# CAPITAL ALLIANCE HOLDINGS PLC

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

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# INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Capital Alliance Holdings PLC

## Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of Capital Alliance Holdings PLC ("the Company") and the consolidated financial statements of the Company and its subsidiaries ("the Group"), which comprise the statement of financial position as at 31st March 2026, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information.

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 31st March 2026, and of their financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

### Basis for Opinion

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

### Key Audit Matters

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

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| Carrying amount of financial assets, recognition of gains/losses on trading and interest income on financial assets<br><br>*Refer to the material accounting policy in Note 3.4.1 and Note 5,16 and 18 to the financial statements* | |
|---|---|
| **Risk Description** | **Our responses** |
| As at 31st March 2026, the Group and Company's financial assets portfolio consists with treasury bills and treasury bonds, unit trust investments, share investments measured at fair value and securities purchased under resale agreements and term deposits measured at amortised cost.<br><br>The carrying amount of treasury bills and treasury bonds measured at fair value through profit or loss is Rs. 83 Bn for Group, unit trust investments measured at fair value through profit and loss is Rs. 6.8 Bn. and Rs. 4 Bn respectively for Group and Company, share investments measured at fair value through profit or loss is Rs. 1.8 Bn and Rs. 580 Mn. respectively for Group and Company, securities purchased under resale agreements measured at amortised cost amount to Rs. 1.9 Bn and investments in debentures Rs. 1.2 Bn for Group and term deposits measured at amortised cost is Rs. 1.1 Bn for Group.<br><br>Further in Notes 05, the Group and Company have recognised interest income and net gain from trading of financial assets of Rs. 9.6 Bn, Rs. 16 Mn and Rs. 3.4 Bn and Rs. 296 Mn. respectively.<br><br>As the Group's business operations are sensitive to market conditions, the carrying amounts of these financial assets are considered to be an area of risk for the current financial year considering the uncertainties and volatilities in the macroeconomic environment existed during the year that are still prevailing. Due to rapid changes in the macro-economic environment, the composition of the investment portfolio of the<br><br>Group and the observability of the market data were affected making the investment decisions and measurement more challenging and significant. | **Our audit procedures included:**<br><br>• Obtaining an understanding of and assessing the design, implementation and operating effectiveness of the management's key internal controls over identification, measurement and management of measurement risk as well as evaluating the methodologies and input parameters used by the Group in determining carrying amounts including fair values, gains/losses on trading and interest income recognition and measurement.<br>• Testing the operating effectiveness of key IT application controls over gains/losses on trading and interest income, in addition to evaluating the integrity of the general IT control environment.<br>• Comparing observable inputs against independent sources and externally available market data and re-performing independent valuations.<br>• Making inquiries of the management on the market conditions and reviewing the board minutes.<br>• Testing mathematical accuracy and verifying the appropriateness and completeness of the data used.<br>• Obtaining and agreeing with the third-party confirmations for a sample of outstanding financial instruments.<br>• On a sample basis, testing of details over gains/losses on trading and interest income by inspecting a supporting documents, re-computation of gains and losses on trading and interest income and testing of cut off transactions in order to ensure such income is recognised and measured in accordance with the applicable financial reporting requirements. |

| | |
|---|---|
| In addition, the Group considers income and gain from financial assets as an important element in the preparation of budgets and measuring management performance.<br><br>Accordingly, due to their materiality in the context of the financial statements as a whole and the prevailing uncertain and volatile macro- economic environment, the carrying amount of Group's financial assets including related gain/losses on trading and interest income are considered to be an area which had a great effect on our overall audit strategy and allocation of resources in planning and completing our audit. | • Assessing the adequacy of the disclosures in the financial statements in accordance with the relevant accounting standards. |

**Other Information**

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

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

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

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

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

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

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

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## Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

• Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company and the Group's internal control.

• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

• Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

• Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

• Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

**Report on Other Legal and Regulatory Requirements**

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

CA Sri Lanka membership number of the engagement partner responsible for signing this independent auditor's report is 3707.

**CHARTERED ACCOUNTANTS**
Colombo, Sri Lanka
31 August 2026

CAPITAL ALLIANCE HOLDINGS PLC

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

*For the year ended 31st March,*

| | Note | GROUP 2026 Rs. | GROUP 2025 Rs. | COMPANY 2026 Rs. | COMPANY 2025 Rs. |
|---|---|---|---|---|---|
| **Total Income** | 5 | **14,979,285,433** | 17,076,496,853 | **4,226,549,147** | 4,874,452,117 |
| Interest Income calculated using Effective Interest Method | 6 | **822,622,283** | 667,904,637 | **16,653,359** | 4,020,806 |
| Other Interest Income | 6 | **8,861,428,840** | 8,668,675,004 | - | - |
| Interest Expense | 7 | **(6,796,632,446)** | (5,968,794,003) | **(32,284,918)** | (31,576,797) |
| **Net Interest Income/ (Expense)** | | **2,887,418,677** | **3,367,785,638** | **(15,631,559)** | **(27,555,991)** |
| Fee Based Income | 8 | **3,525,947,893** | 2,533,527,037 | **52,843,832** | 41,480,340 |
| Net Gains from Trading | 9.1 | **3,435,507,784** | 6,655,474,412 | **296,893,159** | 74,441,379 |
| Net Fair Value Gains/ (Losses) from Financial Assets at FVTPL | 9.2 | **(1,773,106,003)** | (1,518,224,262) | **(11,702,518)** | 12,342,492 |
| Direct Expenses | 10 | **(224,233,432)** | (58,459,434) | - | - |
| Other Income | 11 | **106,884,636** | 69,140,025 | **3,871,861,315** | 4,742,167,100 |
| **Total Operating Income** | | **7,958,419,555** | 11,049,243,416 | **4,194,264,229** | 4,842,875,320 |
| Personnel Expenses | | **(1,721,585,632)** | (2,015,687,686) | **(107,733,619)** | (66,840,404) |
| Depreciation & Amortization | 12 | **(132,692,400)** | (102,222,871) | **(1,184,266)** | (3,645,761) |
| Other Operating Expenses | | **(1,888,910,519)** | (2,304,897,176) | **(61,700,503)** | (197,036,322) |
| Reversals of Impairment of Subsidiaries | 21.3 | - | - | - | 24,041,587 |
| **Operating Profit** | 12 | **4,215,231,004** | 6,626,435,683 | **4,023,645,841** | 4,599,394,420 |
| Share of Profit from Equity accounted Investee (Net of Tax) | 22.2 | **(18,738,133)** | - | - | - |
| **Profit Before Income Tax** | | **4,196,492,871** | 6,626,435,683 | **4,023,645,841** | 4,599,394,420 |
| Income Tax (Expense)/ Reversal | 13.1 | **(1,499,572,838)** | (2,398,615,379) | **(47,250,082)** | (1,680,335) |
| **Profit for the year** | | **2,696,920,033** | 4,227,820,304 | **3,976,395,759** | 4,597,714,085 |
| **Profit / (Loss) for the year** | | **2,696,920,033** | 4,227,820,304 | **3,976,395,759** | 4,597,714,085 |
| **Profit attributable to:** | | | | | |
| Owners of the Equity Holders of the Parent Company | | **2,418,377,590** | 3,606,696,393 | **3,976,395,759** | 4,597,714,085 |
| Non-Controlling Interests | | **278,542,443** | 621,123,911 | - | - |
| **Profit for the year** | | **2,696,920,033** | 4,227,820,304 | **3,976,395,759** | 4,597,714,085 |
| **Basic/ Diluted Earnings per Share (Rs.)** | 14 | **1.18** | 1.88 | **1.94** | 2.40 |

