Capital Alliance Gilt Fund
CAL Fixed Income Opportunities Fund
Capital Alliance Balanced Fund
Capital Alliance Gilt Trading Fund

2024			2023		
No. of Units	Fair Value (Rs.)	Cost (Rs.)	No. of Units	Fair Value (Rs.)	Cost (Rs.)
1,353,579	45,058,475	45,000,000	-	-	-
28,826,269	947,064,014	932,322,905	5,645,436	150,881,614	145,727,522
321	7,609	7,466	422	9,127	8,073
338,895	13,620,079	13,859,676	332,199	10,269,345	8,003,467
27,819	1,053,272	1,050,734	7,607	242,930	238,000
502,906	3,074,769	2,739,115	363,919	1,938,120	1,924,764
92,945	2,005,636	1,692,559	106,826	1,968,617	1,945,339
183,058	2,250,659	1,711,102	199,622	2,107,431	1,827,639
28,108	960,303	931,232	474,680	13,314,256	13,200,000
279	5,223	5,522	146,920	1,436,506	1,938,927
39,241	2,036,538	1,713,897	36,843	2,181,723	2,138,253
31,383,420	1,017,136,577	1,001,034,208	7,314,474	184,349,669	176,951,984

16.3 Investment in Quoted Shares

Investment in Quoted Shares

GROUP		COMPANY	
2024	2023	2024	2023
Rs.	Rs.	Rs.	Rs.
1,073,716,616	50,816,466	129,510,869	29,078,798
1,073,716,616	50,816,466	129,510,869	29,078,798

16.3.1 Reconciliation of Investments in Shares

Balance as at 1st April
Acquisition of Subsidiary during the year
Investments during the year
Sales during the year
Disposal gain/(loss)
Appreciation/(Provision) for Value of Investments
Net Effect of Movement of Exchange Rates
Balance as at 31st March

GROUP		COMPANY	
2024	2023	2024	2023
Rs.	Rs.	Rs.	Rs.
50,816,466	41,903,199	29,078,798	32,499,831
-	16,060,458	-	-
1,504,539,026	25,032,960	248,663,971	2,199,519
(409,155,737)	(22,012,696)	(152,196,563)	(7,168,800)
(8,987,090)	(14,799,249)	263,868	(794,400)
(63,017,421)	7,746,064	3,700,795	2,342,648
(3,592,963)	(3,114,270)	-	-
1,073,716,616	50,816,466	129,510,869	29,078,798



CAPITAL ALLIANCE HOLDINGS LIMITED
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16.3.2 Quoted Share Investments

16.3.2.1 COMPANY

	2024			2023		
	No. of Shares	Cost	Market Value	No. of Shares	Cost	Market Value
		Rs.	Rs.		Rs.	Rs.
Jetwing Symphony PLC	2,649,054	22,199,519	23,841,486	2,649,054	22,199,519	25,908,282
Square Pharmaceuticals Ltd- Bangladesh	5,890	2,800,684	3,511,883	4,900	2,800,684	3,170,516
Ceylinco Insurance PLC	105,950	84,600,430	90,057,500	-	-	-
People's Leasing & Finance PLC	1,100,000	12,130,846	12,100,000	-	-	-
	3,860,894	121,731,479	129,510,869	2,653,954	25,000,203	29,078,798
(Add): Appreciation for Value of Investments		7,779,390			4,078,595	
		129,510,869			29,078,798	

COMPANY

16.3.2.2 Appreciation for Value of Investments
Balance at the beginning of the year
Reversal for the year
Balance at the end of the year

2024	2023
Rs.	Rs.
4,078,595	1,735,947
3,700,795	2,342,648
7,779,390	4,078,595

16.3.2.3 GROUP

	2024			2023		
	No. of Shares	Cost	Market Value	No. of Shares	Cost	Market Value
		Rs.	Rs.		Rs.	Rs.
Jetwing Symphony PLC	2,649,054	22,199,519	23,841,486	2,649,054	22,199,519	25,908,282
Square Pharmaceuticals Ltd-Bangladesh	105,890	9,964,408	10,602,267	4,900	2,800,684	3,170,516
Ceylinco Insurance PLC	105,950	84,600,430	90,057,500	-	-	-
People's Leasing & Finance PLC	1,100,000	12,130,846	12,100,000	-	-	-
Aitken Spence Hotel Holdings PLC	641,026	49,311,102	42,435,921	-	-	-
Commercial Bank PLC	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	903,274	102,920,606	97,101,955	-	-	-
Seylan Bank PLC	982,318	52,335,646	46,168,946	-	-	-
Vallible One PLC	1,337,064	62,307,428	67,521,732	-	-	-
DFCC Bank PLC	569,656	50,979,161	43,293,856	-	-	-
Hayleys PLC	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	310,686	46,008,944	40,466,850	-	-	-
Central Finance Company PLC	315,000	37,488,199	33,626,250	-	-	-
LOLC Holdings PLC	100,000	40,676,290	39,750,000	-	-	-
British American Tobacco Bangladesh Limited	750	1,067,018	829,082	750	1,202,072	1,199,792
Eastern Housing Limited	-	-	-	13,800	4,595,636	4,626,335
Olympic Industries Limited	-	-	-	7,000	3,357,859	3,354,884
The Premier Bank Limited	-	-	-	100,000	4,171,461	4,101,833
Unique Hotel & Resorts Limited	21,500	3,849,577	3,478,531	26,250	5,135,937	6,152,780
Ifad Autos Limited	14,614	1,843,704	1,328,242	16,434	2,335,736	2,235,169
Ring Shine Textiles Limited	-	-	-	2,712	58,734	66,855
Information Services Network Ltd	2,300	389,971	306,639	-	-	-
Maksons Spinning Mills PLC	20,000	822,840	662,499	-	-	-
Meghna Pet Industries Limited	2,000	223,813	210,795	-	-	-
Miracle Industries Limited	3,000	329,136	335,904	-	-	-
Union Capital Limited	35,000	1,273,709	900,670	-	-	-
Berger Paints Bangladesh Limited	300	1,629,224	1,468,120	-	-	-
BRAC Bank PLC	3,000	351,353	330,155	-	-	-
Capitec Grameen Bank Growth Fund	39,000	1,401,023	1,024,957	-	-	-
Gramscophone Limited	2,000	1,435,034	1,302,003	-	-	-
Intraco Refueling Station Limited	10,000	1,254,832	1,152,530	-	-	-
Midland Bank PLC	248,903	10,275,748	9,266,997	-	-	-
NRB Bank Limited	280,000	9,026,360	7,818,586	-	-	-
Premier Cement Mills PLC	230	37,650	38,723	-	-	-
SK Trims & Industries Limited	6,000	587,508	456,632	-	-	-
Bangladesh Thai Aluminium Limited	450	261,391	322,936	-	-	-
	16,212,644	1,133,103,749	1,073,716,616	2,820,400	45,857,638	50,816,466
Add/(Less): Appreciation/(Provision) for Value of Investments		(59,387,133)			4,958,828	
		1,073,716,616			50,816,466	

16.3.2.4 Appreciation/(Provision) for Value of Investments

	GROUP	
	2024	2023
	Rs.	Rs.
Balance at the beginning of the year	4,958,828	(3,503,508)
Acquisition of Subsidiary during the year	-	716,272
Reversal/ (Provision) for the year	(63,017,421)	7,746,064
Net Effect of Movement of Exchange Rates	(1,328,540)	-
Balance at the end of the year	(59,387,133)	-



CAPITAL ALLIANCE HOLDINGS LIMITED
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17 FINANCIAL ASSETS MEASURED AT FVOCI

Investment in Un quoted Shares (Note 17.1)

	GROUP		COMPANY	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
	-	7,402,021	-	7,402,021
	-	7,402,021	-	7,402,021

17.1 INVESTMENT UNQUOTED SHARES

Equity Investments Lanka Limited
Lanka Financial Services Bureau Limited
Lanka Rating Agency Limited

Impairment provision for Investment Unquoted Shares

	-	7,402,021	-	7,402,021
	1,000,000	1,000,000	-	-
	29,492,315	8,619,875	29,492,315	8,619,875
	30,492,315	17,021,896	29,492,315	16,021,896
	(30,492,315)	(9,619,875)	(29,492,315)	(8,619,875)
	-	7,402,021	-	7,402,021

17.2 Impairment Provision for Investment Unquoted Shares

Investments in Non quoted shares of Lanka Financial Services Bureau Limited and Lanka Rating Agency Limited are fully provided since the management is of the view that the amount is irrecoverable.

17.3 Equity Investments Lanka Limited

The Company has written off the investment in Equity Investments Lanka Limited in full during the year under review.

18 FINANCIAL ASSETS MEASURED AT AMORTISED COST

Securities Purchased Under Resale Agreements (Note 18.1)
Term Deposits

	GROUP		COMPANY	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
	1,015,901,339	372,829,607	-	-
	142,087,155	403,805,422	-	-
	1,157,988,494	776,635,029	-	-

18.1 Securities Purchased Under Resale Agreements Movement

Balance as at 1st April
Purchases during the year
Interest Income during the year
Balance as at 31st March

	GROUP		COMPANY	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
	372,829,607	40,167,893	-	-
	558,831,725	290,211,657	-	-
	84,240,007	42,450,057	-	-
	1,015,901,339	372,829,607	-	-

18.1.1 Fair value of the Securities Pledged for the Securities Purchased under Resale Agreements -Group

Capital Alliance Limited (Subsidiary)

	Market Value (Rs.)		Face Value (Rs.)	
	2024	2023	2024	2023
Treasury Bonds	1,117,139,407	425,398,252	1,038,400,000	517,000,000
	1,117,139,407	425,398,252	1,038,400,000	517,000,000

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 Board of Directors of the Company has established an Effective Risk management Framework by implementing necessary policies and procedures to ensure compliance with the said guidelines. An Effective Internal Control System is used to verify the accuracy of security receipts.

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, no any securities has been repledge as at 31st March 2024 (As at 31st March 2023- Rs. Nil).



CAPITAL ALLIANCE HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS

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19 TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Trade Receivables	2,550,847,370	1,738,157,333	251,118	1,489,446
Other Receivables	86,168,555	83,132,100	5,539,057	16,008,943
Less: Provision for impairment of trade receivables (Note 19.1)	(31,661,743)	(18,903,564)	-	(1,831,742)
	2,605,354,182	1,802,385,869	5,790,175	15,666,647
Short Term Loans (Note 19.2)	55,410,426	106,111,857	13,539,987	104,090,573
Deposits	139,303,465	150,780,428	6,388,500	6,388,500
Deposit for CSE requirement	44,150,911	15,786,082	-	-
Advances	72,167,169	55,437,041	12,194,413	54,765,860
VAT Receivable	4,484,709	4,484,709	-	-
Withholding Tax Receivable	18,451,967	13,040,396	17,639,862	12,628,243
Inventory	411,830	1,698,849	-	22,356
Reimbursable Expenses	14,227,170	2,500,484	14,224,318	2,500,484
Prepayments	21,902,496	25,567,684	6,316,157	5,085,612
	2,975,864,325	2,177,793,399	76,093,412	201,148,275

19.1 Provision for impairment of Trade and Other Receivables

Balance as at 1 st April	18,903,564	12,808,521	1,831,742	1,118,163
Written-off during the year	(2,518,859)	-	(1,364,446)	-
Provision during the year	12,758,179	6,095,043	(467,296)	713,579
Balance as at 31 st March	31,661,743	18,903,564	-	1,831,742

19.2 Short term loan includes the following loans given by the Company

Loans given to Corporates	-	35,295,342	-	35,295,342
Staff Loans	55,410,426	70,816,515	13,539,987	68,795,231
	55,410,426	106,111,857	13,539,987	104,090,573

20 RELATED PARTY TRANSACTIONS

20.1 AMOUNTS DUE FROM RELATED ENTITIES

Capital Alliance PLC	-	-	3,421,915	15,158,979
Capital Alliance Investments Limited	-	-	2,376,760	-
Capital Alliance Partners Limited	-	-	99,100,813	16,022,558
Capital Alliance Securities (Pvt) Limited	-	-	-	2,792,529
CAL Bangladesh Limited	-	-	1,953,463	-
CAL Securities Limited	-	-	18,910,870	1,745,700
CAL Investments Limited	-	-	18,969,870	1,745,700
Fixed Income Investment V (Private) Limited	-	1,903,353	-	-
Fipbox (Pvt) Limited	-	-	-	32,572,825
Tempest PE Partners (Private) Limited	-	103,209	-	92,693
	-	2,006,562	144,733,691	70,130,984

20.2 LOAN GIVEN TO RELATED COMPANY

COMPANY

Capital Alliance PLC	-	-	-	1,023,143,836
	-	-	-	1,023,143,836

The Company had obtained a short-term revolving loan facilities amounting to Rs. 1,000,000,000, to meet its working capital requirements on 23rd January 2023 in the previous year. The Facility was valid for a period of three (3) months and Interest on the Loan was 27.25% per annum. The Company has settled the loan in full on 25th April 2023 and 28th April 2023 amounting to Rs. 600Mn and 400Mn respectively.



CAPITAL ALLIANCE HOLDINGS LIMITED
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21 INVESTMENT IN SUBSIDIARIES

	2024				2023			
	Market Value (Rs.)	No. of Shares	Holding %	Cost Rs.	Market Value (Rs.)	No. of Shares	Holding %	Cost Rs.
Investments in Ordinary Shares								
Capital Alliance PLC	15,014,749,056	283,297,152	86.00%	1,635,121,720	8,301,950,470	261,398,476	79.41%	322,536,239
Finnovation (Private) Limited	-	6,000,000	100%	60,000,000	-	6,000,000	100%	60,000,000
Capital Alliance Partners Limited	-	-	-	-	-	25,912,982	100%	77,111,567
FipBox (Private) Limited	-	2,000,001	100%	20,000,010	-	2,000,001	100%	20,000,010
CAL Investment Consultancy FZ-LLC	-	3,629	100%	182,183,100	-	3,629	100%	182,183,100
Capital Alliance Securities (Private) Limited	-	527,568	40%	71,023,799	-	1,318,919	40%	71,023,799
Fixed Income Investment I (Pvt) Ltd	-	1	100%	10	-	-	-	-
Fixed Income Investment II (Pvt) Ltd	-	1	100%	10	-	-	-	-
Fixed Income Investment III (Pvt) Ltd	-	1	100%	10	-	-	-	-
Fixed Income Investment V (Pvt) Ltd	-	1	100%	10	-	-	-	-
Investments in Preference Shares								
Capital Alliance Securities (Private) Limited	-	32,500,000	100%	325,000,000	-	32,500,000	100%	325,000,000
				<u>2,293,328,669</u>				<u>1,057,854,715</u>
Provision for Impairment of Subsidiary								
Finnovation (Private) Limited				(24,041,587)				(23,462,378)
FipBox (Private) Limited				-				(4,493,835)
				<u>2,269,287,082</u>				<u>1,029,898,502</u>

21.1 Provision for Impairment of Subsidiary

	COMPANY	
	2024 Rs.	2023 Rs.
Balance as at 1st April	27,956,213	35,151,786
Impairment/ (Reversal) of Investment in Subsidiaries	(3,914,626)	(7,195,573)
Balance as at 31st March	24,041,587	27,956,213

Indirect Holdings

	2024 Holding %	2023 Holding %
Capital Alliance Investments Limited	94.76%	94.76%
Capital Alliance Securities (Private) Limited	60.00%	60.00%
CAL Securities Limited	62.80%	62.50%
CAL Bangladesh Limited	99.90%	99.90%
CAL Investments Limited, Bangladesh	51.00%	51.00%
Capital Alliance Partners Limited	100.00%	-

21.2 NON-CONTROLLING INTERESTS (NCI) IN SUBSIDIARIES

Material Non Controlling Interest

The group has assessed each subsidiary that has non-controlling interest based on contributions made to the group revenue, profit, total assets, net assets and cashflows. As per SLFRS 12, following table summarises the information relating to subsidiaries which have material non-controlling interests.

	CAL Investments Limited		Capital Alliance PLC		CAL Securities Limited	
	2024	2023	2024	2023	2024	2023
NCI percentage	49%	49%	14%	20.59%	37.20%	37.5%
Total assets	852,784,084	974,998,551	61,258,227,617	38,040,670,001	805,279,735	818,244,019
Total liabilities	132,762,152	150,951,789	44,861,340,510	32,550,641,542	134,114,022	527,219,930
Net assets	720,021,932	824,046,762	16,396,887,107	5,490,028,459	671,165,713	291,024,089
Net assets attributable to NCI	352,810,747	403,782,913	2,295,564,195	1,136,396,860	249,673,645	109,134,033
For the year ended 31 March						
Net Operating Income	155,319,667	46,324,331	23,728,646,608	4,851,793,447	69,629,237	25,543,640
Profit/ (loss) after tax	(12,192,364)	(27,131,846)	13,893,183,492	2,827,006,644	(138,864,306)	(108,727,450)
Other comprehensive income/(loss)	-	-	(8,387,173)	(4,733,422)	-	-
Total comprehensive income/ (loss)	(12,192,364)	(27,131,846)	13,884,796,319	2,822,273,222	(138,864,306)	(108,727,450)
Profit/ (loss) attributable to NCI	(5,974,258)	(13,294,605)	2,773,724,589	582,080,668	(51,657,522)	(40,772,794)
Total comprehensive income/ (loss) attributable to NCI	(5,974,258)	(13,294,605)	2,771,997,670	581,106,056	(51,657,522)	(40,772,794)
Dividend paid to NCI	-	-	482,895,392	-	-	-
Net cash flows generated from/(used in) operating activities	(248,942,465)	(97,474,977)	3,369,442,574	22,514,306	(180,933,806)	(56,032,010)
Net cash flows generated from/(used in) investing activities	368,737,428	291,128,273	(62,673,726)	(3,148,798)	(343,191,869)	(43,310,833)
Net cash flows generated from/(used in) financing activities	(7,691,479)	(5,120,731)	(2,982,722,842)	(4,668,457)	579,367,285	99,238,803
Net increase/(decrease) in cash and cash equivalents	112,103,484	188,532,565	324,046,006	14,697,051	55,241,610	(104,046)



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22 INVESTMENT IN JOINT VENTURE

GROUP		COMPANY	
2024	2023	2024	2023
Rs.	Rs.	Rs.	Rs.
-	86,361,754	-	60,000,000
-	86,361,754	-	60,000,000

Tempest PE Partners (Private) Limited

22.1 Divestment of Interest in Joint Venture

On 6th March 2023, the Board of Directors of Capital Alliance Holdings Limited resolved to divest its entire shareholding in Tempest PE Partners (Private) Limited, a Joint Venture Company with 50% investment. Pursuant to this resolution, the Company sold its holding of 6,000,000 shares in Tempest PE Partners (Private) Limited for a total consideration of LKR 107,434,000, reflecting a price of Rs. 17.91 per share.

22.2 Value of the investment

GROUP		COMPANY	
2024	2023	2024	2023
Rs.	Rs.	Rs.	Rs.
86,361,754	78,122,307	-	-
21,070,301	4,499,729	-	-
(314,812)	3,739,718	-	-
20,755,490	8,239,447	-	-
107,117,244	86,361,754	-	-
(107,117,244)	-	-	-
-	86,361,754	-	-

Balance as at beginning of the year

Current years share of comprehensive income

Included in Profit or loss

Included in other comprehensive income/ (Expense)

Carrying amount of interest Joint Venture

Less: Sold during the year

Investment in equity accounted investee

The following table illustrates summarized information of the Company's investment in Tempest PE Partners (Private) Limited:

22.2.1 Financial position of equity accounted investee

Percentage ownership interest

GROUP	
2024	2023
Rs.	Rs.
50%	50%

Non current assets

Current assets

Non-current liabilities

Current liabilities

Net assets

-	79,510,061
-	115,123,713
-	(11,937,461)
-	(9,972,805)
-	172,723,508

Company's share of net assets (50%)

-	86,361,754
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Carrying amount of interest in Joint Venture

-	86,361,754
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Financial performance of equity accounted investee

Revenue

Profit for the year, net of tax

Other comprehensive income/ (Expense)

Total Comprehensive income

37,434,758	48,131,947
42,140,603	9,080,940
(629,623)	7,479,436
41,510,980	16,560,376

Company's share of profit for the year (50%)

21,070,301	4,499,729
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Company's share of other comprehensive income/ (Expense) (50%)

(314,812)	3,739,718
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Company's share of total comprehensive income (50%)

20,755,490	8,239,447
------------	-----------

23 INTANGIBLE ASSETS

GROUP		COMPANY	
2024	2023	2024	2023
Rs.	Rs.	Rs.	Rs.
48,220,065	51,685,105	-	-
30,239,155	34,097,707	3,787,829	5,220,733
71,249,394	71,249,394	-	-
149,708,614	157,032,206	3,787,829	5,220,733

License Fees (Note 23.1)

Software (Note 23.2)

Goodwill (Note 23.4)

Total Carrying Value



CAPITAL ALLIANCE HOLDINGS LIMITED
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23 INTANGIBLE ASSETS (CONTD.)

23.1 License Fees

Cost

At the beginning of the year

Additions During the year

Balance as at 31st March

Accumulated Amortisation

At the beginning of the year

Balance as at 31st March

Net Effect of Movement of Exchange Rates

Net Carrying Value

GROUP	
2024	2023
Rs.	Rs.
52,883,837	52,883,837
-	-
52,883,837	52,883,837
7,906,250	7,906,250
7,906,250	7,906,250
3,242,478	6,707,518
48,220,065	51,685,105

23.2 Computer Software

Cost

Balance as at 1st April

Acquisition of Subsidiary during the year

Additions during the year

Write off during the year

Balance as at 31st March

Accumulated Amortisation

Balance as at 1st April

Acquisition of Subsidiary during the year

Amortised during the year

Write off during the year

Balance as at 31st March

Net Effect of Movement of Exchange Rates

Net Carrying Value

GROUP		COMPANY	
2024	2023	2024	2023
Rs.	Rs.	Rs.	Rs.
189,175,708	167,154,738	29,025,643	27,118,033
-	14,181,114	-	-
14,833,280	12,695,082	1,386,283	2,084,094
(23,848,047)	(4,855,246)	(17,178,935)	(176,484)
180,160,941	189,175,708	13,232,991	29,025,643
161,596,935	137,272,322	23,804,910	21,570,820
-	9,411,032	-	-
12,148,195	13,264,278	2,316,850	2,322,332
(18,951,744)	(350,697)	(16,676,598)	(88,242)
154,793,386	161,596,935	9,445,162	23,804,910
4,871,600	6,518,934	-	-
30,239,155	34,097,707	3,787,829	5,220,733

23.3 Fully Depreciated Assets

The initial cost of fully-depreciated Intangible Assets as at 31st March which are still in use as follows

Computer Software

GROUP		COMPANY	
2024	2023	2024	2023
Rs.	Rs.	Rs.	Rs.
130,410,647	112,896,557	5,789,064	18,830,598
130,410,647	112,896,557	5,789,064	18,830,598

23.4 Goodwill

CAL Investments Limited, Bangladesh

Goodwill is arisen in respect of acquisition of 51% of equity in CAL Investments Limited, Bangladesh during the year 2022/2023.

GROUP	
2024	2023
Rs.	Rs.
71,249,394	71,249,394
71,249,394	71,249,394



CAPITAL ALLIANCE HOLDINGS LIMITED
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	GROUP	
	2024	2023
	Rs.	Rs.
24 RIGHT-OF-USE ASSET		
Cost		
Balance as at 01 st April	238,996,081	163,533,050
Remeasurement during the year	-	(2,824,201)
Additions during the year	25,873,729	78,287,232
Balance as at 31 st March	264,869,810	238,996,081
Accumulated Amortisation		
Balance as at 01 st April	100,622,005	57,227,857
Depreciation for the year	48,578,212	43,394,148
Balance as at 31 st March	149,200,217	100,622,005
Net Effect of Movement of Exchange Rates	(12,868,272)	(1,328,216)
Carrying Amount Value as at 31st March	102,801,321	137,045,860

24.1 Right of Use 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	7,900
Buildings	Navana FS Cosmo, Floor No.5th, Plot No.4/B, Road No. 94,Gulshan, Dhaka-1212, Bangladesh	2021-2026	2,868
Buildings	House # 16,Apartment# 2B,Road 1, Baridhara Diplomatic Area, Dhaka-1212, Bangladesh	2023-2029	Residential Building

25 PROPERTY, PLANT, AND EQUIPMENT

25.1 GROUP

	Computer Equipment	Office Equipment	Furniture and Fittings	Motor Vehicles	Communication Devices	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at 01st April 2022	56,239,890	23,578,453	51,175,672	17,080,776	1,431,353	149,506,144
Subsidiaries disposed during the year	2,713,889	-	357,376	-	-	3,071,265
Additions during the year	35,431,952	19,854,273	15,624,232	-	331,100	71,241,557
Disposals/ write-off year	(2,238,199)	(671,081)	(2,575,510)	-	(3,700)	(5,488,490)
Balance as at 31st March 2023	92,147,532	42,761,645	64,581,770	17,080,776	1,758,753	218,330,476
Balance as at 01st April 2023	92,147,532	42,761,645	64,581,770	17,080,776	1,758,753	218,330,476
Additions during the year	20,201,048	16,284,479	12,364,207	54,000,000	401,100	103,250,834
Disposals/ write-off year	-	(434,317)	(61,272)	-	-	(495,589)
Balance as at 31st March 2024	112,348,580	58,611,807	76,884,705	71,080,776	2,159,853	321,085,721
Balance as at 01st April 2022	38,959,214	20,873,921	31,938,383	17,011,609	1,305,861	110,090,988
Subsidiaries disposed during the year	1,039,641	-	159,508	-	-	1,199,149
Depreciation during the year	10,463,085	1,623,405	8,039,077	69,167	239,085	20,433,819
Disposals/ write-off year	(2,236,366)	(660,681)	(1,274,397)	-	(3,700)	(4,175,144)
Balance as at 31st March 2023	48,225,574	21,838,645	38,862,571	17,080,776	1,541,246	127,548,812
Balance as at 01st April 2023	48,225,574	21,838,645	38,862,571	17,080,776	1,541,246	127,548,812
Depreciation during the year	20,032,581	4,035,109	10,061,388	8,100,000	531,858	42,760,936
Disposals/ write-off year	-	(434,317)	(61,272)	-	-	(495,589)
Balance as at 31st March 2024	68,258,155	25,439,437	48,862,687	25,180,776	2,073,104	169,814,159
Exchange Difference as at 31.03.2023	(271,948)	(1,603,121)	(1,253,213)	-	-	(3,128,282)
Exchange Difference as at 31.03.2024	(3,363,379)	(4,190,445)	(2,871,902)	-	-	(10,425,726)
Carrying value as at 31st March 2023	43,650,010	19,319,879	24,465,986	-	217,507	87,653,382
Carrying value as at 31st March 2024	40,727,046	28,981,925	25,150,116	-	86,749	140,845,836



CAPITAL ALLIANCE HOLDINGS LIMITED
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25.2 COMPANY

	Computer Equipment	Office Equipment	Furniture & Fittings	Motor Vehicles	Communication Devices	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Cost						
Balance as at 01 st April 2022	6,811,221	9,466,893	29,321,740	16,209,926	49,126	61,858,906
Disposals / Transfers	(304,500)	(559,375)	(2,131,873)	-	-	(2,995,747)
Balance as at 31 st March 2023	6,506,721	8,907,518	27,189,868	16,209,926	49,126	58,863,159
Balance as at 01 st April 2023	6,506,721	8,907,518	27,189,868	16,209,926	49,126	58,863,159
Additions during the year	358,000	-	-	-	-	358,000
Balance as at 31 st March 2024	6,864,721	8,907,518	27,189,868	16,209,926	49,126	59,221,159
Accumulated Depreciation						
Balance as at 01 st April 2022	6,290,870	8,590,815	17,376,935	16,140,759	18,842	48,418,221
Depreciation during the year	298,267	570,806	4,723,178	69,167	30,284	5,691,702
Disposals / Transfers	(304,500)	(548,975)	(852,749)	-	-	(1,706,224)
Balance as at 31 st March 2023	6,284,637	8,612,646	21,247,364	16,209,926	49,126	52,403,699
Balance as at 01 st April 2023	6,284,637	8,612,646	21,247,364	16,209,926	49,126	52,403,699
Depreciation during the year	279,267	254,380	4,296,804	-	-	4,830,451
Balance as at 31 st March 2024	6,563,904	8,867,026	25,544,168	16,209,926	49,126	57,234,150
Carrying value as at 31 st March 2023	222,084	294,872	5,942,504	-	-	6,459,460
Carrying value as at 31 st March 2024	300,817	40,492	1,645,700	-	-	1,987,009

25.3 Capitalisation of Borrowing Cost

There were no capitalised borrowing cost related to the acquisition of Equipment during the year (2023 - Nil)

25.4 Title Restriction on Property, Plant and Equipment

There are no restrictions that existed on the title of the Equipment of the Group and the Company as at the reporting date.

25.5 Property, Plant and Equipment pledged as Security for Liabilities

There were no items of Equipment pledged as security as at 31st March 2024.

25.6 Temporarily Idle Property, Plant and Equipment

There were no temporary idle items of Equipment as at 31st March 2024.

25.7 Fully depreciated property, plant and equipment in use

The initial cost of fully-depreciated equipment as at 31st March which are still in use as follows,

	GROUP		COMPANY	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Computer Equipment	30,682,852	27,431,793	5,963,186	5,112,186
Office Equipment	21,384,443	18,379,439	11,092,023	8,991,211
Furniture & Fittings	16,359,322	11,129,840	9,906,412	9,724,062
Communication Devices	1,701,153	1,422,053	49,126	49,126
Vehicles	17,080,776	17,080,776	16,209,926	16,209,926
	87,208,546	75,443,901	43,220,673	40,086,511



CAPITAL ALLIANCE HOLDINGS LIMITED
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	GROUP		COMPANY	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
26 FINANCIAL LIABILITIES MEASURED AT AMORTISED COST				
Securities Sold Under Repurchase Agreements (Note 26.1)	37,220,565,180	29,833,889,379	-	-
Short-Term Loans (Note 26.2)	478,234,603	335,000,000	-	125,000,000
Commercial Papers (26.3)	215,425,604	1,728,836,524	-	1,683,524,688
	37,914,225,387	31,897,725,903	-	1,808,524,688

26.1 Securities Pledged as Collateral under Securities Sold under Repurchase Agreements - Group
Capital Alliance PLC (Subsidiary)

	Market Value (Rs.)		Face Value (Rs.)	
	2024	2023	2024	2023
Treasury Bills	1,791,594,247	5,399,273,924	1,834,600,000	5,633,501,539
Treasury Bonds	41,036,273,706	27,772,069,738	38,418,200,000	32,528,394,669
	42,827,867,953	33,171,343,662	40,252,800,000	38,161,896,208

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 allocations and the Section 4.3, 4.4 and 4.5 are complied with when considering the haircut requirements.