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

*Figures in brackets indicate deductions.*

CAPITAL ALLIANCE HOLDINGS PLC

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

***For the year ended 31st March,***

| | | GROUP | | COMPANY | |
|---|---|---|---|---|---|
| | Note | **2026 Rs.** | 2025 Rs. | **2026 Rs.** | 2025 Rs. |
| **Profit for the Year** | | **2,696,920,033** | 4,227,820,304 | **3,976,395,759** | 4,597,714,085 |
| **Other Comprehensive Income / (Expense)** | | | | | |
| **Items that are or may be reclassified to Profit or Loss** | | | | | |
| Foreign currency translation differences of foreign operations | | **(24,863,070)** | (162,073,439) | - | - |
| **Items that will not be reclassified to Profit or Loss** | | | | | |
| Defined Benefit Plan Actuarial Gains / (Losses) | **30.3** | **(16,956,848)** | 3,799,015 | **(3,010,363)** | 1,290,049 |
| Deferred Tax on Actuarial (Gains) / Losses | **13.2** | **5,087,054** | (916,910) | **903,109** | (387,015) |
| Share of other comprehensive Expense from equity accounted investees (net of tax) | **22.2** | - | - | - | - |
| **Other Comprehensive Income / (Expense) for the year** | | **(36,732,864)** | (159,191,334) | **(2,107,254)** | 903,034 |
| **Total Comprehensive Income for the year** | | **2,660,187,169** | 4,068,628,970 | **3,974,288,505** | 4,598,617,119 |
| **Total Comprehensive Income attributable to:** | | | | | |
| Owners of the Equity Holders of the Parent Company | | **2,347,226,084** | 3,513,180,280 | **3,974,288,505** | 4,598,617,119 |
| Non-controlling interests | | **312,961,085** | 555,448,690 | - | - |
| **Total Comprehensive Income for the year** | | 2,660,187,169 | 4,068,628,970 | 3,974,288,505 | 4,598,617,119 |

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

*Figures in brackets indicate deductions.*

CAPITAL ALLIANCE HOLDINGS PLC

**STATEMENT OF FINANCIAL POSITION**

*As at 31st March,*

| | Note | GROUP 2026 Rs. | GROUP 2025 Rs. | COMPANY 2026 Rs. | COMPANY 2025 Rs. |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| Cash and Cash Equivalents | 15.1 | 1,328,430,053 | 561,190,530 | 4,556,541 | 5,629,523 |
| Financial Assets Measured at FVTPL | 16 | 92,021,832,893 | 103,816,703,137 | 4,616,612,953 | 845,794,332 |
| Financial Assets Measured at FVOCI | 17 | - | - | 2,860,000,000 | 325,000,000 |
| Financial Assets Measured at Amortised Cost | 18 | 4,466,527,955 | 3,406,286,250 | - | 2,535,206,833 |
| Trade and Other Receivables | 19 | 5,196,864,820 | 3,529,198,751 | 68,812,427 | 60,920,481 |
| Amounts Due from Related Entities | 20 | - | - | 186,043,327 | 74,535,641 |
| Investment in Subsidiaries | 21 | - | - | 1,897,304,850 | 1,897,304,850 |
| Investment in Associate | 22 | 276,264,267 | - | - | - |
| Intangible Assets | 23 | 158,454,511 | 160,655,969 | 1,002,811 | 2,060,064 |
| Right-of-use Assets | 24 | 353,047,963 | 109,600,246 | - | - |
| Property, Plant and Equipment | 25 | 101,448,214 | 140,221,323 | 59,667 | 186,681 |
| Deferred Tax Assets | 13.7 | 38,242,540 | 47,467,193 | 4,751,809 | 2,708,355 |
| Income Tax Receivable | 13.3 | - | - | - | 9,656,037 |
| **Total Assets** | | 103,941,113,216 | 111,771,323,399 | 9,639,144,385 | 5,759,002,797 |
| **EQUITY AND LIABILITIES** | | | | | |
| **Liabilities** | | | | | |
| Bank Overdrafts | 15.2 | 639,473,169 | 402,067,475 | 91,981,774 | 57,392,533 |
| Financial Liabilities Measured at Amortised Cost | 26 | 77,230,542,278 | 85,982,586,274 | 500,150,685 | 125,315,308 |
| Trade and Other Payables | 27 | 2,616,360,860 | 2,337,251,245 | 19,594,987 | 71,515,348 |
| Income Tax Payable | 13.3 | 946,065,617 | 2,164,313,288 | 38,734,390 | - |
| Lease Liability | 29 | 309,065,347 | 118,763,535 | - | - |
| Retirement Benefit Obligations | 30 | 179,898,646 | 171,840,395 | 16,412,071 | 9,748,290 |
| **Total Liabilities** | | 81,921,405,917 | 91,176,822,212 | 666,873,907 | 263,971,479 |
| **Equity** | | | | | |
| Stated Capital | 31 | 4,107,798,096 | 2,532,798,096 | 4,107,798,096 | 2,532,798,096 |
| Special Risk Reserve | 32.1 | 3,039,840,322 | 2,839,074,701 | - | - |
| Fair Value Reserve | 32.2 | - | - | - | - |
| Retained Earnings | | 12,991,658,517 | 12,857,414,950 | 4,864,472,382 | 2,962,233,222 |
| Foreign Currency Translation Reserve | 32.3 | (223,530,930) | (163,698,481) | - | - |
| **Equity attributable to the Equity Holders of the Parent Company** | | 19,915,766,005 | 18,065,589,266 | 8,972,270,478 | 5,495,031,318 |
| Non-controlling interests | 21.4 | 2,103,941,294 | 2,528,911,921 | - | - |
| **Total Equity** | | 22,019,707,299 | 20,594,501,187 | 8,972,270,478 | 5,495,031,318 |
| **Total Liabilities and Equity** | | 103,941,113,216 | 111,771,323,399 | 9,639,144,385 | 5,759,002,797 |

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

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

**Chief Financial Officer**

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 PLC.

**Director**

**Director**

**31 August 2026**
**Colombo**

CAPITAL ALLIANCE HOLDINGS PLC
STATEMENT OF CHANGES IN EQUITY
*For the year ended 31st March,*
**GROUP**

| | Attributable to Equity Holders of the Parent Company | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 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 Equity Rs. |
| **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 |
| Shares issued during the year | - | - | - | - | - | - | - | - |
| **Total comprehensive income for the year** | | | | | | | | |
| Profit for the year | - | - | - | - | 3,606,696,393 | 3,606,696,393 | 621,123,911 | 4,227,820,304 |
| Other comprehensive Income/ (Expense) for the year | - | - | (96,191,984) | - | 2,675,871 | (93,516,113) | (65,675,221) | (159,191,334) |
| **Total comprehensive Income/ (expense)** | - | - | (96,191,984) | - | 3,609,372,264 | 3,513,180,280 | 555,448,690 | 4,068,628,970 |
| Transferred To the Special Risk Reserve | - | - | - | 522,256,671 | (522,256,671) | - | - | - |
| Dividend Paid during the year | - | - | - | - | (2,042,187,568) | (2,042,187,568) | (940,229,184) | (2,982,416,752) |
| **Transactions with equity holders** | | | | | | | | |
| Adjustment due to changes in holding | - | - | - | - | 3,659,452 | 3,659,452 | (3,659,452) | - |
| **Total transactions with Equity Holders of the Parent Company** | - | - | - | - | 3,659,452 | 3,659,452 | (3,659,452) | - |
| Balance as at 31st March 2025 | 2,532,798,096 | - | (163,698,481) | 2,839,074,701 | 12,857,414,950 | 18,065,589,266 | 2,528,911,921 | 20,594,501,187 |
| **Balance as at 01st April 2025** | 2,532,798,096 | - | (163,698,481) | 2,839,074,701 | 12,857,414,950 | 18,065,589,266 | 2,528,911,921 | 20,594,501,187 |
| **Shares issued during the year (Note 31)** | 1,575,000,000 | - | - | - | - | 1,575,000,000 | - | 1,575,000,000 |
| **Total comprehensive income for the year** | | | | | | | | |
| **Profit for the year** | - | - | - | - | 2,418,377,590 | 2,418,377,590 | 278,542,443 | 2,696,920,033 |
| **Other comprehensive Income/ (Expense) for the year** | - | - | (59,832,449) | - | (11,319,058) | (71,151,506) | 34,418,642 | (36,732,864) |
| **Total comprehensive Income/ (Expense)** | - | - | (59,832,449) | - | 2,407,058,532 | 2,347,226,084 | 312,961,085 | 2,660,187,169 |
| **Transferred To the Special Risk Reserve** | - | - | - | 200,765,621 | (200,765,621) | - | - | - |
| **Dividend Paid during the year** | - | - | - | - | (2,072,049,345) | (2,072,049,345) | (737,931,712) | (2,809,981,057) |
| **Balance as at 31st March 2026** | 4,107,798,096 | - | (223,530,930) | 3,039,840,322 | 12,991,658,517 | 19,915,766,005 | 2,103,941,294 | 22,019,707,299 |