The Board of Directors of the Company has established an Effective Risk management Framework by implementing necessary policies and procedures to ensure compliance with the said guidelines. An Effective Internal Control System is used to verify the accuracy of security allocation.

	GROUP		COMPANY	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
26.2 Term Loan Movement				
Balance as at 1 st April	335,000,000	876,500,000	125,000,000	425,000,000
Loans obtained during the year	4,339,000,000	3,266,000,000	1,875,000,000	1,700,000,000
Loan repayment during the Year	(4,199,000,000)	(3,807,500,000)	(2,000,000,000)	(2,000,000,000)
Interest payables	3,234,603	-	-	-
Balance as at 31st March	478,234,603	335,000,000	-	125,000,000

26.2.1 Short -Term Loans

Bank Loans

Union Bank Loan	328,234,603	325,000,000	-	125,000,000
NTB Bank Loan	150,000,000	10,000,000	-	-
	478,234,603	335,000,000	-	125,000,000

	GROUP		COMPANY	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
26.3 Commercial Papers Movement				
Balance as at 1 st April	1,728,836,524	746,183,269	1,683,524,688	984,320,442
Issued / (Matured) during the year	(1,697,209,787)	814,921,865	(1,814,254,624)	475,004,371
Interest Expenses during the year	183,798,867	167,731,390	130,729,936	224,199,875
Balance as at 31st March	215,425,604	1,728,836,524	-	1,683,524,688

27 TRADE & OTHER PAYABLES

	GROUP		COMPANY	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Trade Creditors	887,681,566	1,142,083,707	-	-
Provisions and Accrued Expenses	2,963,148,067	714,494,403	33,567,689	27,893,088
Other Payables	61,365,408	76,922,559	2,081,625	3,033,533
	3,912,195,041	1,933,500,669	35,649,314	30,926,621



CAPITAL ALLIANCE HOLDINGS LIMITED
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28 AMOUNTS DUE TO RELATED ENTITIES

Capital Alliance Securities (Pvt) Limited
CAL Investment Consultancy FZ-LLC
Capital Alliance Investments Limited

GROUP		COMPANY	
2024	2023	2024	2023
Rs.	Rs.	Rs.	Rs.
-	-	3,169,501	-
-	-	210,000	-
-	-	-	98,600,190
-	-	3,379,501	98,600,190

29 LEASE LIABILITY

29.1 Lease liability Movement

Balance as at 1st April

Remeasurement during the year

Additions during the year

Interest Expense for the year

Lease rental Payment during the year

Exchange Difference

Balance as at 31st March

GROUP	
2024	2023
Rs.	Rs.
147,542,646	133,120,410
-	(2,824,201)
25,873,729	78,287,232
11,349,707	11,741,754
(57,235,986)	(53,065,067)
(12,517,244)	(19,717,482)
115,012,852	147,542,646

29.2 Amounts recognised in Income Statement

Interest on lease liabilities

Depreciation - Right of use assets

11,349,707	11,741,754
48,578,212	43,394,148

29.3 Amounts recognised in Statement of Cash flows

Repayment of Gross lease liability

(57,235,986)	(53,065,067)
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29.4 Maturity Analysis - Contractual Undiscounted Cash Flows

Amount Payable within One Year

Amount Payable after One Year and Less than Five Years

Total Gross Liability

53,106,760	47,353,820
76,473,597	104,058,985
129,580,357	151,412,805

30 RETIREMENT BENEFIT OBLIGATION

30.1 Movement in Present value of Defined benefit obligation

Balance as at 1st April

Transferred to/from Related Companies

Current Service Cost

Interest Cost

Actuarial (Gain) / Loss

Payments made during the year

Balance as at 31st March

GROUP		COMPANY	
2024	2023	2024	2023
Rs.	Rs.	Rs.	Rs.
104,664,498	82,841,298	10,921,185	1,128,201
-	-	-	10,102,500
14,396,956	10,576,371	1,052,513	793,188
20,110,453	12,195,368	2,020,419	169,229
21,246,305	9,677,461	3,462,159	(1,271,933)
(12,015,500)	(10,626,000)	-	-
148,402,712	104,664,498	17,456,276	10,921,185

30.2 Expense recognized in Statement of Profit or Loss;

Current service cost

Interest cost

14,396,956	10,576,371	1,052,513	793,188
20,110,453	12,195,368	2,020,419	169,229
34,507,409	22,771,739	3,072,932	962,417

30.3 The amount recognised in the Other Comprehensive Income

Actuarial (Gain)/ Loss

21,246,305	9,677,461	3,462,159	(1,271,933)
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Provision made during the year

55,753,714	32,449,200	6,535,091	(309,516)
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The provision for retirement benefit obligations as at 31st March 2024 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".



CAPITAL ALLIANCE HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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RETIREMENT BENEFIT OBLIGATION (CONTD.)

30.4 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.

	GROUP		COMPANY	
	Increase	Decrease	Increase	Decrease
Movement by 1%				
Discount Rate	(4,408,400)	3,499,090	(1,183,136)	1,356,132
Future salary scale	5,224,643	(3,604,215)	1,386,851	(1,227,357)

30.5 The Principal Actuarial Assumptions used were as Follows:

	GROUP		COMPANY	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Expected Annual Average Salary Increment	10%	16% - 20%	10%	16%
Discount Rate/Interest Rate	11%	18.5%	11.0%	19%
Staff Turnover Rate	10%-21%	10%-20%	10%	10%
Retiring Age	60 Years	60 Years	60 Years	60 Years
Weighted average retirement age	4 years -9 Years	3 years -9 Years	9 Years	9 Years

The Companies will continue as a going concern.

Assumption regarding future mortality are based on A 1967/70 mortality table issued by Institute of Actuaries London, United Kingdom.

The salary increment rate of 10% 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. As per the guidelines issued by the Institute of Chartered Accountants of Sri Lanka, the discount rates have been adjusted to convert the coupon bearing yield to a zero coupon yield to match the characteristics of the gratuity payment liability and the resulting yield to maturity for the purpose of valuing Employee benefit obligations as per LKAS 19.

30.6 Maturity Analysis

The following payments are expected on employee benefit liabilities in future years from the fund as follows.

	GROUP		COMPANY	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Within next 12 months	71,696,634	13,517,850	1,925,169	1,284,545
Between 1 to 5 years	46,313,731	69,927,614	6,968,769	4,550,436
Between 5 to 10 years	19,649,094	13,925,079	3,831,038	2,394,933
More than 10 years	10,743,253	7,293,955	4,731,300	2,691,271
	148,402,712	104,664,498	17,456,276	10,921,185

STATED CAPITAL

Issued and Fully Paid

127,636,623 Ordinary Shares (2023 - 98,258,063)

1 STATED CAPITAL MOVEMENT

	GROUP		COMPANY	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
	2,532,798,096	223,231,471	2,532,798,096	223,231,471
	No of Shares		Value (Rs.)	
	2024	2023	2024 Rs.	2023 Rs.
Balance as at 01 st April	98,258,063	95,357,528	223,231,471	88,936,700
Issued During the year	29,378,560	2,900,535	2,309,566,625	134,294,771
Balance as at 31 st March	127,636,623	98,258,063	2,532,798,096	223,231,471

All shares rank equally with regard to the Company's residual assets.

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.



CAPITAL ALLIANCE HOLDINGS LIMITED
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AS AT 31ST MARCH 2024**32 OTHER RESERVES****32.1 SPECIAL RISK RESERVE****Capital Alliance Limited**

Every Primary Dealer Company shall maintain a Special Risk Reserve and shall, out of the net profits after the payment of tax of each year, before any dividend is declared, transfer to the Special Risk Reserve a sum not less than 10 per cent of such profits as per the Primary Dealer Companies (Minimum Core Capital) Direction No. 1 of 2015 issued by Central Bank of Sri Lanka.

SPECIAL RISK RESERVE MOVEMENT

	GROUP	
	2024 Rs.	2023 Rs.
Balance at the beginning of the year	927,499,681	644,799,017
Transferred to Special Risk Reserve	1,389,318,349	282,700,664
	2,316,818,030	927,499,681

32.2 FAIR VALUE RESERVE

Fair value reserve consist of the fair value gain or loss on remeasurement of Financial assets classified as Fair value through Other comprehensive Income.

32.3 FOREIGN CURRENCY TRANSLATION RESERVE

Foreign currency translation reserve consists of all foreign currency differences arising from the translation of the financial statements of CAL Investment Consultancy FZ LLC, CAL Securities Limited, CAL Investments Limited, CAL Bangladesh Limited in to reporting currency.

33 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.

33.1 Key management personnel**1) Directors**

Key management personnel include persons who were directors of Capital Alliance Holding Limited at any time during the financial year.

- Mr. W. A. T. Fernando
- Mr. C. S. R. S. Anthony
- Mr. R. J. Arasaratnam
- Ms. N. T. M. S. Cooray
- Mr. D. A. De Zoysa
- Mr. T. J. William
- Ms. K A Wilson (Resigned with effect from 1st May 2023)
- Ms. R S 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

33.2 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 benefits paid for the year is Rs. 6,050,000. (2023- Rs. 4,100,000/-).

Other Transactions with Key Management Personnel

There were no material transactions with key management personnel of the Company.



NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2024

12.3 Transaction With Related Companies

i) 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 PLC	Capital Alliance Partners Ltd	Capital Alliance Securities (Pvt) Ltd	Capital Alliance Investments Ltd	Fluorocarbon (Pvt) Limited	CAL Investments Company PT. Ltd, Bangladesh LLC	CAL Securities Ltd, Bangladesh	CAL Investments Ltd, Bangladesh	CAL Bangladesh Ltd, Bangladesh	Hydrex (Pvt) Ltd	Avisha Holdings (Pvt) Ltd	Jeeving Towers (Pvt) Ltd
Mr W. A. T. Fernando	Director	Director ¹	Director ²	Director ³	Director ⁴	Director	Director	Director ⁵	Director	-	Director	-
Mr E. A. De Zoza	Director	-	-	-	-	-	-	-	-	-	-	-
Mr C. E. R. J. Anthony	Director	-	-	-	-	-	-	-	-	-	-	-
Mr R. J. Anantharam	Director	-	-	-	-	-	-	-	-	-	-	Director
Mr N. Y. M. S. Gangi	-	-	-	-	-	-	-	Director	-	-	-	Director
Mr T. I. William	-	Director ⁷	-	-	-	-	-	-	-	-	-	-
Mr K. A. Wilson	-	-	-	-	-	-	-	-	-	-	-	-
Mr R. S. Jayasinghe	-	-	-	-	-	-	-	-	-	-	-	-
Mr E. A. D. Gunawardena	Director	-	-	-	-	-	-	-	-	-	-	-
Mr A. T. C. Bandula	Director	-	-	-	-	-	-	-	-	-	-	-
Mr H. M. S. Perera	-	Director	-	Director	Director	-	-	Director	-	-	-	-
Mr H. D. Abeyaratne	-	-	Director ⁸	-	Director ⁹	-	-	-	-	-	-	-
Mr U. L. B. Ariyaratne	-	-	Director ¹⁰	-	-	Director	Director	-	Director	Director	-	-
Mr A. D. Rajaguru	-	-	Director ¹¹	-	-	-	-	-	-	-	-	-
Mr M. D. Zoza	-	Director ¹²	Director ¹³	Director ¹⁴	-	-	-	-	-	-	-	-
Mr K. S. C. P. K. Gunawardena	-	-	-	Director	-	Director	-	Director	Director	-	-	-
Mr K. S. P. Narendrakumar	-	-	-	-	-	-	-	-	-	-	-	-
Mr U. R. Anura	-	Director ¹⁵	-	-	Director ¹⁶	-	-	-	-	-	-	-
Mr T. Sureshbabu	-	-	-	-	Director ¹⁷	-	-	-	-	-	-	-
Mr J. Rajasekar	-	-	-	-	-	-	-	Director	-	-	-	-
Mr M. M. Islam	-	-	-	-	-	-	-	Director	-	-	-	-
Mr A. R. Shams	-	-	-	-	-	-	Director	-	-	-	-	-
Mr S. Ahmed	-	-	-	-	-	-	Director	Director	-	-	-	-
Mr M. Ahmed	-	-	-	-	-	-	Director	-	-	-	-	-
Mr C. P. Fernando	-	-	-	-	-	-	-	-	-	-	Director	-
Mr A. D. Fernando	-	-	-	-	-	-	-	-	-	-	Director	-
Mr T. H. Fernando	-	-	-	-	-	-	-	-	-	-	Director	-
Mr N. J. M. C. C.	-	-	-	-	-	-	-	-	-	-	-	Director
Mr R. A. E. Samarasinghe	-	-	-	-	-	-	-	-	-	-	-	Director
Mr P. R. M. W. M.	-	-	-	-	-	-	-	-	-	-	-	Director
Mr D. D. J. M. M.	-	-	-	-	-	-	-	-	-	-	-	Director
Mr T. D. D. Gunawardena	-	-	-	-	-	-	-	-	-	-	-	Director

¹ Managing Company of the First Trust Funds² Appointed on 3rd November 2021³ Resigned on 20th November 2021⁴ Appointed on 1st December 2021⁵ Resigned on 1st February 2024⁶ Resigned on 1st July 2023⁷ Resigned on 1st December 2023⁸ Appointed on 3rd August 2021⁹ Resigned on 10th October 2023¹⁰ Appointed on 1st July 2021¹¹ Resigned on 27th March 2024

CAPITAL ALLIANCE HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2024,

33 RELATED PARTY TRANSACTIONS (CONTD.)

2) Transactions with Related Parties

Company	Relationship	Nature Of Transaction	2024	2023
CAL Investment Consultancy FZ - LLC	Subsidiary Company	Intercompany Payable	210,000	-
		Sale of Subsidiary	27,906,255	-
Capital Alliance PLC	Subsidiary Company	Interest on Reverse Repo	1,651,171	-
		Interest charge on Repo	10,346,199	-
		Reimbursement of Expenses	24,932,920	12,612,910
		Intercompany Receivable	3,421,915	15,158,979
		Dividend Income	675,970,462	-
		Loan granted	-	1,000,000,000
		Interest Income on Loan	49,197,053	50,020,548
		Loan Interest Receivable	-	23,143,836
Capital Alliance Investments Ltd	Sub Subsidiary Company	Intercompany Receivable/ (Payable)	2,376,760	(98,600,190)
		Reimbursement of overhead Expenses	13,187,750	18,383,692
		Interest Income on Loan	2,430,681	-
Capital Alliance Partners Ltd	Sub Subsidiary Company	Commercial Paper Interest Expense	(1,885,708)	(32,263,573)
		Commercial Paper Liability	-	(53,635,766)
		Reimbursement of overhead Expenses	22,229,642	15,572,099
		Intercompany Receivable	99,100,813	16,022,558
		Dividend Income	25,912,982	-
Capital Alliance Securities (Pvt) Ltd.	Sub Subsidiary Company	Reimbursement of overhead Expenses	33,839,263	18,632,384
		Brokerage Expense	(5,362,493)	(46,400)
		Intercompany (Payable) Receivable	(3,169,501)	2,792,529
		Investment in Preference Shares	-	175,000,000
		Dividend Income	43,689,199	89,027,046
		Loan Interest Receivable	-	164,247
		Interest Income on Loan	600,121	2,839,786
		Commercial Paper Interest Expense	(3,400,826)	(47,771,425)
		Commercial Paper Liability	-	(100,649,474)
Finnovation Pvt Ltd	Subsidiary Company	Commercial Paper Liability	-	(34,339,523)
		Commercial Paper Interest Expense	(5,642,382)	(6,340,394)
		Interest Income on Loan	1,510,173	-
FipBox (Pvt) Ltd	Subsidiary Company	Intercompany Receivable	-	32,572,825
Tempest PE Partners (Pvt) Ltd.	Joint Venture Company	Commercial Paper Liability	-	(110,045,016)
		Commercial paper Interest Expenses	-	(21,782,210)
		Reimbursement of Expenses	-	1,589,295
		Intercompany Receivable	-	92,693
CAL Securities Ltd, Bangladesh	Sub-Subsidiary Company	Reimbursement of Expenses	19,062,615	1,745,700
		Intercompany Receivable	18,910,870	1,745,700



CAPITAL ALLIANCE HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2024.

33 RELATED PARTY TRANSACTIONS (CONTD.)

2) Transactions with Related Parties

Company	Relationship	Nature Of Transaction	2024	2023
CAL Investments Ltd, Bangladesh	Sub-Subsidiary Company	Reimbursement of Expenses	19,062,615	1,745,700
		Intercompany Receivable	18,969,870	1,745,700
CALBangladesh Ltd, Bangladesh	Sub-Subsidiary Company	Intercompany Receivable	1,953,463	-
Ashithi Holdings (Pvt) Ltd	Significant shareholding	Dividend Paid	(538,476,379)	-
Jetwing Travels (Pvt) Ltd	Significant shareholding	Dividend Paid	(529,584,776)	-
Capital Alliance Investment Grade Fund	Unit Trust Fund managed by Subsidiary Company	Earning for the period	23,638,957	71,714
		Investment in Unit Trust Fund	343,638,956	-
		Commercial paper Interest Expense	-	(37,179,445)
Capital Alliance Income Fund	Unit Trust Fund managed by Subsidiary Company	Commercial paper Interest Expense	-	(1,022,999)
Capital Alliance Quantitative Equity Fund	Unit Trust Fund managed by Subsidiary Company	Investment in Unit Trust Fund	216,622	166,622
		Earning for the period	50,000	8,752,841
CAL Fixed Income Opportunity Fund	Unit Trust Fund managed by Sub-Subsidiary Company	Commercial paper Interest Expense	(18,652,757)	(11,945,190)
		Commercial Paper Liability	-	(1,047,825,412)
		Earning for the period	856,285	-
Mr. W A T Fernando	Director	Dividend Paid	(387,493,969)	-
Ms. N T M S Cooray	Director	Commercial Paper Liability	-	(324,500,721)
		Commercial paper Interest Expense	(62,130,535)	-
		Dividend Paid	(169,466,952)	(62,447,964)

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 above. 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.



CAPITAL ALLIANCE HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2024.**34 COMMITMENTS AND CONTINGENCIES**

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 2024, except the following.

Company

For the year of assessment 2016/17, an income tax liability of Rs. 5,552,364.71 and a penalty of Rs. 2,776,182.34 were assessed. The additional liability will be set off against an overpayment from the previous year, and no penalty will be paid once the refund is processed. For the year of assessment 2017/18, an income tax assessment of Rs. 1,285,999 was determined. However, no payment is required as a withholding tax credit of Rs. 4,637,391 has been applied.

For the year of assessment 2016/17, a VAT on FS liability of Rs. 12,780,004 and a penalty of LKR 6,390,002 were initially assessed. Following an objection and settlement with Inland Revenue, the Company settled the agreed liability of LKR 3,447,289.95 and a penalty of Rs. 344,729 for late payment. Additionally, the Company settled the agreed NBT on FS liability for the same year, amounting to Rs. 514,536.32, along with a late payment penalty of Rs. 51,453.63. For the year 2020/2021, an additional VAT on FS assessment of Rs. 3,567,707 was settled as part of an amicable agreement with Inland Revenue. However, a penalty on late payment was not negotiated, and the Company anticipates a potential additional penalty of 10%, amounting to Rs. 356,770, which may be charged.

There were no material capital commitments as at the reporting date which require disclosures in the financial statements.

34.2 Off Balance Sheet Exposures

	2024 Rs.	2023 Rs.
Assets		
Forward Purchases-Government Securities	6,207,792,917	1,210,558,927
Liabilities		
Forward Sales-Government Securities	7,446,292,224	1,307,176,695

35 EVENTS AFTER THE REPORTING PERIOD

There were no material events after the date of Statement of Financial Position that require adjustments to or disclosures in the financial statements except the below:

Capital Alliance PLC

On 17th April 2024, the Board of Directors of the Company has resolved to declare the 2nd Interim dividend totalling Rs 4,941,268,260.00 representing a dividend per share of Rs 15.00 for the year ended 31st March 2024.

Capital Alliance Securities Limited

On 05th April 2024, the Board of Directors of the Company has resolved to declare the final dividend totalling Rs 173,108,145/- representing a dividend per share of Rs 21.00 for the year ended 31st March 2024.



CAPITAL ALLIANCE HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2024

36 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 Audit 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. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

36.1 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates that would impact Group's income or the value of its resources in financial instruments. The objective of managing market risk is to manage and control market risk exposures within acceptable parameters, while optimizing returns.

COMPANY

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 2024 Rs.	Trading portfolios Rs.	Non trading portfolios Rs.	As at 31 March 2023 Rs.	Trading portfolios Rs.	Non trading portfolios Rs.
Financial assets						
Cash and cash equivalents	13,399,645	-	13,399,645	48,412,397	-	48,412,397
Trade and other receivable	19,336,162	-	19,336,162	118,757,220	-	118,757,220
Amounts due/ Loan from related parties	144,733,691	-	144,733,691	1,093,274,820	-	1,093,274,820
Financial assets measured at FVTPL	473,366,448	473,366,448	-	28,245,420	29,245,420	-
Financial Assets measured at FVOCI	-	-	-	1,402,021	-	1,402,021
	648,829,946	473,366,448	178,463,498	1,294,091,878	29,245,420	1,260,940,248
Financial liabilities						
Financial liabilities at amortised cost	-	-	-	1,808,524,688	-	1,808,524,688
	-	-	-	1,808,524,688	-	1,808,524,688

GROUP

At the reporting date the exposure to market risk of the Group's financial instruments was:

	Carrying amount	Market risk measurement		Carrying amount	Market risk measurement	
	As at 31 March 2024 Rs.	Trading portfolios Rs.	Non trading portfolios Rs.	As at 31 March 2023 Rs.	Trading portfolios Rs.	Non trading portfolios Rs.
Financial assets						
Cash and cash equivalents	1,136,898,960	-	1,136,898,960	459,281,181	-	459,281,181
Financial assets measured at amortised cost	1,157,988,494	-	1,157,988,494	776,635,029	-	776,635,029
Trade and other receivable	2,660,764,698	-	2,660,764,698	2,014,606,583	-	2,014,606,583
Amounts due/ Loan from related parties	-	-	-	2,006,562	-	2,006,562
Financial assets measured at FVTPL	68,881,033,014	68,881,033,014	-	37,907,840,487	37,907,840,487	-
Financial Assets measured at FVOCI	-	-	-	7,402,021	-	7,402,021
	65,836,676,476	68,881,033,014	4,955,643,482	41,166,875,063	37,907,840,487	3,259,034,576
Financial liabilities						
Financial liabilities at amortised cost	37,914,225,387	-	37,914,225,387	31,897,725,903	-	31,897,725,903
Loan liability	115,032,852	-	115,032,852	147,542,646	-	147,542,646
	38,029,258,239	-	38,029,258,239	32,045,268,549	-	32,045,268,549

36.1.1 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 in a orderly manner.



CAPITAL ALLIANCE HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
As at 31 March 2024.

COMPANY

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,

	2024			2023		
	Variable interest rate	Fixed interest rate	Total	Variable interest rate	Fixed interest rate	Total
Financial assets						
Financial assets measured at FVTPL	343,855,579	-	-	166,622	-	166,622
Total	343,855,579	-	-	166,622	-	166,622
Financial liabilities						
Financial liabilities at amortised cost	-	-	-	-	1,808,524,688	1,808,524,688
Total	-	-	-	-	1,808,524,688	1,808,524,688

GROUP

Exposure to interest rate risk

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

As at 31 March,

	2024			2023		
	Variable interest rate	Fixed interest rate	Total	Variable interest rate	Fixed interest rate	Total
Financial assets						
Financial assets measured at amortised cost	-	1,157,588,494	1,157,588,494	-	776,635,039	776,635,039
Government Treasury Bills and Bonds	-	58,790,175,821	58,790,175,821	-	37,672,674,352	37,672,674,352
Total	-	59,948,168,315	59,948,168,315	-	38,449,309,391	38,449,309,391
Financial liabilities						
Financial liabilities at amortised cost	-	37,914,225,387	37,914,225,387	-	31,887,725,963	31,887,725,963
Total	-	37,914,225,387	37,914,225,387	-	31,887,725,963	31,887,725,963

The Group engages in the listed services such as Structuring, Placements and Advisory Services which also have an indirect impact from fluctuations in interest rates. Non-traded interest rate risk is mitigated through a combination of business strategy and market risk mitigation activities.

Risk and Compliance Division and Finance division circulate Management Information reports to the Risk Committee which meets regularly to make decisions on managing such financial instruments and services. The committee establishes portfolio and sensitivity limits in order to manage the positions which Risk and Compliance Division monitors on a daily basis. Any exceptions are duly escalated to the Committee for corrective measures.

Stress testing calculations are performed by the Risk and Compliance Division to assess the impact of interest rate and market risk on the Group portfolio values, capital adequacy, earnings and net asset positions also flagging any potential threat to regulatory requirements.



CAPITAL ALLIANCE HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2024.

36.1.1.1 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. Floating rate instruments expose the Group to cash flow fluctuations.

As at 31 March,	2024		2023	
	Variable-rate		Variable-rate	
	Impact on PBT	Impact on equity	Impact on PBT	Impact on equity
Increase in 100 basis points				
Financial assets				
Government securities				
Treasury bills	(15,738,845)	(11,017,192)	(24,494,761)	(17,146,333)
Treasury bonds	(1,302,744,706)	(911,921,294)	(750,365,652)	(525,255,956)
	<u>(1,318,483,551)</u>	<u>(922,938,486)</u>	<u>(774,860,413)</u>	<u>(542,402,289)</u>
Decrease in 100 basis points				
Financial assets				
Government securities				
Treasury bills	15,861,349	11,102,944	24,727,166	17,309,016
Treasury bonds	1,357,320,558	950,124,391	788,360,035	551,852,025
	<u>1,373,181,907</u>	<u>961,227,335</u>	<u>813,087,201</u>	<u>569,161,041</u>

36.1.1.2 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 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, 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 modeling, 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.

36.1.2 Equity Risk

The Group'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

	GROUP		COMPANY	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Investment in Quoted Shares	1,073,716,616	50,816,466	129,510,869	29,078,798
	<u>1,073,716,616</u>	<u>50,816,466</u>	<u>129,510,869</u>	<u>29,078,798</u>

36.1.2.1 Sensitivity analysis of equity risk

The following table shows the estimated impact on profitability and equity by fluctuation of stock market prices at the reporting date, assuming that all other variables remain constant.

	GROUP		COMPANY	
	Impact on PBT		Impact on PBT	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
10% decline in stock prices	(107,371,662)	(5,081,647)	(12,951,087)	(2,907,880)
10% Increase in stock prices	107,371,662	5,081,647	12,951,087	2,907,880

36.1.2.2 Management of Equity Risk

The Group manages the equity risk through diversification and placing limits on individual and total equity portfolio investments.

The Group's equity risk management policies are; Investment decisions are based on in depth macroeconomic and industry analysis as well as research reports on group performance.

Reports on the equity portfolio are submitted to the group's senior management on a regular basis.

Adherence to the investment policy which includes stringent guidelines on risk exposures.

36.1.3 Foreign 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 currencies giving rise to this risk are primarily US Dollars. Mainly Foreign currency reserve consists of impact on translation of foreign operations of the Group.



CAPITAL ALLIANCE HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS

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36.2 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.

36.2.1 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.

GROUP

As at 31 March 2024	Total carrying amount	Contractual cash flows			
		Total	12 months or less	1 - 2 years	2 - 9 Years
Assets					
Investment in Government Treasury Bills	5,658,036,806	5,658,036,806	5,658,036,806	-	-
Investment in Government Treasury Bonds	53,132,143,015	53,132,143,015	2,326,966,874	17,028,811,678	33,776,364,463
Securities Purchase under Resale Agreements	1,157,988,494	1,158,087,752	1,158,087,752	-	-
Amount Due from Related Entities	-	-	-	-	-
Trade and Other Receivables	2,660,764,608	2,660,764,608	2,660,764,608	-	-
	<u>62,608,932,923</u>	<u>62,609,032,181</u>	<u>11,803,856,040</u>	<u>17,028,811,678</u>	<u>33,776,364,463</u>
Liabilities					
Securities Sold under Repurchase Agreements	37,220,565,180	38,550,979,651	38,550,979,651	-	-
Short Term Loan	478,234,603	478,234,603	478,234,603	-	-
Commercial Papers	215,425,604	216,493,694	216,493,694	-	-
Trade and Other Payables	3,912,195,041	3,912,195,041	3,912,195,041	-	-
Lease Liability	115,012,852	129,580,357	107,423,073	5,213,485	16,943,799
	<u>41,941,433,280</u>	<u>43,287,483,346</u>	<u>43,265,326,062</u>	<u>5,213,485</u>	<u>16,943,799</u>

As at 31 March 2023	Total carrying amount	Contractual cash flows			
		Total	12 months or less	1 - 2 years	2 - 9 Years
Assets					
Investment in Government Treasury Bills	9,384,840,773	9,971,985,265	9,971,985,265	-	-
Investment in Government Treasury Bonds	28,287,833,577	33,118,365,906	153,000	3,713,624,629	29,404,588,277
Securities Purchase under Resale Agreements	372,829,607	372,829,607	372,829,607	-	-
Placement with Bank (Term Deposits)	403,805,422	403,805,422	403,805,422	-	-
Amount Due from Related Entities	2,006,562	2,006,562	2,006,562	-	-
Trade and Other Receivables	1,908,497,726	1,908,497,726	1,908,497,726	-	-
	<u>40,359,813,669</u>	<u>45,777,490,488</u>	<u>12,659,277,582</u>	<u>3,713,624,629</u>	<u>29,404,588,277</u>
Liabilities					
Securities Sold under Repurchase Agreements	29,833,889,379	30,261,878,106	30,261,878,106	-	-
Short Term Loan	335,000,000	335,000,000	335,000,000	-	-
Commercial Papers	1,728,836,524	1,945,013,362	1,945,013,362	-	-
Trade and Other Payables	1,933,500,669	1,933,500,669	1,933,500,669	-	-
Lease Liability	147,542,646	151,412,805	47,353,820	104,058,985	-
	<u>33,978,769,218</u>	<u>34,626,804,942</u>	<u>34,522,745,957</u>	<u>104,058,985</u>	<u>-</u>

COMPANY

As at 31 March 2024	Total carrying amount	Contractual cash flows			
		Total	12 months or less	1 - 2 years	2 - 9 Years
Assets					
Trade and Other Receivables	19,330,162	19,330,162	19,330,162	-	-
Amounts Due from Related Entities	144,733,691	144,733,691	144,733,691	-	-
	<u>164,063,853</u>	<u>164,063,853</u>	<u>164,063,853</u>	<u>-</u>	<u>-</u>
Liabilities					
Commercial Papers	-	-	-	-	-
Trade and Other Payables	35,649,314	35,649,314	35,649,314	-	-
Amount Due to Related Entities	3,379,501	3,379,501	3,379,501	-	-
	<u>39,028,815</u>	<u>39,028,815</u>	<u>39,028,815</u>	<u>-</u>	<u>-</u>

As at 31 March 2023	Total carrying amount	Contractual cash flows			
		Total	12 months or less	1 - 2 years	2 - 9 Years
Assets					
Trade and Other Receivables	119,757,220	119,757,220	119,757,220	-	-
Amounts Due from Related Entities	70,130,984	70,130,984	70,130,984	-	-
Loan given to Related Company	1,023,143,836	1,023,143,836	1,023,143,836	-	-
	<u>1,213,032,040</u>	<u>1,213,032,040</u>	<u>1,213,032,040</u>	<u>-</u>	<u>-</u>
Liabilities					
Short Term Loan	125,000,000	125,000,000	125,000,000	-	-
Commercial Papers	1,683,524,688	1,711,076,763	1,711,076,763	-	-
Trade and Other Payables	30,926,621	30,926,621	30,926,621	-	-
Amount Due to Related Entities	98,600,190	98,600,190	98,600,190	-	-
	<u>1,938,051,499</u>	<u>1,965,603,574</u>	<u>1,965,603,574</u>	<u>-</u>	<u>-</u>

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amount.