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

## 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 01st April 2024 | 2,532,798,096 | - | 405,803,671 | 2,938,601,767 |
| Shares issued during the year | - | - | - | - |
| Total comprehensive income for the year | | | | |
| Profit for the year | - | - | 4,597,714,085 | 4,597,714,085 |
| Other comprehensive Expenses for the year | - | - | 903,034 | 903,034 |
| Total Comprehensive Income | - | - | 4,598,617,119 | 4,598,617,119 |
| Reclassification of Fair Value Reserve | - | - | | - |
| Dividend Paid during the year | - | - | (2,042,187,568) | (2,042,187,568) |
| Balance as at 31st March 2025 | 2,532,798,096 | - | 2,962,233,222 | 5,495,031,318 |
| **Balance as at 01st April 2025** | **2,532,798,096** | - | **2,962,233,222** | **5,495,031,318** |
| **Shares issued during the year (Note 31)** | **1,575,000,000** | - | - | **1,575,000,000** |
| **Total Comprehensive Income for the year** | | | | |
| **Profit for the year** | - | - | **3,976,395,759** | **3,976,395,759** |
| **Other comprehensive Income for the year** | - | - | **(2,107,254)** | **(2,107,254)** |
| **Total Comprehensive Income** | - | - | **3,974,288,505** | **3,974,288,505** |
| **Dividend Paid during the year** | | | **(2,072,049,345)** | **(2,072,049,345)** |
| **Balance as at 31st March 2026** | **4,107,798,096** | - | **4,864,472,382** | **8,972,270,478** |

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 PLC

## STATEMENT OF CASH FLOW

*For the year ended 31st March,*

| | Note | GROUP 2026 Rs. | GROUP 2025 Rs. | COMPANY 2026 Rs. | COMPANY 2025 Rs. |
|---|---|---|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | | | |
| Profit / (Loss) before Income Tax Expense | | 4,196,492,871 | 6,626,435,683 | 4,023,645,841 | 4,599,394,420 |
| *Adjustments For,* | | | | | |
| Depreciation of Property Plant & Equipment | 25 | 55,089,777 | 48,860,627 | 127,014 | 1,800,328 |
| Amortization of Intangible Assets | 23 | 11,831,185 | 9,189,060 | 1,057,253 | 1,845,433 |
| Provision for Retiring Gratuity | 30 | 36,287,403 | 33,837,323 | 3,653,418 | 3,657,063 |
| Profit/ (Loss) on Disposals of Property Plant & Equipment | 11 | - | (19,526,000) | - | (19,500,000) |
| Disposal Loss on Sale of Subsidiary Shares | 11 | - | - | - | 37,688,116 |
| Share of profit equity accounted investee (net of tax) | 22 | 18,738,133 | - | - | - |
| Impairment of Investment in Subsidiaries | 21 | - | - | - | (24,041,587) |
| Write off of Related Party Receivables | | - | - | - | 120,000,000 |
| Provision for impairment of trade receivables | 19 | (2,310,609) | 9,922,534 | (1,255,301) | 2,407,211 |
| Provision for Investment in commercial papers | 18.2 | - | 114,395,855 | - | |
| Depreciation of ROU Assets | 24 | 65,771,438 | 44,173,184 | - | - |
| Finance Cost on ROU Assets | 7 | 23,697,700 | 9,292,923 | - | - |
| Net Fair Value Gains/ (Losses) from Financial Assets at FVTPL | 9.2 | 1,773,106,003 | 1,518,224,262 | 11,702,518 | (12,342,492) |
| Net Capital (Gain)/ Losses on sale Investment in Shares | 9.1 | (298,631,254) | (94,529,445) | (128,870,962) | (11,303,072) |
| Net Capital Gains on Investment in Unit Trusts | 9.1 | (341,080,776) | (246,393,574) | (168,022,197) | (63,138,307) |
| Net Capital Gains on Treasury Bills, and Bonds | 9.1 | (2,795,795,754) | (6,314,551,393) | - | - |
| Dividend Income | 11 | (60,869,741) | (42,982,748) | (3,870,212,517) | (4,758,579,236) |
| Interest Income | 6 | (9,684,051,123) | (9,336,579,641) | (16,653,359) | (4,020,806) |
| Interest Expense | 7 | 6,775,893,248 | 5,959,501,080 | 32,284,918 | 31,576,797 |
| **Operating Profit before Changes in Operating Activities** | | (225,831,500) | (1,680,730,270) | (112,543,374) | (94,556,132) |
| (Increase) / Decrease in Securities Purchase under Resale Agreements | | (515,230,606) | (1,980,835,696) | 2,535,206,833 | (2,535,206,833) |
| (Increase) / Decrease in Government securities measured at FVTPL | | 15,956,935,231 | (38,001,380,765) | - | - |
| (Increase) / Decrease in Trade and Other Receivables | | (1,667,763,719) | (563,934,322) | (6,636,645) | 12,765,720 |
| (Increase) / Decrease in Amounts Due from Related Entities | | - | - | (111,507,686) | (59,189,450) |
| Increase / (Decrease) in Securities Sold Under Repurchase Agreements | | (14,928,618,841) | 44,276,408,362 | - | - |
| Increase / (Decrease) in Amounts Due to Related Entities | | - | - | - | (3,379,501) |
| Increase / (Decrease) in Trade & Other Payables | | 279,109,612 | (1,574,943,796) | (51,920,361) | 35,866,054 |
| | | (1,101,399,824) | 474,583,513 | 2,252,598,767 | (2,643,700,142) |
| Tax Paid | 13.2 | (2,799,329,180) | (5,211,939,658) | - | - |
| Gratuity Paid | 30 | (45,186,000) | (6,600,625) | - | (687,500) |
| Advance Paid to Right of use assets | | (75,200,800) | - | - | - |
| Interest Paid | | (5,875,457,667) | (5,494,899,122) | (32,134,233) | (31,261,489) |
| Lease Interest Paid | 29.3 | (20,739,198) | (9,292,923) | - | - |
| Interest income received | | 12,546,966,217 | 9,598,627,115 | 16,653,359 | 4,020,806 |
| **Net cash from/ (Used in) Operating Activities** | | 2,629,653,548 | (649,521,700) | 2,237,117,893 | (2,671,628,325) |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | | | |
| Investment in Shares | | (2,400,769,256) | (1,991,723,124) | (711,053,761) | 222,464,971 |
| Realization of shares | | 2,100,169,313 | 2,052,568,673 | 360,183,964 | (211,053,761) |
| Investment in Commercial Papers | 18.2 | - | (114,395,855) | - | - |
| Sale Proceeds from Disposal of Property, Plant & Equipment | | - | 19,526,000 | - | 19,500,000 |
| Acquisition of Property, Plant and Equipment | 25 | (36,738,108) | (54,574,535) | - | - |
| Acquisition of Software | 23 | (7,615,597) | (24,846,542) | - | (117,668) |
| Investment in debentures | | (1,250,000,000) | - | - | - |
| Investment in Associate | | (295,002,400) | - | - | - |
| Proceeds from Disposal of Subsidiary | | - | - | - | 33,335,683 |
| Investment in Preference Shares | | - | - | (2,535,000,000) | - |
| Investment in Placement with Banks | | (351,023,189) | (261,190,105) | - | - |
| Withdrawal of Placement with Banks | | 1,056,012,090 | - | - | - |
| Investment in Unit Trust Funds | | (23,128,805,519) | (12,706,859,736) | (6,314,938,154) | (2,814,938,154) |
| Redemption of unit trust funds | | 18,066,827,163 | 12,576,395,775 | 3,180,179,971 | 2,517,882,931 |
| Dividend Received | 11 | 60,869,741 | 42,982,748 | 3,870,212,517 | 4,758,579,236 |
| **Net cash generated from/ (used in) Investing Activities** | | (6,186,075,763) | (462,116,701) | (2,150,415,463) | 4,525,653,238 |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | | | | |
| Investment in commercial papers | 26.3 | (3,009,344,257) | (5,069,414,830) | - | - |
| Settlement of commercial papers | | 3,027,380,400 | 5,000,000,000 | - | - |
| Term loan obtained during the year | 26.2 | 14,196,834,836 | 11,659,000,000 | 500,000,000 | 1,700,000,000 |
| Term loan settled during the year | | (8,938,731,715) | (8,262,234,603) | (125,315,308) | (1,575,000,000) |
| Lease rental Paid | 29.3 | (32,515,356) | (45,690,908) | - | - |
| Shares Issued | | 1,575,000,000 | - | 1,575,000,000 | - |
| Dividend Paid | | (2,809,981,057) | (2,982,416,752) | (2,072,049,345) | (2,042,187,568) |
| **Net cash From/ (used in) Financing Activities** | | 4,008,642,851 | 299,242,907 | (122,364,653) | (1,917,187,568) |
| **Net increase/ (decrease) in Cash and Cash equivalents** | | 452,220,636 | (812,395,494) | (35,662,223) | (63,162,655) |
| **Cash and Cash equivalents at the beginning of the year** | | 159,123,055 | 1,136,890,360 | (51,763,010) | 11,399,645 |
| **Effect of movement in exchange rates** | | 77,613,193 | (165,371,811) | - | - |
| **Cash and Cash equivalents at the end of the year** | 15 | 688,956,884 | 159,123,055 | (87,425,233) | (51,763,010) |