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36.3.2 Management of liquidity risk

The Group'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 Group 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.

Group has taken following measures to manage the liquidity risk of the Group

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.

Unutilised bank facilities

As at 31st March 2024 the Company had approved unutilized bank facilities amounting to Rs. 625 Mn (2023: Rs. 825 Mn).

36.3 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 and from its financing activities including any deposits with banks and financial institutions and other financial instruments.

36.3.1 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:

GROUP**As at 31st March 2024**

	Cash and Cash Equivalents	Financial Assets measured at FVTPL	Financial Assets measured at FVOCI	Financial Assets measured at Amortised Cost	Trade and Other Receivables
	Rs.	Rs.	Rs.	Rs.	Rs.
Government	-	58,790,179,821	-	1,157,988,494	-
Corporate	-	2,090,853,193	-	-	-
Other	1,136,890,360	-	-	-	2,660,764,608
Total	1,136,890,360	60,881,033,014	-	1,157,988,494	2,660,764,608

As at 31st March 2023

Government	-	37,672,674,352	-	776,635,029	-
Corporate	-	235,166,135	7,402,021	-	-
Other	458,381,381	-	-	-	1,908,497,726
Total	458,381,381	37,907,840,487	7,402,021	776,635,029	1,908,497,726

COMPANY**As at 31st March 2024**

	Cash and Cash Equivalents	Financial Assets measured at FVTPL	Financial Assets measured at FVOCI	Financial Assets measured at Amortised Cost	Trade and Other Receivables
	Rs.	Rs.	Rs.	Rs.	Rs.
Corporate	-	473,366,448	-	-	-
Other	11,399,645	-	-	-	19,330,162
Total	11,399,645	473,366,448	-	-	19,330,162

As at 31st March 2023

Corporate	-	29,245,420	7,402,021	-	-
Other	49,412,397	-	-	-	119,757,220
Total	49,412,397	29,245,420	7,402,021	-	119,757,220



CAPITAL ALLIANCE HOLDINGS LIMITED
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36.3.2 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 authorization 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.

36.3.3 Impairment

The aging of Trade and Other receivables at the reporting date was:

GROUP

	2024		2023	
	Gross Rs.	Impairment Rs.	Gross Rs.	Impairment Rs.
Not past due	1,298,708,428	-	904,909,852	-
Past due 0 - 30 days	745,647,323	-	259,374,054	-
Past due 31 - 90 days	456,195,065	-	481,624,286	-
More than 90 days	50,296,554	31,661,743	92,249,140	18,903,564
	2,550,847,370	31,661,743	1,738,157,332	18,903,564

COMPANY

	2024		2023	
	Gross Rs.	Impairment Rs.	Gross Rs.	Impairment Rs.
Not past due	5,539,057	-	16,008,943	-
Past due 0 - 30 days	251,118	-	-	-
Past due 31 - 90 days	-	-	-	-
More than 90 days	-	-	1,489,446	1,831,742
	5,790,175	-	17,498,389	1,831,742

Based on historical defaults, the Group believes that impairment allowance is adequate in respect of above Trade and Other Receivables. Further Sufficient collateral cover is available in respect of credit extended to debtors of Capital Alliance Securities (Pvt) Limited.

Credit risk on financial investments

The Company and Group are 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. 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	2024		2023	
			Group		Company	
			Rs.	Rs.	Rs.	Rs.
Commercial Banks	A+	Fitch	912,958	1,489,188	-	-
	A	Fitch	184,170,638	210,328,737	4,467,776	1,956,410
	A-	Fitch	676,146,435	105,725,762	5,434,632	47,363,319
	AA+	Fitch	-	20,227,310	-	-
	BBB+	Fitch	-	2,559,208	-	-
	BBB-	Fitch	1,712,699	56,881,754	1,497,237	92,668
	AA	ECRL	286,767,863	-	-	-
	A+	ECRL	26,356,299	-	-	-
	AA+	ECRL	1,068	-	-	-
	A1	CRAB	-	580,769	-	-
	AAA	CRAB	525,460	-	-	-
	AA+	CRISL	14,790,486	-	-	-
	AA	CRISL	3,886,282	-	-	-
	A	CRISL	-	45,999,609	-	-
Central Bank of Sri Lanka	AA+	CRISL	-	13,783,800	-	-
			1,379,864	531,432	-	-
			1,136,650,019	458,113,569	11,399,645	49,412,397

The above has been derived as per the Company's risk management policy of using the carrying values in the Statement of Financial Position. This does not include the exposure that would arise in the future as a result of changes in values. Further there were no any other off balance sheet exposures which would give arise to credit risk.

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 18.1.1.

Risk response to credit risk on financial investments

The Company's investment policy prohibits non-rated investments, unless specifically authorized.

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.



CAPITAL ALLIANCE HOLDINGS LIMITED
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36.4 Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Group's involvement with financial instruments, including processes, personnel, technology and infrastructure, 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 Group's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the business reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each business unit. This responsibility is supported by the development of overall Group's standards for the management of operational risk in the following areas:

- Requirements for appropriate segregation of duties, including the independent authorization of transactions.
- Requirements for the reconciliation and monitoring of the transaction.
- Compliance with regulatory and other legal requirements.
- Documentation of controls and procedures.
- Development of business contingency plans.
- Training and professional development
- Ethical and business standards.
- Risk mitigation, including insurance where this is effective.

Compliance with Group'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 business units with summaries submitted to the Audit Committee.



CAPITAL ALLIANCE HOLDINGS LIMITED
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37 CAPITAL MANAGEMENT

The policy of the Company and the Group 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 stated capital, reserves and retained earnings. The Board of Directors monitors the return on capital, gearing ratio, dividend pay-out to ordinary shareholders.

The gearing ratio at the reporting date is as follows.

As at 31st March

	GROUP		COMPANY	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Interest bearing borrowing	37,914,225,387	31,897,725,903	-	1,808,524,688
(-) Cash and Cash Equivalents	(1,136,890,360)	(458,381,381)	(11,399,645)	(49,412,397)
	36,777,335,027	31,439,344,522	(11,399,645)	1,759,112,291
Equity	19,508,288,969	6,844,819,528	2,938,601,767	545,617,461
Gearing ratio	1.89	4.59	-	3.22

38 FINANCIAL INSTRUMENTS

38.1 FAIR VALUE OF ASSETS AND LIABILITIES

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 group measures fair values using the following fair value hierarchy that reflects the significance of inputs used in making the measurement.

Level - 1

Financial instruments that are measured in whole or in part by reference to published quotes in an active market. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Level - 2

Financial instruments that are measured at fair value on a recurring basis. As market quotes generally are not readily available or accessible for these securities, their fair value measures are determined using relevant information generated by market transactions involving comparable securities.

Level - 3

Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The following table 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 for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

GROUP

As at 31st March 2024

	Note	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial Assets measured Fair value Through Profit					
Investment in Government Treasury Bills	16	5,658,036,806	-	-	5,658,036,806
Investment in Government Treasury Bonds	16	53,132,143,015	-	-	53,132,143,015
Investment in Unit Trust Funds	16	-	1,017,136,577	-	1,017,136,577
Investment in Quoted Shares	16	1,073,716,616	-	-	1,073,716,616
		59,863,896,437	1,017,136,577	-	60,881,033,014
Financial Assets measured Fair value Through Other Comprehensive Income					
Investment in Unquoted Shares	17	-	-	-	-
		-	-	-	-
Financial Assets measured at Amortised Cost					
Securities Purchased Under Resale Agreements	18	-	-	-	1,015,901,339
Placement with Bank (Term Deposits)	18	-	-	-	142,087,155
Trade and Other Receivables	19	-	-	-	2,660,764,608
Amount Due from Related Entities	20	-	-	-	-
		-	-	-	3,818,753,102
Financial Liabilities not Measured at Fair Value					
Securities Sold Under Repurchase Agreements	26	-	-	-	37,220,565,180
Short Term Loan	26	-	-	-	478,234,603
Commercial Paper liabilities	26	-	-	-	215,425,604
Trade and Other Payables	27	-	-	-	3,912,195,041
		-	-	-	41,826,420,428



CAPITAL ALLIANCE HOLDINGS LIMITED
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GROUP

As at 31st March 2023

As at 31st March 2023	Note	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial Assets measured Fair value Through Profit					
Investment in Government Treasury Bills	16	9,384,840,775	-	-	9,384,840,775
Investment in Government Treasury Bonds	16	28,287,833,577	-	-	28,287,833,577
Investment in Unit Trust Funds	16	-	184,349,669	-	184,349,669
Investment in Quoted Shares	16	50,816,466	-	-	50,816,466
		<u>37,723,490,818</u>	<u>184,349,669</u>	<u>-</u>	<u>37,907,840,487</u>
Financial Assets measured Fair value Through Other Comprehensive Income					
Investment in Unquoted Shares	17	-	-	7,402,021	7,402,021
		<u>-</u>	<u>-</u>	<u>7,402,021</u>	<u>7,402,021</u>
Financial Assets measured at Amortised Cost					
Securities Purchased Under Resale Agreements	18	-	-	-	372,829,607
Placement with Bank (Term Deposits)	18	-	-	-	403,805,422
Trade and Other Receivables	19	-	-	-	1,908,497,726
Amount Due from Related Entities	20	-	-	-	2,006,562
		<u>-</u>	<u>-</u>	<u>-</u>	<u>2,687,139,317</u>
Financial Liabilities not Measured at Fair Value					
Securities Sold Under Repurchase Agreements	26	-	-	-	29,833,889,379
Short Term Loan	26	-	-	-	335,000,000
Commercial Papers	26	-	-	-	1,728,836,524
Trade and Other Payables	27	-	-	-	1,933,500,666
		<u>-</u>	<u>-</u>	<u>-</u>	<u>33,831,226,568</u>

COMPANY

As at 31st March 2024

As at 31st March 2024	Note	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial Assets measured Fair value Through Profit					
Investment in Unit Trust Funds	16	-	343,855,579	-	343,855,579
Investment in Quoted Shares	16	129,510,869	-	-	129,510,869
		<u>129,510,869</u>	<u>343,855,579</u>	<u>-</u>	<u>473,366,448</u>
Financial Assets measured Fair value Through Other Comprehensive Income					
Investment in Unquoted Shares	17	-	-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial Assets measured at Amortised Cost					
Trade and Other Receivables	19	-	-	-	19,330,162
Amount Due from Related Entities	20.1	-	-	-	144,733,691
Loan given to Related Entities	20.2	-	-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>	<u>164,063,853</u>
Financial Liabilities not Measured at Fair Value					
Short Term Loan	26	-	-	-	-
Commercial Papers	26	-	-	-	-
Amount Due to Related Entities	28	-	-	-	3,379,501
		<u>-</u>	<u>-</u>	<u>-</u>	<u>3,379,501</u>

COMPANY

As at 31st March 2023

As at 31st March 2023	Note	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial Assets measured Fair value Through Profit					
Investment in Unit Trust Funds	16	-	166,622	-	166,622
Investment in Quoted Shares	16	29,078,798	-	-	29,078,798
		<u>29,078,798</u>	<u>166,622</u>	<u>-</u>	<u>29,245,420</u>
Financial Assets measured Fair value Through Other Comprehensive Income					
Investment in Unquoted Shares	17	-	-	7,402,021	7,402,021
		<u>-</u>	<u>-</u>	<u>7,402,021</u>	<u>7,402,021</u>
Financial Assets measured at Amortised Cost					
Trade and Other Receivables	19	-	-	-	119,757,220
Amount Due from Related Entities	20.1	-	-	-	70,130,984
Loan given to Related Entities	20.2	-	-	-	1,023,143,836
		<u>-</u>	<u>-</u>	<u>-</u>	<u>1,213,032,040</u>



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Financial Liabilities not Measured at Fair Value

Short Term Loan	26	-	-	-	125,000,000
Commercial Papers	26	-	-	-	1,683,524,688
Amount Due to Related Entities	28	-	-	-	98,600,190
		-	-	-	<u>1,907,124,878</u>

Level 1

The Company uses quoted market prices of Colombo Stock Exchange (CSE) for fair valuing of Shares.

Level 2

The Company uses the daily average government security rates issued by Public Debt Department of Central Bank of Sri Lanka for Fair Valuing Government Securities.

Level 3

The Company uses Net Assets Value basis in valuing Investment in Unquoted Shares.