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

## 1. REPORTING ENTITY

### 1.1. CORPORATE INFORMATION

The Capital Alliance Holdings PLC (Formerly known as Capital Alliance Holdings Limited) is a Limited Liability Company incorporated and domiciled in Sri Lanka under the Companies Act No. 7 of 2007 and listed on the Colombo Stock Exchange. The registered office of the Company and the principal place of business at 6th Floor, M2M Veranda Offices, No. 34, W A D Ramanayake Mawatha, Colombo 2.

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

The Consolidated Financial Statements of Capital Alliance Holdings PLC for the year ended 31st March 2026 comprises those of the Company (Parent company), its Subsidiaries (together referred to as the 'Group').

### 1.2. PRINCIPAL ACTIVITIES

#### 1.2.1 Principal Activities of the Company

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

#### 1.2.2 Principal Activities of the Subsidiaries

| Name of the subsidiary/ Equity accounted investee | 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 (Private) 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. |
| CAL (Pvt) Limited (Formerly FipBox (Pvt) Limited) | The Principal Activity of the CAL (Pvt) Ltd is to promote digitalised transactions for investment related products. |

# 1. REPORTING ENTITY (CONTINUED)

## 1.2. PRINCIPAL ACTIVITIES (CONTINUED)

### 1.2.2 Principal Activities of the Subsidiaries (Continued)

| | |
|---|---|
| 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, Bangladesh | The Principal Activity of the Company is provision of Consultancy Services. |
| CAL Securities Limited, Bangladesh | The Principal Activity of the Company is Stock Brokering. |
| CAL Investments Limited, Bangladesh | The Principal Activity of the Company is full-fledged Marchant bank activities. |
| 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. |
| Capital Alliance Advisory Services (Private) Limited | Providing financial advisory and consultancy services. |
| Curry King (Private) Limited – Equity accounted investee | Engages in the business of preparing, manufacturing, processing, marketing, distributing and selling food and beverage products. |

## 1.3. Parent Enterprise and Ultimate Parent Enterprise

The Company's main parent undertakings and main controlling parties are Asthi Holdings (Private) Limited (26.88%), Jetwing Travels (Pvt) Ltd (26.44%), and Mr. W. A. T. Fernando (19.35%).

Accordingly, the Company's ultimate beneficial owners, through the ultimate parent enterprises as well as through the individual undertakings as at 31 March 2026 are Mr. W. A. T. Fernando and Ms. N. T. M. S. Cooray.

# 2. BASIS OF PREPARATION

## 2.1. Statement of Compliance

The Financial Statements of the Company and the Group have been prepared in accordance with the Sri Lanka Accounting Standards (the "Accounting Standards"), as issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka).

## 2. BASIS OF PREPARATION (CONTINUED)

### 2.1. Statement of Compliance (Continued)

The Accounting Standards comprise:

- Sri Lanka Financial Reporting Standards (SLFRSs)
- Sri Lanka Accounting Standards (LKASs)
- Statements of Recommended Practices (SoRPs)
- Statement of Alternative Treatment (SoAT) and
- Financial Reporting Guidelines issued by the CA Sri Lanka.

The Accounting Standards along with FAQs issued are available at the website of CA Sri Lanka www.casrilanka.com. These Financial Statements, except for information on cash flows and items measured at fair value as described in Note No. 2.5, have been prepared following the accrual basis of accounting.

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

### 2.2 Statement of Presentation

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

### 2.3. Date of authorization for issue

The financial statements of the Group and the Company for the year ended 31st March 2026 were approved and authorised for issue by the Board of Directors on 31st August 2026.

### 2.4 Responsibility for Financial Statements

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

### 2.5 Reporting date

The financial statements of all companies in the group are prepared for a common financial year, which ended on 31st March 2026.

### 2.6 Basis of Measurement

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

## 2. BASIS OF PREPARATION (CONTINUED)

### 2.6 Basis of Measurement (Continued)

| Category | Items | Basis of measurement | Note |
|---|---|---|---|
| Assets | 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 |
| | Financial assets measured at amortised cost | Measured at amortized cost using effective interest method | 18 |
| Liabilities | Lease liability | Measured at amortized cost using effective interest method | 29 |
| | Retirement benefit obligation | Measured at the present value of the defined benefit obligation | 30 |

### 2.7 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.

There was no change in the Company's presentation and functional currency during the year under review.

| Entity | Country of Incorporation | Functional Currency |
|---|---|---|
| CAL Investment Consultancy FZ LLC (Formerly CAL Investment Holdings Limited) | United Arab Emirates (UAE) | UAE |
| 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.

## 2. BASIS OF PREPARATION (CONTINUED)

### 2.7 Functional and Presentation Currency (Continued)

*Foreign currency transactions*

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.

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 re-attributed 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.