38.2 Financial Instruments - Statement of Financial Position

		GROUP		COMPANY	
		2024	2023	2024	2023
		Rs.	Rs.	Rs.	Rs.
Financial Assets					
Note					
Financial assets measured at Fair Value Through Profit or Loss					
Investment in Government Treasury Bills	16	5,658,036,806	9,384,840,775	-	-
Investment in Government Treasury Bonds	16	53,132,143,015	28,287,833,577	-	-
Investment in Unit Trust Funds	16	1,017,136,577	184,349,669	343,855,579	166,622
Investment in Quoted Shares	16	1,073,716,616	50,816,466	129,510,869	29,078,798
		60,881,033,014	37,907,840,487	473,366,448	29,245,420
Financial Assets Measured at Fair Value Through OCI					
Investment in Unquoted Share Investments	17	-	7,402,021	-	7,402,021
		-	7,402,021	-	7,402,021
Financial Assets Measured at Amortised Cost					
Securities Purchase under Resale Agreements	18	1,015,901,339	372,829,607	-	-
Placement with Bank	18	142,087,155	403,805,422	-	-
Trade and other receivables	19	2,660,764,608	1,908,497,726	19,330,162	119,757,220
Loan given to Related Company	20.2	-	-	-	1,023,143,836
Amount due from related Entities	20.1	-	2,006,562	144,733,691	70,130,984
		3,818,753,102	2,687,139,317	164,063,853	1,213,032,040
		64,699,786,116	40,602,381,825	637,430,301	1,249,679,481
Non Financial Assets					
Equipment	25	140,845,836	87,653,382	1,987,009	6,459,460
Intangible assets	23	149,708,614	157,032,206	3,787,829	5,220,733
Right-of-use Assets	24	192,801,321	137,045,860	-	-
Investment in Subsidiaries	21	-	-	2,269,287,082	1,029,898,502
Investment in Joint Venture	22	-	86,361,754	-	60,000,000
Income Tax Recoverable	13.3	-	-	9,656,037	9,656,037
Advances, Deposits, Prepayments and Other Receivables	19	315,099,717	269,295,673	56,763,250	81,391,055
Deferred Tax Assets	13.7.1	45,622,443	26,294,177	4,775,705	2,872,481
		754,077,931	763,683,052	2,346,256,912	1,195,498,268
Cash and cash equivalents	15.1	1,136,890,360	458,381,381	11,399,645	49,412,397
Total Assets		66,590,754,407	41,824,446,258	2,995,086,858	2,494,590,146
		GROUP		COMPANY	
		2024	2023	2024	2023
		Rs.	Rs.	Rs.	Rs.
Financial Liabilities					
Other Financial Liabilities					
Financial Liability Measured at Amortised Cost	26	37,914,225,387	31,897,725,903	-	1,808,524,688
Trade & Other Payables	27	887,681,566	1,142,083,707	-	-
Amounts Due to Related Entities	28	-	-	3,379,501	98,600,190
		38,801,906,953	33,039,809,610	3,379,501	1,907,124,878
Other non financial liabilities					
Lease Liability	29	115,012,852	147,542,646	-	-
Retirement Benefit Obligations	30	148,402,712	104,664,498	17,456,276	10,921,185
Income Tax Payable	13.3	4,992,449,148	894,753,052	-	-
Other Payables		3,024,513,475	791,416,962	35,649,314	30,926,623
Deferred Tax Liability	13.7	180,298	1,439,962	-	-
		8,280,558,485	1,939,817,120	53,105,590	41,847,808
Total Liabilities		47,082,465,438	34,979,626,730	56,485,091	1,948,972,686



CAPITAL ALLIANCE HOLDINGS LIMITED
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SIGNMENT REPORTING

Information about reportable segments

The Group's activities have been segregated into five different segments (Primary Broker, Corporate Finance, Asset Management, Stock Brokerage) based on the business activities that each unit is engaged for the purpose of reviewing the operating results of the Group as well as its future decisions about resource allocation.

Segment information is presented in respect of the Group's business segments as per IFRS 8. The Group's primary broker for segment reporting is based on business segments.

The financial segments are determined based on the Group's management and internal reporting structure.

For the Year ended 31 March	Primary Broker		Corporate Finance		Asset Management		Stock Brokerage		Discretionary Unleveraged		Consolidated	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Interest Income	10,004,472.02	5,724,198.21	5,476,408	22,284,139	6,051,471	1,141,437	146,459,488	375,403,123	46,819,640	151,666,198	167,817,388.43	4,902,883,000
Interest Expenses	(8,613,889,398)	(5,121,814,331)	(133,339)	(82,172)	(6,181,280)	(3,373,140)	(26,492,782)	(102,171,071)	(13,393,878)	(172,851,821)	(8,789,857,052)	(3,129,333,000)
Net Interest Income	1,390,582,624	6,02,383,887	2,145,079	21,202,007	1,870,191	(1,231,703)	119,966,706	273,232,052	33,425,762	(140,785,131)	8,997,531,336	1,773,550,000
Fee Based Income	-	-	(74,085,452)	89,341,388	1,311,821,689	151,324,985	441,138,418	123,322,980	317,413,640	178,649,236	1,276,880,419	1,179,737,000
Fee Gain from Trading	19,885,201,318	187,371,618	-	-	10,192,136	1,169,188	4,380,712	-	14,789,113	22,114,379	19,986,67,247	427,834,334
Net Gain / (Loss) from measurement of Financial Asset at FVTPL	876,321,129	1,099,564,869	-	-	1,441,299	2,421,742	476,441	-	1,077,547	14,896,714	902,129,474	1,099,281,479
Invest Expenses	(13,871,888)	(11,196,181)	(13,846,867)	-	(1,085,341)	(1,085,341)	(11,286,170)	(11,011,147)	(10,817,646)	(10,817,646)	(18,782,131)	(18,782,131)
Other Income	(18,888,332)	91,188	-	1,175,246	179,598	(51,268)	82,878	4,077,396	53,495,292	6,983,714	73,178,038	11,628,981
Net Operating Income	22,778,646,089	4,854,521,487	(15,988,288)	22,417,375	3,389,861,449	149,111,117	584,055,431	877,132,976	41,886,711	11,889,411	26,221,884,056	4,887,482,439
Operating Expenses	(16,000,000,175)	(11,334,049,479)	(184,780,940)	(10,710,344)	(186,861,281)	(147,491,571)	(140,534,888)	(118,173,583)	(1,088,171,117)	(187,171,611)	(17,200,000,000)	(12,217,321,000)
Operating Profit / (Loss)	6,778,645,914	(6,482,528,000)	(199,742,328)	11,707,031	1,603,000,168	101,619,546	143,520,543	758,959,393	40,715,600	9,717,800	9,021,884,056	2,670,161,439
Share of Profit/(Loss) from Equity accounted investee (Net of Tax)	-	-	-	-	-	-	-	-	11,679,281	8,640,476	21,319,757	4,146,476
Profit Before Tax	20,000,000,000	1,000,000,000	(199,742,328)	11,707,031	1,603,000,168	101,619,546	143,520,543	758,959,393	52,394,881	18,358,276	9,043,203,813	2,674,307,915
Income Tax Expenses	(6,200,000,000)	(187,500,000)	4,276,408	(1,811,111)	(186,861,281)	(147,491,571)	(140,534,888)	(118,173,583)	(1,088,171,117)	(187,171,611)	(17,200,000,000)	(12,217,321,000)
Profit for the year	13,800,000,000	812,500,000	(195,465,920)	9,895,920	1,416,138,887	(46,872,025)	(96,984,345)	640,785,810	41,306,764	17,176,665	7,843,203,813	1,457,000,000
Other Comprehensive Income for the year	(8,887,171)	(4,711,421)	(336,890)	(2,879,649)	(1,732,493)	(111,740)	11,259,188	(44,371)	(10,000,000)	(177,767,002)	(186,767,173)	(186,767,173)
Total Comprehensive Income for the year	13,791,112,829	807,788,579	(195,802,810)	6,916,271	1,414,406,394	(158,513,765)	(85,725,157)	636,416,439	31,306,764	(160,690,337)	7,656,436,640	1,270,232,827
Total Assets	61,238,227,617	72,494,479,888	(62,789,281)	174,553,769	785,761,161	379,368,742	3,889,424,814	1,491,813,488	2,296,676,138	1,716,641,366	16,888,791,487	4,121,146,121
Total Liabilities	(4,813,348,018)	(5,136,441,141)	(136,883,086)	76,613,777	(12,729,128)	(161,181,119)	(1,817,874,814)	(102,889,000)	(7,900,206)	(1,166,166,114)	(7,082,405,618)	(31,751,471,731)
Net Assets	56,424,879,600	67,358,038,747	(199,072,367)	251,167,546	798,490,289	218,187,623	2,071,549,999	1,388,924,488	1,596,470,932	550,475,252	9,806,385,869	4,089,674,390
Cash flows from operating activities	3,305,462,874	22,714,109	87,264,546	427,598,617	814,671,219	305,101,762	(176,747,576)	782,716,688	-	-	1,124,760,914	(1,786,499,967)
Cash flows from investing activities	(1,616,757,948)	(3,144,749)	(49,442,497)	(12,918,791)	(25,690,488)	(12,315,174)	(24,128,829)	(179,416,214)	-	-	(886,789,487)	(1,228,864,364)
Cash flows from financing activities	(1,282,711,603)	16,495,172	(18,695,885)	(115,178,821)	(49,822,578)	(10,781,121)	(165,106,613)	(481,730,672)	-	-	(8,213,421,746)	(1,789,699,391)
Net cash flow generated during the year	426,000,000	16,664,432	(81,074,836)	(100,500,000)	(60,241,847)	(23,994,533)	(159,939,906)	102,569,802	-	-	(8,975,440,319)	(2,794,253,662)



11.3 ANNEXURE 3 – Interim Financial Statements for the period ended 31st December 2024



**CAPITAL ALLIANCE HOLDINGS LIMITED
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED
31ST DECEMBER 2024**

CAPITAL ALLIANCE HOLDINGS LIMITED

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDED,**

	Note	GROUP		COMPANY	
		31st Dec 2024 Rs. (9 Months) (Unaudited)	31st Mar 2024 Rs. (12 Months) (Audited)	31st Dec 2024 Rs. (9 Months) (Unaudited)	31st Mar 2024 Rs. (12 Months) (Audited)
Income	5	13,288,426,518	33,049,264,571	4,857,318,495	2,291,999,162
Interest Income	6	6,793,114,270	10,741,758,453	12,908	76,988,878
Interest Expense	7	(4,271,003,227)	(6,759,307,512)	(24,877,369)	(176,518,025)
Net Interest Income/ (Expense)		2,522,111,043	3,982,450,941	(24,864,461)	(99,529,147)
Fee Based Income	8	1,928,711,983	2,291,380,619	6,227,359	3,913,143
Net Gains from Trading	9.1	4,920,972,001	19,060,617,107	64,959,474	19,512,068
Net Fair Value Gains/ (Losses) from Financial Assets at FVTPL	9.2	(414,535,842)	882,129,474	7,452,395	9,021,051
Direct Expenses	10	(40,731,905)	(68,752,133)	-	-
Other Income	11	60,164,106	73,378,918	4,778,666,359	2,182,564,022
Total Operating Income		8,976,691,386	26,221,204,926	4,832,441,126	2,115,481,137
Personnel Expenses		(1,216,417,394)	(3,579,266,059)	(43,374,923)	(53,515,849)
Depreciation & Amortization		(77,398,169)	(103,487,344)	(3,055,508)	(7,147,301)
Other Operating Expenses		(1,754,917,253)	(1,845,627,578)	(7,757,182)	(123,024,964)
Reversals of Impairment of Subsidiaries		-	-	24,041,587	3,914,626
Operating Profit		5,927,958,570	20,692,823,945	4,802,295,100	1,935,707,649
Share of Profit from Equity accounted Investee (Net of Tax)		-	21,070,301	-	-
Profit Before Income Tax		5,927,958,570	20,713,894,246	4,802,295,100	1,935,707,649
Income Tax (Expense)/ Reversal	12.1	(1,984,355,876)	(6,622,920,742)	1,665,488	864,576
Profit for the period		3,943,602,694	14,090,973,504	4,803,960,588	1,936,572,225
Profit attributable to:					
Owners of the Company		3,404,437,546	11,337,769,357	4,803,960,588	1,936,572,225
Non-Controlling Interests		539,165,148	2,753,204,147	-	-
Profit for the period		3,943,602,694	14,090,973,504	4,803,960,588	1,936,572,225
Basic Earnings per Share (Rs.) - Before Split	13	26.67	103.97	37.64	17.76
Basic Earnings per Share (Rs.) - After Split	13	1.78		2.51	

Figures in brackets indicate deductions.

CAPITAL ALLIANCE HOLDINGS LIMITED
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDED,**

	GROUP		COMPANY	
	31st Dec 2024	31st Mar 2024	31st Dec 2024	31st Mar 2024
	Rs.	Rs.	Rs.	Rs.
	(9 Months)	(12 Months)	(9 Months)	(12 Months)
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Profit for the period	3,943,602,694	14,090,973,504	4,803,960,588	1,936,572,225
Other Comprehensive Expense				
Items that are or may be reclassified to Profit or Loss				
Foreign currency translation differences of foreign operations	(155,325,182)	(201,223,460)	-	-
Items that will not be reclassified to Profit or Loss				
Defined Benefit Plan - Actuarial Losses	-	(21,246,305)	-	(3,462,159)
Deferred Tax on Actuarial Losses	-	6,051,625	-	1,038,648
Share of other comprehensive income from equity accounted investees (net of tax)	-	(314,812)	-	-
Other Comprehensive Expense for the period	(155,325,182)	(216,732,952)	-	(2,423,511)
Total Comprehensive Income for the period	3,788,277,512	13,874,240,552	4,803,960,588	1,934,148,714
Total Comprehensive Income attributable to:				
Owners of the Company	3,310,835,154	11,195,271,631	4,803,960,588	1,934,148,714
Non-Controlling Interests	477,442,358	2,678,968,921	-	-
Total Comprehensive Income for the period	3,788,277,512	13,874,240,552	4,803,960,588	1,934,148,714

Figures in brackets indicate deductions.

CAPITAL ALLIANCE HOLDINGS LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT

	GROUP		COMPANY	
	2024	2024	2024	2024
	31-Dec	31-Mar	31-Dec	31-Mar
	Rs.	Rs.	Rs.	Rs.
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
ASSETS				
Cash and Cash Equivalents	516,088,431	1,136,890,360	5,485,700	11,399,645
Financial Assets Measured at FVTPL	103,350,215,615	60,881,033,014	1,007,375,117	473,366,448
Financial Assets Measured at Amortised Cost	5,482,309,287	1,157,988,494	-	-
Trade and Other Receivables	4,482,184,004	2,975,864,325	2,598,081,990	76,093,412
Amounts Due from Related Entities	-	-	177,200,939	144,733,691
Investment in Subsidiaries	-	-	2,293,328,689	2,269,287,082
Intangible Assets	152,590,365	149,708,614	2,396,592	3,787,829
Right-of-use Assets	60,047,128	102,801,321	-	-
Property, Plant and Equipment	132,817,513	140,845,836	322,736	1,987,009
Deferred Tax Assets	53,403,367	45,622,443	6,441,193	4,775,705
Income Tax Receivable	12,697,790	-	9,656,037	9,656,037
Total Assets	114,242,353,500	66,590,754,407	6,100,288,993	2,995,086,858
EQUITY AND LIABILITIES				
Liabilities				
Bank Overdrafts	909,377,040	-	33,872,168	-
Financial Liabilities Measured at Amortised Cost	88,163,260,344	37,914,225,387	327,344,808	-
Trade and Other Payables	2,769,245,108	3,912,195,041	19,358,163	35,649,314
Income Tax Payable	1,838,702,835	4,992,449,148	-	-
Amounts Due to Related Entities	-	-	-	3,379,501
Lease Liability	70,338,511	115,012,852	-	-
Deferred Tax Liability	-	180,298	-	-
Retirement Benefit Obligations	161,241,952	148,402,712	19,339,067	17,456,276
Total Liabilities	93,912,165,791	47,082,465,438	399,914,206	56,485,091
Equity				
Stated Capital	2,532,798,096	2,532,798,096	2,532,798,096	2,532,798,096
Special Risk Reserve	2,696,078,924	2,316,818,030	-	-
Retained Earnings	12,795,512,111	11,808,827,473	3,167,576,691	405,803,671
Foreign Currency Translation Reserve	(161,108,890)	(67,506,497)	-	-
Equity attributable to owners of the Company	17,863,280,241	16,590,937,102	5,700,374,787	2,938,601,767
Non-Controlling Interests	2,466,907,468	2,917,351,867	-	-
Total Equity	20,330,187,709	19,508,288,969	5,700,374,787	2,938,601,767
Total Liabilities and Equity	114,242,353,500	66,590,754,407	6,100,288,993	2,995,086,858
Net Assets Value per Share (Rs.) - Before Split	139.95	129.99	44.66	23.02
Net Assets Value Per Share (Rs.) - After Share Split	9.33	-	2.98	-

Sgd.

Vice President - Finance

Sgd.

Director

24th January 2025

Colombo

Sgd.