### 2.8 Measurement of fair values

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 entirely in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

## 2. BASIS OF PREPARATION (CONTINUED)

### 2.9 Use of Estimates and Judgments

The preparation of financial statements of the Company and the Group 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. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised 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 recognised in the financial statements is included in following notes.

| **Critical judgments** | **Note** |
|---|---|
| Going concern- whether there are material uncertainties that may cast significant doubt on the entities' ability to continue as going concern. | 2.11 |
| Equity accounted investee- whether the Group has significant influence over an investee | 3.1.5 |
| Consolidation- whether the Group has control over an investee | 3.1.2 |
| Classifications of financial instruments- Assessment of Business model and SPPI assessment | 3.4 |
| Impairment measurement of financial assets- Determination whether the credit risk of the financial assets significantly increased from recognition | 3.5 |

| **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 | 3.8 |
| Impairment measurement of financial assets: determination of inputs into the impairment measurement model, including key assumptions. | 3.5 |
| Measurement of Deferred tax assets/ liabilities | 3.10.3 |

### 2.10 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.

During the year, the presentation and classification of the Financial Statements of the previous year are amended in below areas.

## 2. BASIS OF PREPARATION (CONTINUED)

### 2.10 Comparative Information (Continued)

- Presentation of interest paid as an operating activity in the statement of cashflows where it was presented under financing activity in the previous year.
- Presentation of interest income as an operating activity in the statement of cashflows where it was presented under investing activity in the previous year.

### 2.11 Materiality and Aggregation

Each material class of similar items is presented separately in the Financial Statements. Items of dissimilar nature or function are presented separately unless they are immaterial. 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.

### 2.12 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'.

### 2.13 Going Concern

The financial statements of the Company and Group for the year ended 31 March 2026 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 31 March 2026, 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.

## 3. MATERIAL 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

## 3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 3.1 BASIS OF CONSOLIDATION (CONTINUED)

#### 3.1.1. Business Combination (Continued)

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 Subsidiaries 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 recognise the investment in the subsidiary at cost.

#### 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

### 3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 3.1 BASIS OF CONSOLIDATION (CONTINUED)

#### 3.1.3. Non-Controlling Interest (Continued)

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 associates and 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 recognised 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.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.

#### 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. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 3.2. ASSETS AND THE BASE OF THEIR VALUATION (CONTINUED)

### 3.2.1. Plant & Equipment (Continued)

#### 3.2.1.2. Subsequent Costs

The cost of replacing part of an item of Plant & Equipment is recognised 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 derecognised in accordance with the derecognition policy given below. The costs of the day-to-day Plant & Equipment are recognised in profit or loss as incurred

#### 3.2.1.3. Derecognition

The carrying amount of an item of Plant & Equipment is derecognised on disposal, or when no future economic benefits are expected from its use. Gains or losses on derecognition are recognised 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 recognised 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 | Depreciation Rate (%) |
|---|---|---|
| Furniture and Fittings | 5 years | 20% |
| Computer Hardware | 4 years | 25% |
| Office Equipment | 3- 4 years | 25%-33.33% |
| Motor Vehicle | 2- 5 years | 20%- 50% |
| Communication Devices | 1-4 years | 25% 100% |

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.

### 3.2.2. Intangible Assets

An Intangible Assets is recognised 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. MATERIAL ACCOUNTING POLICIES (CONTINUED)

## 3.2. ASSETS AND THE BASE OF THEIR VALUATION (CONTINUED)

### 3.2.2. Intangible Assets (Continued)

#### 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 | 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 recognised immediately in the Statement of Comprehensive Income.

#### 3.2.2.3 Other intangibles

Other intangible assets that are acquired by the Company and have finite useful lives are measured as cost less accumulated impairment losses.

### 3.2.3. Right of use Assets (ROU)

**Recognition**

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 – Leases.

**As a lessee**

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative standalone prices.

However, for the leases of property, the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

#### 3.2.3.1. Right- of- Use (ROU) assets

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

**3. MATERIAL ACCOUNTING POLICIES (CONTINUED)**

**3.2. ASSETS AND THE BASE OF THEIR VALUATION (CONTINUED)**

**3.2.3. Right of use Assets (ROU) (Continued)**

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 Group applies the cost model for the subsequent measurement of the ROU asset and accordingly, the right-of use asset is depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

**Depreciation expenses**

Depreciation expense has been charged to statement of profit or loss under administration and general expenses.

**3.2.4. 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.

**3.2.4.1 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.

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.

### 3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 3.2. ASSETS AND THE BASE OF THEIR VALUATION (CONTINUED)

#### 3.2.4. Leases (Continued)

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
- 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.

***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

**3. MATERIAL ACCOUNTING POLICIES (CONTINUED)**

**3.2. ASSETS AND THE BASE OF THEIR VALUATION (CONTINUED)**

**3.2.4. Leases (Continued)**

***Lease modifications***

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.

**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.

## 3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 3.4. FINANCIAL INSTRUMENTS (CONTINUED)

### 3.4.1. Financial Assets (Continued)

***Recognition and initial measurement***

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.

***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:

## 3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 3.4. FINANCIAL INSTRUMENTS (CONTINUED)

#### 3.4.1. Financial Assets (Continued)

***Financial assets - Business model assessment***

- 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

## 3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 3.4. FINANCIAL INSTRUMENTS (CONTINUED)

#### 3.4.1. Financial Assets (Continued)

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

plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

***Financial assets - Subsequent measurement and gains and losses***

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

#### 3.4.2. 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.

**3. MATERIAL ACCOUNTING POLICIES (CONTINUED)**

**3.4. FINANCIAL INSTRUMENTS (CONTINUED)**

**3.4.2. Financial Liability (Continued)**

**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 EIR. 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.

**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. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 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 90 days past due. 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.

Impairment on cash and cash equivalents and other financial assets has been measured on a 12 months expected loss and reflects the short maturities of the exposure. The Group considers these assets has lower credit risk based on the external credit ratings of the counterparties.

**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.

## 3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 3.5. IMPAIRMENT (CONTINUED)

#### 3.5.1. Non-derivative Financial Assets (Continued)

**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. 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 recognised 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 recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount.

Impairment losses are recognised in Profit or Loss. Impairment losses recognised 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 recognised.

### 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 recognised 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

## 3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 3.6. PROVISIONS (CONTINUED)

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 recognised 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 recognise 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 recognise 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.

### 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 recognised 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 in 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

### 3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 3.8. RETIREMENT BENEFIT COSTS (CONTINUED)

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 recognised 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 recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised 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 recognised 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.

(iv) Termination benefits

Termination benefits are recognised 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 recognised 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. MATERIAL ACCOUNTING POLICIES (CONTINUED)**

## 3.10. STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

### 3.10.1. Revenue

#### 3.10.1.1. Revenue Recognition

Revenue is recognised 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.

#### 3.10.1.1.1. Interest Income

Interest income is recognised on an accrual basis for the FVTPL instruments.

Group uses the Effective Interest Rate (EIR) method for recognising the interest income and interest expenses of financial assets and financial liabilities that are measured at amortised cost under SLFRS 09. EIR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or financial liability.

Interest income recognized using the EIR and other interest income are separately presented in the statement of Profit/ (Loss) and other comprehensive income.

#### 3.10.1.1.2. Net gains from trading

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

#### 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 recognised point in time as the services are provided in accordance with the terms of the contract. |
| Management fee | Management fee is calculated based on the net assets under management and is attributed to the service provided during the year. | Revenue is recognised 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 recognised when the Group's right to receive the dividend is established. Dividend income is considered as an investing activity for the Cash flow purposes.

**3. MATERIAL ACCOUNTING POLICIES (CONTINUED)**

**3.10. STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)**

**3.10.1. Revenue (Continued)**

**3.10.1.1. Revenue Recognition (Continued)**

**3.10.1.1.5. Brokering Commission**

Brokering commission is recognised on an accrual basis.

**3.10.1.1.6. Other Income**

Other income is recognised 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 Profit/ (Loss) and Other 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 recognised in income statement except to the extent that it relates to items recognised directly in equity, in which case is recognised in the statement of comprehensive income or statement of changes in equity, in which case it is recognised 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.

**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 recognised for all deductible temporary differences, carry forward of unused tax

**3. MATERIAL ACCOUNTING POLICIES (CONTINUED)**

**3.10. STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)**

**3.10.1. Revenue (Continued)**

**3.10.3. Taxation (Continued)**

**3.10.3.2. Deferred Taxation (Continued)**

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 based on the approved budgets.

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 recognised 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**

Both Interest received and interest paid are classified as operating cash flows, Dividend received is classified as investing activity while dividend 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'.

## 3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 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 recognised 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.

All material adjusting events after the reporting period have been considered and where appropriate adjustments to or disclosures have been made in the respective notes to the financial statements.

### 3.17 OPERATING SEGMENTS

For management purposes, the Group is structured into operating segments based on the nature of its products and services. Each segment is separately managed by segment heads who are responsible for performance and resource allocation. Segment performance is reviewed regularly by the Group's senior management.

Reportable segments are identified based on quantitative thresholds and aggregation criteria in accordance with SLFRS 8. Disclosures include:

- The basis of segmentation;
- The types of products and services from which each segment derives revenue;
- Segment performance measures and reconciliation to Group totals; and
- Information about major products, where applicable.

## 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 2026 and earlier application is permitted. However, the Company has not early adopted the new or amended standards in preparing these Financial Statements.

**SLFRS 18 Presentation and disclosure in financial statement**

SLFRS 18 is a new accounting standard for presentation and disclosure in Financial Statements with effect from 1 January 2027. SLFRS 18 will replace the Sri Lanka Accounting Standard – LKAS 1 on "Presentation of Financial Statements" and applies to the Company effective from 1 January 2027. The new accounting standard introduces the following key new requirements. Entities are required to classify all income and expenses into five categories in the Statement of Profit or Loss, namely operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly defined operating profit sub totals. Entities' net profit will not change. Management – defined Performance Measures (MPMs) are disclosed in a single note in the Financial Statements. Enhanced guidance is provided on how to Company information in the Financial Statements.

In addition, all entities are required to use the operating profit subtotals as the starting point for the Statement of Cashflows when presenting operating cashflows under indirect method. The Company is still in the process of assessing the impact of the new accounting standards, particularly with respect to the structure of the Company's Income Statement, the Statement of Cashflows and the additional disclosures required for MPMs. The Company and the Group is also assessing the impact on how information is Companied in the Financial Statements including items currently labelled as 'other'.

**Sri Lanka Accounting Standard – SLFRS 19 on "Subsidiaries without Public Accountability" (SLFRS 19)**

SLFRS 19 is a new accounting standard for subsidiaries to apply the recognition, measurement, and presentation requirements of full SLFRS Standards while applying a reduced set of disclosure requirements in Financial Statements with effect from 1 January 2027. The Group does not expect this will result in a material impact on its Consolidated Financial Statements. However, this may have an impact on the separate Financial Statements of the subsidiaries of the Group as appropriate.

**Amendments to Sri Lanka Accounting Standards relating to SLFRS 9 – Financial Instruments and SLFRS 7 – Financial Instruments: Disclosures**

The amendments apply for annual reporting periods beginning on or after 1 January 2026. These changes are not expected to have a significant impact on the Financial Statements.

| *For the year ended 31st March,* | GROUP | | COMPANY | |
|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 |
| | Rs. | Rs. | Rs. | Rs. |
| **5 TOTAL INCOME** | | | | |
| Interest Income (Note 6) | **9,684,051,123** | 9,336,579,641 | **16,653,359** | 4,020,806 |
| Fee Based Income (Note 8) | **3,525,947,893** | 2,533,527,037 | **52,843,832** | 41,480,340 |
| Net Gains/ (Losses) From Trading (Note 9.1) | **3,435,507,784** | 6,655,474,412 | **296,893,159** | 74,441,379 |
| Net Gain/(Loss) From Remeasurement of Financial Assets at FVTPL ( Note 9.2) | **(1,773,106,003)** | (1,518,224,262) | **(11,702,518)** | 12,342,492 |
| Other Income (Note 11) | **106,884,636** | 69,140,025 | **3,871,861,315** | 4,742,167,100 |
| | **14,979,285,433** | 17,076,496,853 | **4,226,549,147** | 4,874,452,117 |
| **6 INTEREST INCOME** | | | | |
| **Financial Assets measured at FVTPL** | | | | |
| Interest on Treasury Bills | **1,241,214,741** | 1,424,607,252 | - | - |
| Interest on Treasury Bonds | **7,620,214,099** | 7,244,067,752 | - | - |
| | **8,861,428,840** | 8,668,675,004 | - | - |
| **Interest income on effective interest method on Financial Assets measured at Amortised Cost** | | | | |
| Interest on Securities Purchased under Resale Agreements | **365,595,837** | 378,523,737 | **551,708** | 2,206,833 |
| Interest on Related Party Loans | - | - | **2,213,562** | 1,813,973 |
| Interest on Commercial Papers | - | - | **10,429,874** | - |
| Interest on Debentures | **26,769,589** | - | - | - |
| Interest on Deposits with Banks | **50,651,339** | 23,742,047 | - | - |
| Interest Income on Loans to Corporates | **5,346,264** | - | **3,458,215** | - |
| Interest income on credit extended to clients and early settlements | **374,259,254** | 265,638,853 | - | - |
| | **822,622,283** | 667,904,637 | **16,653,359** | 4,020,806 |
| | **9,684,051,123** | 9,336,579,641 | **16,653,359** | 4,020,806 |
| **7 INTEREST EXPENSE** | | | | |
| Interest on Securities Sold Under Repurchase Agreements | **6,199,487,855** | 5,607,711,500 | - | - |
| Interest expense from Bank loans | **480,396,771** | 247,460,252 | **28,067,048** | 28,688,296 |
| Interest on Commercial Papers | **51,745,925** | 71,916,495 | - | - |
| Finance Cost- Lease | **20,739,198** | 9,292,923 | - | - |
| Bank Charges - Overdrafts | **44,262,697** | 32,412,833 | **4,217,870** | 2,888,501 |
| | **6,796,632,446** | 5,968,794,003 | **32,284,918** | 31,576,797 |
| **8 FEE BASED INCOME** | | | | |
| Placement Fee Income | **372,914,685** | 194,160,542 | **50,255,000** | 4,363,050 |
| Management Fee | **1,693,762,025** | 1,387,361,816 | - | - |
| Brokerage Fee | **1,369,779,015** | 946,589,500 | - | - |
| Consultancy & Advisory Fee | **89,492,168** | 5,415,179 | **2,588,832** | 37,117,290 |
| Other Fee Based Income | - | - | - | - |
| | **3,525,947,893** | 2,533,527,037 | **52,843,832** | 41,480,340 |
| **9 GAINS AND LOSSES ARISE FROM FINANCIAL ASSETS** | | | | |
| **9.1 Net Gains/ (Losses) From Trading** | | | | |
| Net Capital Gain on Treasury Bills | **98,478,329** | 38,152,888 | - | - |
| Net Capital Gain on Treasury Bonds | **2,697,317,425** | 6,276,398,505 | - | - |
| Net Capital Gain on Investment in Unit Trusts (Note 16.2.1) | **341,080,776** | 246,393,574 | **168,022,197** | 63,138,307 |
| Net Capital Gain/(Loss) on sale Investment in Shares (Note 16.3) | **298,631,254** | 94,529,445 | **128,870,962** | 11,303,072 |
| | **3,435,507,784** | 6,655,474,412 | **296,893,159** | 74,441,379 |
| **9.2 Net Gain/ (Loss) From Remeasurement of Financial Assets at FVTPL** | | | | |
| Remeasurement Gain/ (Loss) on Government Securities | **(1,838,431,007)** | (1,681,296,768) | - | - |
| Remeasurement Gain/ (Loss) on Shares (Note 16.3) | **58,131,730** | 119,924,032 | **(18,096,520)** | (10,568,120) |
| Remeasurement Gain on Unit Trusts (Note 16.2.1) | **7,193,274** | 43,148,474 | **6,394,003** | 22,910,612 |
| | **(1,773,106,003)** | (1,518,224,262) | **(11,702,518)** | 12,342,492 |