Director

CAPITAL ALLIANCE HOLDINGS LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED,
GROUP

	Attributable to owners of the Company						Non-Controlling Interests	Total Equity
	Stated Capital Rs.	Fair Value Reserve Rs.	Foreign currency Translation reserve Rs.	Special Risk Reserve Rs.	Retained Earnings Rs.	Total Rs.		
Balance as at 01st April 2023	223,231,471	20,033,695	61,298,454	927,499,681	3,962,188,781	5,194,252,082	1,650,567,446	6,844,819,528
Shares issued during the year	2,309,566,625	-	-	-	-	2,309,566,625	-	2,309,566,625
Disposal of equity accounted Investee during the year	-	(15,391,863)	-	-	(31,725,380)	(47,117,243)	-	(47,117,243)
Total comprehensive income for the year								
Profit for the year	-	-	-	-	11,337,769,357	11,337,769,357	2,753,204,147	14,090,973,504
Other comprehensive Income for the year	-	(314,812)	(128,804,951)	-	(13,377,963)	(142,497,726)	(74,235,226)	(216,732,952)
Total comprehensive Income	-	(314,812)	(128,804,951)	-	11,324,391,394	11,195,271,631	2,678,968,921	13,874,240,552
Transferred To the Special Risk Reserve	-	-	-	1,389,318,349	(1,389,318,349)	-	-	-
Reclassification of Fair Value Reserve	-	(4,327,020)	-	-	4,327,020	-	-	-
Dividend paid during the year	-	-	-	-	(1,850,731,034)	(1,850,731,034)	(506,887,187)	(2,357,618,221)
Transactions with Equity Holders								
Adjustment due to changes in Holding	-	-	-	-	(210,304,959)	(210,304,959)	210,304,959	-
Investment in Subsidiary	-	-	-	-	-	-	(1,312,585,481)	(1,312,585,481)
Issues of Shares (Pending Allotment)	-	-	-	-	-	-	196,983,208	196,983,208
Total transactions with owners of the Company	-	-	-	-	(210,304,959)	(210,304,959)	(905,297,314)	(1,115,602,273)
Balance as at 31st March 2024	2,532,798,096	-	(67,506,497)	2,316,818,030	11,808,827,473	16,590,937,102	2,917,351,867	19,508,288,969
Balance as at 01st April 2024	2,532,798,096	-	(67,506,497)	2,316,818,030	11,808,827,473	16,590,937,102	2,917,351,867	19,508,288,969
Total comprehensive income for the period								
Profit for the period	-	-	-	-	3,404,437,546	3,404,437,546	539,165,148	3,943,602,694
Other comprehensive Income for the period	-	-	(93,602,393)	-	-	(93,602,392)	(61,722,790)	(155,325,182)
Total comprehensive Income	-	-	(93,602,393)	-	3,404,437,546	3,310,835,154	477,442,358	3,788,277,512
Transferred To the Special Risk Reserve	-	-	-	379,260,894	(379,260,894)	-	-	-
Dividend paid during the period	-	-	-	-	(2,042,187,568)	(2,042,187,568)	(924,191,203)	(2,966,378,771)
Transactions with Equity Holders								
Adjustment due to changes in Holding	-	-	-	-	3,695,554	3,695,554	(3,695,554)	-
Total transactions with owners of the Company	-	-	-	-	3,695,554	3,695,554	(3,695,554)	-
Balance as at 31st December 2024	2,532,798,096	-	(161,108,890)	2,696,078,924	12,795,512,111	17,863,280,241	2,466,907,468	20,330,187,709

Figures in brackets indicate deductions.

CAPITAL ALLIANCE HOLDINGS LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED,

COMPANY

	Stated Capital Rs.	Fair Value Reserve Rs.	Retained Earnings Rs.	Total Rs.
Balance as at 01 st April 2023	223,231,471	4,327,020	318,058,971	545,617,462
Shares issued during the year	2,309,566,625	-	-	2,309,566,625
Total comprehensive income for the year				
Profit for the year	-	-	1,936,572,225	1,936,572,225
Other comprehensive Expenses for the year	-	-	(2,423,511)	(2,423,511)
Total Comprehensive Income	-	-	1,934,148,714	1,934,148,714
Reclassification of Fair Value Reserve	-	(4,327,020)	4,327,020	-
Dividend Paid during the year			(1,850,731,034)	(1,850,731,034)
Balance as at 31st March 2024	2,532,798,096	-	405,803,671	2,938,601,767
Balance as at 01st April 2024	2,532,798,096	-	405,803,671	2,938,601,767
Total comprehensive income for the period				
Profit for the period	-	-	4,803,960,588	4,803,960,588
Other comprehensive Income for the period	-	-	-	-
Total Comprehensive Income	-	-	4,803,960,588	4,803,960,588
Dividend Paid during the period			(2,042,187,568)	(2,042,187,568)
Balance as at 31st December 2024	2,532,798,096	-	3,167,576,691	5,700,374,787

Figures in brackets indicate deductions.

CAPITAL ALLIANCE HOLDINGS LIMITED

STATEMENT OF CASH FLOW
FOR THE PERIOD ENDED

	GROUP		COMPANY	
	31st Dec 2024 Rs. (9 Months) (Unaudited)	31st Mar 2024 Rs. (12 Months) (Audited)	31st Dec 2024 Rs. (9 Months) (Unaudited)	31st Mar 2024 Rs. (12 Months) (Audited)
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before Income Tax Expense	5,927,958,570	20,713,894,246	4,802,295,100	1,935,707,649
<i>Adjustments For,</i>				
Depreciation of Property Plant & Equipment	36,538,593	42,760,936	1,664,272	4,830,451
Amortization of Intangible Assets	6,632,049	12,148,195	1,391,236	2,316,850
Provision for Retiring Gratuity	18,064,867	34,507,409	1,195,292	3,072,932
(Gain)/ Loss on Disposals of Property Plant & Equipment and Intangible Assets	(19,526,000)	4,896,303	(19,500,000)	502,337
Disposal Loss on Sale of Subsidiary Shares	-	-	-	49,205,312
Disposal Gain on Sale of Associate	-	-	-	(47,434,000)
Share of profit of equity accounted investee (net of tax)	-	(21,072,246)	-	-
Impairment of Investment in Subsidiaries	-	-	(24,041,587)	(3,914,626)
Provision for impairment of trade receivables	648,119	12,758,179	2,871,374	(467,296)
Write off Investment in Unquoted Shares	-	7,402,021	-	7,402,021
Provision for Investment in Unquoted Shares	-	20,872,440	-	20,872,440
Depreciation of ROU Assets	34,227,527	48,578,212	-	-
Finance Cost on ROU Assets	5,562,056	11,349,707	-	-
Net Fair Value (Gains)/Losses from Financial Assets at FVTPL	414,535,842	(882,129,474)	(7,452,395)	(9,021,051)
Net Capital (Gain)/ Losses on sale Investment in Shares	8,101,953	8,987,090	(8,915,098)	(263,868)
Net Capital Gains on Investment in Unit Trusts	(231,719,036)	(58,943,785)	(56,044,376)	(19,248,200)
Net Capital Gains on Treasury Bills, and Bonds	(4,697,354,918)	(19,010,660,412)	-	-
Dividend Income	(35,898,631)	(21,296,934)	(4,758,409,084)	(2,181,988,248)
Interest Income	(6,793,114,270)	(10,741,758,453)	(12,908)	(76,988,878)
Interest Expense	4,265,441,171	6,747,957,805	24,877,369	176,518,025
Operating Loss before Changes in Operating Activities	(1,059,902,108)	(3,069,748,761)	(40,080,805)	(138,898,150)
(Increase) / Decrease in Securities Purchase under Resale Agreements	(4,316,740,287)	(643,071,732)	-	-
(Increase) / Decrease in Government securities measured at FVTPL	(36,917,949,200)	(1,170,065,235)	-	-
(Increase) / Decrease in Trade and Other Receivables	(1,506,967,798)	(812,929,433)	(2,524,859,952)	125,522,159
(Increase) / Decrease in Amounts Due from Related Entities	-	2,006,562	(32,454,340)	(74,602,707)
Increase / (Decrease) in Securities Sold Under Repurchase Agreements	41,735,494,753	7,386,675,801	-	-
Increase / (Decrease) in Amounts Due to Related Entities	-	-	(3,379,501)	(95,220,689)
Increase / (Decrease) in Trade & Other Payables	(1,142,262,432)	1,978,694,372	(15,603,650)	4,722,693
	(3,208,327,072)	3,671,561,574	(2,616,378,248)	(178,476,694)
Tax Paid	(5,159,175,018)	(2,534,075,531)	-	-
Gratuity Paid	(5,913,125)	(12,015,500)	-	-
Net cash Generated from / (Used in) Operating Activities	(8,373,415,215)	1,125,470,543	(2,616,378,248)	(178,476,694)
CASH FLOWS FROM INVESTING ACTIVITIES				
Net Investment in Shares	212,774,565	(1,095,383,289)	45,393,785	(96,467,408)
Loan given to related party	-	-	-	1,023,143,836
Proceeds from Disposal of Associate	-	107,434,000	-	107,434,000
Investment in Subsidiaries	-	(1,115,602,273)	(20)	(1,312,585,481)
Sale Proceeds from Disposal of Property, Plant & Equipment	19,526,000	-	19,500,000	-
Acquisition of Property, Plant and Equipment	(34,127,244)	(103,250,834)	-	(358,000)
Acquisition of Software	(14,066,192)	(14,833,280)	-	(1,386,283)
Proceeds from Disposal of Subsidiary	-	-	-	27,906,215
Investment in Financial Assets Measured at FVOCI	-	(20,872,440)	-	(20,872,440)
Net Investment in withdrawal of Placement with Banks	-	261,718,267	-	-
Net (Investment)/ Redemption in Unit Trust Funds	(629,504,317)	(765,476,051)	(506,990,585)	(319,120,501)
Dividend Received	35,898,631	21,296,934	4,758,409,084	2,181,988,248
Interest Income Received	6,157,466,274	10,741,758,453	-	76,988,878
Net cash Generated from Investing Activities	5,747,967,717	8,016,789,487	4,316,312,264	1,666,671,064
CASH FLOWS FROM FINANCING ACTIVITIES				
Net Issue / (settlement) of Commercial Papers	5,000,000,000	(1,697,209,787)	-	(1,683,524,688)
Net issue/ (settlement) of Term Loans	3,300,000,000	140,000,000	325,000,000	(125,000,000)
Interest Paid	(4,051,900,967)	(6,560,924,335)	(22,532,561)	(176,518,025)
Lease rental Paid	(40,239,824)	(57,235,986)	-	-
Shares Issued	-	2,309,566,625	-	2,309,566,625
Dividend Paid	(2,966,378,771)	(2,357,618,221)	(2,042,187,568)	(1,850,731,034)
Net cash Generated from / (Used in) Financing Activities	1,241,480,438	(8,223,421,704)	(1,739,720,129)	(1,526,207,122)
Net increase/ (decrease) in Cash and Cash equivalents	(1,383,967,060)	918,838,326	(39,786,113)	(38,012,752)
Cash and Cash equivalents at the beginning of the year	1,136,890,360	458,381,381	11,399,645	49,412,397
Effect of movement in exchange rates	(146,211,909)	(240,329,347)	-	-
Cash and Cash equivalents at the end of the period	(393,288,609)	1,136,890,360	(28,386,468)	11,399,645

Figures in brackets indicate deductions.

CAPITAL ALLIANCE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31ST DECEMBER 2024

1. REPORTING ENTITY

The Capital Alliance Holdings Limited is a Limited Liability Company incorporated and domiciled in Sri Lanka under the Companies Act No. 7 of 2007. The Registered Office of the Company is situated at Level -5, "Millennium House", No. 46/58, Nawam Mawatha, Colombo 2 where the principal business is carried out.

The Consolidated Financial Statements of Capital Alliance Holdings Limited for the period ended 31st December 2024 comprises those of the Company (Parent company), its Subsidiaries (together referred to as the 'Group').

1.1. Date of incorporation and commencement of commercial operations

The Company was incorporated on 25th March 2003 and commenced its commercial operations on 7th April 2003.

2. Principal activities and nature of operations

2.1.1. The principal activities of the Company

The Principal Activities of the Company continued to be engaging in investment activities and management of subsidiaries.

2.1.2. The principal activities of subsidiaries are as follows;

Name of the Subsidiary/Joint Venture	Principal Activities
Capital Alliance PLC (Formerly Capital Alliance Limited)	The Principal Activities of the Capital Alliance PLC are dealing in Government Securities and corporate debt securities.
Capital Alliance Partners Limited	The Principal Activities of the Capital Alliance Partners Limited are dealing in Corporate Finance and fee-based activities.
Capital Alliance Securities (Pvt) Limited	The Principal Activity of the Capital Alliance Securities (Pvt) Limited is Stock Brokering.
Capital Alliance Investments Limited	The Principal Activities of the Capital Alliance Investments Limited are managing Unit Trust Funds and Private Wealth Management.
Finnovation (Pvt) Limited	The Principal Activity of the Finnovation (Pvt) Limited is providing IT services to Related Companies.
FipBox (Pvt) Limited	The Principal Activity of the FipBox (Pvt) Ltd is to promote digitalized transactions for investment related products.
CAL Investment Consultancy FZ LLC (Formerly CAL Investment Holdings Limited)	The Principal Activity of the Company is investment holding and investment consultancy.
CAL Bangladesh Limited	The Principal Activity of the Company is provision of Consultancy services.
CAL Securities Limited	The Principal Activity of the Company is Stock Brokering.
CAL Investments Limited	The Principal Activity of the Company is full-fledged Merchant bank activities.

CAPITAL ALLIANCE HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST DECEMBER 2024**2.2 Principal activities and nature of operations (Contd...)****2.2.1 The principal activities of the Company (Contd...)**

Fixed Income Investment I (Private) Limited	The Principal Activity of the Company is investment holding.
Fixed Income Investment II (Private) Limited	The Principal Activity of the Company is investment holding.
Fixed Income Investment III (Private) Limited	The Principal Activity of the Company is investment holding.
Fixed Income Investment V (Private) Limited (Formerly CAL Property Fund (Private) Limited)	The Principal Activity of the Company is investment holding.

3. BASIS OF PREPARATION

These interim financial statements have been prepared in accordance with LKAS 34 “Interim Financial Reporting”. They do not include all the information required for a complete set of SLFRS/LKAS financial statements. However, selected explanatory notes are included to explain the events and transactions that are significant to an understanding of the changes in the Group and Company’s financial positions and performances since the last annual financial statements as at and for the year ended 31st March 2024.

The significant judgments made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those applied to the audited financial statements for the year ended 31st March 2024.

4. Functional and Presentation Currency

Items included in these financial statements are measured using the currency of the primary economic environment in which the Company operates (the Functional Currency), which is the Sri Lankan Rupees.

The financial statements of the Group are presented in Sri Lankan Rupees (LKR) which is the functional currency of the Group entities other than for the companies listed below where the functional currency is either based on the country of incorporation of the respective Company or elements that could influence in determining its functional currency.