| | GROUP 2026 Rs. | GROUP 2025 Rs. | COMPANY 2026 Rs. | COMPANY 2025 Rs. |
|---|---|---|---|---|
| **10 DIRECT EXPENSES** | | | | |
| Brokerage Commission | **19,394,281** | 42,681,085 | - | - |
| Other Direct Expenses | **204,839,151** | 15,778,349 | - | - |
| | **224,233,432** | 58,459,434 | - | - |

| | GROUP 2026 Rs. | GROUP 2025 Rs. | COMPANY 2026 Rs. | COMPANY 2025 Rs. |
|---|---|---|---|---|
| **11 OTHER INCOME** | | | | |
| Dividend Income | **60,869,741** | 42,982,748 | **3,870,212,517** | 4,758,579,236 |
| Interest income - Staff Loans | **432,895** | 948,624 | **378,246** | 744,623 |
| Sundry Income | **45,582,000** | 5,682,653 | **1,270,552** | 1,031,357 |
| Disposal Loss on Sale of Subsidiaries | - | - | - | (37,688,116) |
| Gain/ (Loss) on disposal of Property Plant and Equipment | - | 19,526,000 | - | 19,500,000 |
| | **106,884,636** | 69,140,025 | **3,871,861,315** | 4,742,167,100 |

**12 OPERATING PROFIT**
***Is stated after charging all expenses including the following:***

| | GROUP 2026 Rs. | GROUP 2025 Rs. | COMPANY 2026 Rs. | COMPANY 2025 Rs. |
|---|---|---|---|---|
| Directors' Fees | **46,900,550** | 16,650,000 | **27,050,550** | 12,050,000 |
| Auditor's Remuneration - Statutory Audit (KPMG) | **8,498,432** | 7,136,000 | **1,324,095** | 1,154,000 |
| '-Statutory Audit (Other auditors) | **1,909,416** | 1,986,364 | - | - |
| '- Non audit services | **223,826** | 4,882,325 | | 719,150 |
| Consultancy Fee | **58,446,008** | 7,934,336 | **25,814,169** | 406,588 |
| Write off of Trade and Other Receivables | - | 10,721,719 | - | - |
| Provision for Impairment on Trade Receivables | **(2,310,609)** | 9,922,534 | **(1,255,301)** | 2,407,211 |
| Related Party Written off | - | - | - | 120,000,000 |
| Donations | **100,000** | 26,250,000 | - | 1,000,000 |
| Reversal of Impairment of Investment in Subsidiaries | - | - | - | 24,041,587 |
| **Depreciation and Amortisation include;** | | | | |
| Depreciation on Property, Plant, and Equipment | **55,089,777** | 48,860,627 | **127,013** | 1,800,328 |
| Amortizations of Intangible Assets | **11,831,185** | 9,189,060 | **1,057,253** | 1,845,433 |
| Depreciation of Right-of-use Asset | **65,771,438** | 44,173,184 | - | - |
| | **132,692,400** | 102,222,871 | **1,184,266** | 3,645,761 |
| **Staff Cost includes;** | | | | |
| Salaries & Other benefits | **1,598,391,084** | 1,895,011,574 | **92,560,201** | 56,488,541 |
| Defined Benefit Plan - Gratuity (Note 30.2) | **36,287,403** | 33,837,323 | **3,653,418** | 3,657,063 |
| Defined Contribution Plans - EPF | **76,951,573** | 69,493,307 | **9,216,000** | 5,355,840 |
| - ETF | **19,237,894** | 17,345,482 | **2,304,000** | 1,338,960 |
| | **1,730,867,954** | 2,015,687,686 | **107,733,619** | 66,840,404 |

**13 INCOME TAX EXPENSE/ (REVERSAL)**

**13.1 Income tax recognised in Profit or Loss**

| | GROUP 2026 Rs. | GROUP 2025 Rs. | COMPANY 2026 Rs. | COMPANY 2025 Rs. |
|---|---|---|---|---|
| Current Taxation (Note 13.4) | **1,484,359,699** | 2,395,266,020 | **48,390,427** | - |
| Income tax expenses recognised in respect of previous years | **(57,288)** | 7,552,892 | - | - |
| Over provision of income tax for the previous year | **725,000** | (499,019) | - | - |
| | **1,485,027,411** | 2,402,319,893 | **48,390,427** | - |
| **Deferred Tax Expense/ (Reversal)** | | | | |
| Amount charged/ (reversed) during the year - Profit and Loss (Note 13.7.2) | **14,545,427** | (3,704,514) | **(1,140,345)** | 1,680,335 |
| | **14,545,427** | (3,704,514) | **(1,140,345)** | 1,680,335 |
| **Total Income Tax Recognised/ (Reversed) in the Statement of Profit or Loss** | **1,499,572,838** | 2,398,615,379 | **47,250,082** | 1,680,335 |

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | **2026** | 2025 | **2026** | 2025 |
| | **Rs.** | Rs. | **Rs.** | Rs. |

**13 INCOME TAX EXPENSE (CONTD.)**

**13.2 Amount recognised in the Statement of Other Comprehensive Income**

| | GROUP 2026 Rs. | GROUP 2025 Rs. | COMPANY 2026 Rs. | COMPANY 2025 Rs. |
|---|---|---|---|---|
| Actuarial gain/ (loss) arising from retirement benefit obligations | **(16,956,848)** | 3,799,015 | **(3,010,363)** | 1,290,049 |
| Deferred tax on actuarial gains/(loss) | **5,087,054** | (916,910) | **903,109** | (387,015) |
| | **(11,869,794)** | 2,882,105 | **(2,107,254)** | 903,034 |

**13.3 Income tax payable/ (receivable)**

| | GROUP 2026 Rs. | GROUP 2025 Rs. | COMPANY 2026 Rs. | COMPANY 2025 Rs. |
|---|---|---|---|---|
| Balance at the beginning of the year | **2,164,313,288** | 4,992,449,148 | **(9,656,037)** | (9,656,037) |
| Income tax provision for the year | **1,484,359,699** | 2,395,266,020 | **48,390,427** | - |
| Over provision of income tax for the previous year | **667,712** | (499,019) | - | - |
| Income tax payments made during the year | **(2,799,329,180)** | (5,211,939,658) | - | - |
| Withholding and other credits | **(279,100)** | (677,362) | - | - |
| Exchange difference | **96,333,199** | (10,285,841) | - | - |
| **Balance at the end of the year** | 946,065,617 | 2,164,313,288 | 38,734,390 | (9,656,037) |

**13.4 Reconciliation between accounting profit/ (loss) and taxable profit/ (loss)**

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | **2026** | 2025 | **2026** | 2025 |
| | **Rs.** | Rs. | **Rs.** | Rs. |
| Accounting profit / (loss) before income tax expense | **4,196,492,871** | 6,626,435,683 | **4,023,645,841** | 4,599,394,420 |
| Consolidation adjustment | **4,532,754,432** | 6,474,858,929 | - | - |
| | **8,729,247,303** | 13,101,294,612 | **4,023,645,841** | 4,599,394,420 |
| Other sources of income & exempt income | **(4,383,002,763)** | (5,272,816,782) | **(3,980,986,958)** | (4,778,814,188) |
| Aggregate disallowable items | **536,405,356** | 744,953,679 | **128,520,255** | 264,853,699 |
| Aggregate allowable items | **(159,551,544)** | (50,978,451) | **(948,279)** | (3,487,026) |
| Adjustment on tax losses incurred during the year | - | 57,102,976 | | - |
| Taxable income from business | **4,723,098,351** | 8,579,556,034 | **170,230,858** | 81,946,905 |
| Other sources of income | **89,107,177** | 216,350,342 | - | - |
| Total statutory income | **4,812,205,528** | 8,795,906,376 | **170,230,858** | 81,946,905 |
| Less : Tax losses set-off for the taxable profit | **(42,463,185)** | (126,578,616) | **(8,929,436)** | (81,946,905) |
| **Taxable income for the year** | **4,769,742,343** | 8,669,327,760 | **161,301,422** | - |
| Current tax at 27.5% | **15,360,301** | 15,809,578 | - | - |
| Current tax at 30% | **1,462,570,108** | 2,370,210,884 | **48,390,427** | - |
| Current tax at 37.5% | **6,429,289** | 9,245,558 | - | - |
| **Current tax charged to Statement of Profit or Loss** | **1,484,359,699** | 2,395,266,020 | **48,390,427** | - |