Company	Country of Incorporation	Functional Currency
CAL Investment Consultancy FZ LLC (Formerly CAL Investment Holdings Limited)	United Arab Emirates (UAE)	USD
CAL Bangladesh Limited	Bangladesh	BDT
CAL Securities Limited	Bangladesh	BDT
CAL Investments Limited	Bangladesh	BDT

CAPITAL ALLIANCE HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED,

	GROUP		COMPANY	
	31st Dec 2024	31st Mar 2024	31st Dec 2024	31st Mar 2024
	Rs.	Rs.	Rs.	Rs.
	(9 Months)	(12 Months)	(9 Months)	(12 Months)
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
5 INCOME				
Interest Income (Note 6)	6,793,114,270	10,741,758,453	12,908	76,988,878
Fee Based Income (Note 8)	1,928,711,983	2,291,380,619	6,227,359	3,913,143
Net Gains From Trading (Note 9.1)	4,920,972,001	19,060,617,107	64,959,474	19,512,068
Net Gain/(Loss) From Financial Assets at FVTPL (Note 9.2)	(414,535,842)	882,129,474	7,452,395	9,021,051
Other Income (Note 11)	60,164,106	73,378,918	4,778,666,359	2,182,564,022
	13,288,426,518	33,049,264,571	4,857,318,495	2,291,999,162
6 INTEREST INCOME				
Financial Assets measured at FVTPL				
Interest on Treasury Bills	832,429,728	1,242,672,969	-	-
Interest on Treasury Bonds	5,495,575,342	9,180,310,714	-	-
	6,328,005,070	10,422,983,683	-	-
Financial Assets measured at Amortised Cost				
Interest on Securities Purchased under Resale Agreements	275,491,147	84,240,007	-	23,078,246
Interest on Related Party Loans	-	-	12,908	53,738,029
Interest on Deposits with Banks	16,949,518	26,763,410	-	-
Interest Income on Loans to Corporates	-	172,603	-	172,603
Interest income on credit extended to clients and early settlements	172,668,535	207,598,750	-	-
	465,109,200	318,774,770	12,908	76,988,878
	6,793,114,270	10,741,758,453	12,908	76,988,878
7 INTEREST EXPENSE				
Interest on Securities Sold Under Repurchase Agreements	4,027,519,492	6,469,811,101	-	-
Interest expense from Bank loans	165,922,174	81,217,173	22,801,297	36,012,440
Interest on Commercial Papers	51,360,880	183,798,867	-	130,729,936
Finance Cost- Lease	5,562,056	11,349,707	-	-
Bank Charges - Overdraft	20,638,625	13,130,664	2,076,072	9,775,649
	4,271,003,227	6,759,307,512	24,877,369	176,518,025
8 FEE BASED INCOME				
Placement Fee Income	158,022,641	171,435,452	1,864,309	750,000
Management Fee	1,066,023,571	1,496,135,062	-	-
Other Fee Based Income	49,322,666	53,936,251	4,363,050	-
Brokerage Fee	557,967,906	510,032,966	-	-
Consultancy & Advisory Fee	97,375,199	59,840,888	-	3,163,143
	1,928,711,983	2,291,380,619	6,227,359	3,913,143
9 GAINS AND LOSSES ARISE FROM FINANCIAL ASSETS				
9.1 Net Gains From Trading				
Net Capital Gain on Treasury Bills	21,189,915	228,094,739	-	-
Net Capital Gain on Treasury Bonds	4,676,165,003	18,782,565,673	-	-
Net Capital Gain on Investment in Unit Trusts	231,719,036	58,943,785	56,044,376	19,248,200
Net Capital Gain/(Loss) on sale Investment in Shares	(8,101,953)	(8,987,090)	8,915,098	263,868
	4,920,972,001	19,060,617,107	64,959,474	19,512,068
9.2 Net Gain/ (Loss) From Financial Assets at FVTPL				
Remeasurement Gain/(Loss) on Government Securities	(710,710,351)	936,779,822	-	-
Remeasurement Gain/ (Loss) on Shares	274,713,732	(63,017,421)	(2,234,790)	3,700,795
Remeasurement Gain on Unit Trusts	21,460,777	8,367,073	9,687,185	5,320,256
	(414,535,842)	882,129,474	7,452,395	9,021,051

CAPITAL ALLIANCE HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED,

	GROUP		COMPANY	
	31st Dec 2024 Rs. (9 Months) (Unaudited)	31st Mar 2024 Rs. (12 Months) (Audited)	31st Dec 2024 Rs. (9 Months) (Unaudited)	31st Mar 2024 Rs. (12 Months) (Audited)
10 DIRECT EXPENSES				
Brokerage Commission	28,729,282	33,074,086	-	-
Other Direct Expenses	12,002,623	35,678,047	-	-
	40,731,905	68,752,133	-	-
11 OTHER INCOME				
Dividend Income	35,898,631	21,296,934	4,758,409,084	2,181,988,248
Interest income - Staff Loans	791,896	1,861,932	626,623	1,790,189
Sundry Income	3,947,579	7,682,355	130,652	1,059,234
Disposal Gain on Sale of Associate	-	47,434,000	-	47,434,000
Disposal Loss on Sale of Subsidiary	-	-	-	(49,205,312)
Gain/ (Loss) on disposal of Property Plant and Equipment and Intangible assets	19,526,000	(4,896,303)	19,500,000	(502,337)
	60,164,106	73,378,918	4,778,666,359	2,182,564,022
12 INCOME TAX EXPENSE/ (REVERSAL)				
12.1 Income tax recognised in Profit or Loss				
Current Taxation	1,991,250,616	6,655,262,806	-	-
Over provision	-	(17,719,009)	-	-
	1,991,250,616	6,637,543,797	-	-
Deferred Tax Reversal				
Reversal of Deferred Taxation	(6,894,740)	(14,623,055)	(1,665,488)	(864,576)
	(6,894,740)	(14,623,055)	(1,665,488)	(864,576)
Total Income Tax Recognised in the Statement of Profit or Loss	1,984,355,876	6,622,920,742	(1,665,488)	(864,576)
12.2 Amount Recognised in the Statement of Other Comprehensive Income				
Actuarial Loss Arising from Retirement Benefit Obligations	-	(21,246,305)	-	(3,462,159)
Deferred Tax on Actuarial Loss	-	6,051,625	-	1,038,648
	-	(15,194,680)	-	(2,423,511)

CAPITAL ALLIANCE HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED,

13 BASIC EARNINGS PER SHARE

The Earnings Per Share is computed on the profit for the period attributable to equity holders of the Parent Company divided by the weighted average number of ordinary shares outstanding.

	GROUP		COMPANY	
	31st Dec 2024	31st Mar 2024	31st Dec 2024	31st Mar 2024
	Rs.	Rs.	Rs.	Rs.
	(9 Months)	(12 Months)	(9 Months)	(12 Months)
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Profit attributable to Equity Holders of the Company	3,404,437,546	11,337,769,357	4,803,960,588	1,936,572,225
Weighted average number of Ordinary Shares	127,636,623	109,045,753	127,636,623	109,045,753
Basic Earnings per share - (Rs.) - Before Split	26.67	103.97	37.64	17.76
Basic Earnings per share - (Rs.) - After Split	1.78	N/A	2.51	N/A

Total number of shares outstanding as at 31st December 2024 - (Before the share split) - 127,636,623 (31st March 2024 - 127,636,623).

Total number of Shares outstanding as at 31st December 2024 after the share split was 1,914,549,345.

The approval received to the sub division of the Company's shares to 15 new shares for each shares outstanding. The share split was done on 23rd December 2024. The Audited figures for the year ended 31st March 2024 have not been re-stated.

13.1 Diluted Earnings Per Share

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.

11.4 ANNEXURE 4 – Collection Points

Copies of the Application Form can be obtained free of charge from the following collection points.

MANAGERS TO THE OFFER	COMPANY	REGISTRARS TO THE OFFER
Capital Alliance Partners Limited Level 2, "Millennium House", 46/58, Nawam Mawatha, Colombo 02 Tel: +94 11 2317777 Fax: +94 11 2317788	Capital Alliance Holdings Limited Level 2, "Millennium House", 46/58, Nawam Mawatha, Colombo 02 Tel: +94 11 2317777 Fax: +94 11 2317788	S S P Corporate Services (Private) Limited 101, Inner Flower Road, Colombo 03. Tel: +94 11 257 3894 Fax: +94 11 257 3609

TRADING PARTICIPANTS OF THE COLOMBO STOCK EXCHANGE

NDB Securities (Private) Ltd. Level 2, NDB Capital Building, No. 135, Bauddhaloka Mawatha, Colombo 4. Tel: +94 11 2 131 000 Fax: +94 11 2 314 181 E-mail: mail@ndbs.lk	Somerville Stockbrokers (Pvt) Ltd. No. 470/95,1/7, Bauddhaloka Mawatha, Colombo 7. Tel: +94 11 2 502 858 / +94 11 2 502 862 Fax: +94 11 2 502 852 E-mail: contact@somerville.lk
ACS Capital (Pvt) Ltd No. 44, Guildford Crescent, Colombo 07. Tel: +94 11 7898302 E-mail - info@acscapital.lk	John Keells Stock Brokers (Pvt) Ltd. No. 186, Vauxhall Street, Colombo 2. Tel: +94 11 2 306 250 Fax: +94 11 2 342 068 E-mail: jkstock@keells.com
Asha Securities Limited. No.60, 5th Lane, Colombo 3. Tel: +94 11 2 429 100 Fax: +94 11 2 429 199 E-mail: asl@ashasecurities.net	HNB Stockbrokers (Pvt) Ltd. No. 53, Dharmapala Mawatha, Colombo 03. Tel: +94 11 2 206 206 Fax: +94 11 2 206 298 / 9 E-mail: sales@hnbstockbrokers.lk
J B Securities (Pvt) Ltd. No. 150, St. Joseph Street, Colombo 14. Tel: +94 11 2 490 900 Fax: +94 11 2 430 070 E-mail: jbs@jb.lk	Lanka Securities (Pvt) Ltd 3rd Floor, "M2M Veranda Offices", No.34, W.A.D. Ramanayeke Mawatha, Colombo 2 Tel: +94 11 4 706 757 / +94 11 2 554 942 Fax: +94 11 4 706 767 E-mail: info@lankasec.com
Asia Securities (Pvt) Ltd. 4th Floor, Lee Hedges Tower, No. 349, Galle Road, Colombo 3 Tel: +94 11 7 722 000 Fax: +94 11 258 4864 E-mail: inquiries@asiasecurities.lk	Capital Trust Securities (Pvt) Ltd. No, 42, Mohamed Macan Markar Mawatha, Colombo 3. Tel: +94 11 2 174 174 / +94 11 2 174 175 Fax: +94 11 2 174 173 E-mail: inquiries@capitaltrust.lk

S C Securities (Pvt) Ltd. 5th Floor, No. 26B, Alwis Place, Colombo 3. Tel: +94 11 4 711 000 / +94 11 4 711 001 Fax: +94 11 2 394 405 E-mail: itdivision@sampathsecurities.lk	CT CLSA Securities (Pvt) Ltd. 4-14, Majestic City, 10, Station Road, Colombo-4. Tel: +94 11 2 552 290 - 4 Fax: +94 11 2 552 289 E-mail: info@ctcls.lk
Capital Alliance Securities (Pvt) Ltd. Level 2, "Millennium House", 46/58 Nawam Mawatha, Colombo 2. Tel: +94 11 2 317 777 Fax: +94 11 2 3177 88 E-mail: info@cal.lk	Richard Pieris Securities (Pvt) Ltd. No.310, High Level Road, Nawinna, Maharagama Tel: +94 11 431 0500 Fax: +94 11 280 2385 Email: communication@rpsecurities.com
First Guardian Equities (Pvt) Ltd. 32nd Floor, East Tower, World Trade Centre, Colombo 1. Tel: +94 11 5 884 400 (Hunting) Fax: +94 11 5 884 401 E-mail: info@fge.lk	Enterprise Ceylon Capital (Private) Limited. 2nd Floor-4B, Liberty Plaza, 250, R. A. De Mel Mawatha, Colombo 3 Tel: +94 11 244 5644, 11 230 1861/2 Fax: - E-mail: info@ecc.lk
LOLC Securities Limited No. 481, T.B.Jayah Mawatha, Colombo 10. Tel: +94 11 588 9889 Fax: +94 11 266 2883 E-Mail: info@lolcsecurities.com	Softlogic Stockbrokers (Pvt) Ltd Level 16, One Galle Face Tower, Colombo 02. Tel: +94 11 7 277 000 Fax: +94 11 7 277 099 Email: ssb.inquiry@softlogic.lk
First Capital Equities (Pvt) Ltd. Level 12, Vallible Property Building, No. 480, Galle Road, Colombo 03. Tel: +94 11 2 L23 901 E-Mail: equity@firstcapital.lk	Bartleet Religare Securities (Pvt) Ltd. Level "G", "Bartleet House", No. 65, Braybrooke Place, Colombo 2. Tel: +94 11 5 220 200 Fax: +94 11 2 434 985 E-mail: info@bartleetstock.com
Almas Equities (Pvt) Ltd Westin Tower, 5th Level, No 2 - 4/1, Lake Drive, Colombo 8 Tel : +94 707 144 551 Fax: +94 11 2 673 908 E-Mail: info@almassecurities.com	Nestor stock Brokers (Pvt) Ltd. No. 428, 2/7, R.A. De Mel Mawatha, Colombo 3 Tel: +94 11475 8813 Fax: +94 11 2 550100 E-mail: info@nestorstockbrokers.lk
ACAP Stock Brokers (Pvt) Ltd No. 46/46, Greenlanka Building, 6th Floor, Nawam Mawatha, Colombo 02 Tel: +94 117 564 000 Fax: +94 112 331 756 E-Mail: info@acapstockbrokers.lk	Ambeon Securities (Pvt) Ltd. 2nd Floor, No. 10, Gothami Road, Colombo 08 Tel: +94 11 5 328 200 / +94 11 5 328 100 Fax: +94 11 5 328 177 E-mail: info@ambeonsecurities.lk

11.5 ANNEXURE 5 – Custodian Banks

Bank of Ceylon Head Office 11th Floor, 04, Bank of Ceylon Mawatha, Colombo 01. Tel: +94 112 204064	The Hong Kong and Shanghai Banking Corporation Limited 24, Sir Baron Jayathilake Mawatha, Colombo 01. Tel: 011 2 325 435, 011 2 446 591, 011 2 446 303
Citi Bank, N A 65 C, Dharmapala Mawatha. P. O. Box 888, Colombo 07. Tel: +94 114 794728	People's Bank Head Office - Treasury, 5th Floor, Sir Chittampalam A. Gardiner Mawatha, Colombo 02. Tel: 011 2 206782
Commercial Bank of Ceylon PLC Commercial House 21, Bristol Street, P.O. Box 853, Colombo 01. Tel: 011 2 445 010-15	Public Bank Berhad 340, R A De Mel Mawatha, Colombo 03. Tel: 011 2 576 289, 011 7 290 200-7
Deutsche Bank AG P.O. Box 314, 86, Galle Road, Colombo 03. Tel: 011 2 447 062 / 011 2 438 057	Standard Chartered Bank 37, York Street, P. O. Box 112, Colombo 01. Tel: +94 112 480450
Hatton National Bank PLC HNB Towers, 479, T. B. Jayah Mawatha, Colombo 10. Tel: +94 112 661 762	Sampath Bank PLC 110, Sir James Peiris Mawatha, Colombo 02. Tel: +94 115 331458, +94 114 730662
Union Bank of Colombo PLC 64, Galle Road, Colombo 03. Tel: +94 112 374205	State Bank of India 16, Sir Baron Jayathilake Mawatha, Colombo 01. Tel: +94 114 622350
Nations Trust Bank PLC 256, Sri Ramanathan Mawatha, Colombo 15 Tel: +94 114 313131	Seylan Bank PLC Level 8, Ceylinco Seylan Towers, 90, Galle Road, Colombo 03. Tel: 011 4 701 812, 011 4 701 819
Pan Asia Banking Corporation PLC Head Office 450, Galle Road, Colombo 03. Tel: 011 2 565 565	