**13.5 Accumulated tax losses**

| | GROUP 2026 Rs. | GROUP 2025 Rs. | COMPANY 2026 Rs. | COMPANY 2025 Rs. |
|---|---|---|---|---|
| Balance at the beginning of the year | **68,347,016** | 163,720,865 | **4,626,432** | 86,573,337 |
| Losses incurred during the year | - | 57,102,976 | - | - |
| Tax losses expired due to amalgamation | - | (23,633,392) | - | - |
| Adjustment with respect of previous year | **4,303,004** | (2,264,817) | **4,303,004** | - |
| Losses utilised during the year | **(42,463,185)** | (126,578,616) | **(8,929,436)** | (81,946,905) |
| **Balance at the end of the year** | **30,186,834** | 68,347,016 | - | 4,626,432 |

**Effective tax rate reconciliation**

| | Group | | | | Company | | | |
|---|---|---|---|---|---|---|---|---|
| | % | **2026** | % | 2025 | % | **2026** | % | 2025 |
| | | **Rs.** | | Rs. | | **Rs.** | | Rs. |
| Profit Before tax | | **4,196,492,871** | | 6,626,435,683 | | **4,023,645,841** | | 4,599,394,420 |
| Tax expenses on applicable | 30% | **1,258,947,861** | 30% | 1,987,930,705 | 30% | **1,207,093,752** | 30% | 1,379,818,326 |
| Effect of tax rates in foreign juriductions | 1% | **21,789,590** | 0% | 25,055,136 | 0% | - | 0% | |
| Tax on exempted income | -104% | **(4,383,002,763)** | -80% | (5,272,816,782) | -99% | **(3,980,986,958)** | -104% | (4,778,814,188) |
| Aggregate disallowed items | 13% | **536,405,356** | 11% | 744,953,679 | 3% | **128,520,255** | 6% | 264,853,699 |
| Aggregate allowable Expenses | -4% | **(159,551,544)** | -1% | (50,978,451) | 0% | **(948,279)** | 0% | (3,487,026) |
| Adjustment on tax losses incurred during the year | | - | 1% | 57,102,976 | 0% | - | 0% | - |
| Current income tax expenses | 35% | **1,484,359,699** | 36% | 2,395,266,020 | 1% | **48,390,427** | 0% | - |
| Income tax under /Over provision for the previous year **(Note 13.3)** | 0% | **667,712** | 0% | (499,019) | 0% | - | 0% | - |
| Deferred tax charge / (reversal) for the year **(Note 11.6.1)** | 0% | **14,545,427** | 0% | (3,704,514) | 0% | **(1,140,345)** | 0% | 1,680,335 |
| **Total tax expense** | 36% | **1,499,572,838** | **36%** | **2,398,615,379** | 1% | **47,250,082** | 0% | 1,680,335 |

**13.6 Applicable income tax rates as per the Department of Inland Revenue**

The income tax provision of Capital Alliance Holdings PLC, its subsidiaries which are resident in Sri Lanka has been calculated in accordance with the Inland Revenue Act No. 24 of 2017 and its amendments thereto.

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 for the year ended 31st March 2026 (2025: 30%).

**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 PLC, and CAL (Private) Ltd, Fixed Income Investment I (Private) Limited and Fixed Income Investment II (Private) Limited arising from their primary operation activities and Other Income of Finnovation (Private) Limited are liable for income tax at standard rate of 30% for the year ended 31st March 2026 (2025: 30%).

**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 (2025: 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 have 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 using the applicable effective tax rates, which are 30% for Sri Lankan companies and 27.5% and 37.5% for entities operating in Bangladesh. For the year 2026, the Group applied tax rates of 27.5%, 30%, and 37.5%, as relevant to each entity.

## 13.7 DEFERRED TAX

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | **2026** | 2025 | **2026** | 2025 |
| | **Rs.** | Rs. | **Rs.** | Rs. |
| Deferred Tax Assets (13.7.3) | **38,242,540** | 47,467,193 | **4,751,809** | 2,708,355 |
| **Net Deferred Tax Assets** | **38,242,540** | 47,467,193 | **4,751,809** | 2,708,355 |

### 13.7.1 NET DEFERRED TAX ASSET MOVEMENT DURING THE YEAR

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | **2026** | 2025 | **2026** | 2025 |
| | **Rs.** | Rs. | **Rs.** | Rs. |
| Balance as at the beginning of the year | **47,467,193** | 45,442,145 | **2,708,355** | 4,775,705 |
| Acquisition during the year | - | - | - | - |
| Deferred tax recognised during the year | **(19,632,482)** | 2,787,604 | **2,043,454** | (2,067,350) |
| Net effect of movement of exchange rates | **10,407,829** | (762,556) | - | - |
| Balance at the end of the year | **38,242,540** | 47,467,193 | **4,751,809** | 2,708,355 |

### 13.7.2 Amount charged/ (reversed) during the year

| | | | | |
|---|---|---|---|---|
| Amount reversed during the year - Profit and Loss | **14,545,427** | (3,704,514) | **(1,140,345)** | 1,680,335 |
| Amount recognized/ (reversed) during the year - Other Comprehensive Income/ (Expense) | **5,087,054** | (916,910) | **(903,109)** | 387,015 |
| Total amount reversed during the year | **19,632,482** | (2,787,604) | **(2,043,454)** | 2,067,350 |

### 13.7.3 GROUP DEFERRED TAX ASSET/ (LIABILITY)

| **Group** | **2026** | | 2025 | |
|---|---|---|---|---|
| | **Temporary difference** | **Tax Effect** | Temporary difference | Tax Effect |
| | **Rs.** | **Rs.** | Rs. | Rs. |
| On equipment | **(1,217,805)** | **(385,502)** | (9,640,269) | (2,961,011) |
| On intangible assets | **(27,689,355)** | **(8,306,807)** | (26,021,623) | (7,806,487) |
| On right-of-use Asset | **(353,047,963)** | **(96,088,918)** | (60,155,936) | (19,369,312) |
| On lease creditor on right-of-use Asset | **309,065,347** | **75,802,165** | 70,456,666 | 22,545,646 |
| On retirement benefit obligation | **179,898,646** | **61,796,644** | 171,840,395 | 49,316,806 |
| On provision for impairment of trade and other receivables | **18,083,193** | **5,424,958** | 19,138,502 | 5,741,552 |
| On carry forward tax losses | **30,186,834** | - | 68,347,015.96 | - |
| | **155,278,897** | **38,242,540** | 233,964,752 | 47,467,193 |

#### 13.7.3.1 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 and Fixed Income Investment I (Pvt) Ltd 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 Companies can utilise the benefit therefrom.

| **2026** | | 2025 | |
|---|---|---|---|
| **Temporary difference** | **Tax Effect** | Temporary difference | Tax Effect |
| **Rs.** | **Rs.** | Rs. | Rs. |
| **68,347,016** | **20,504,105** | 68,347,016 | 20,504,105 |
| **68,347,016** | **20,504,105** | 68,347,016 | 20,504,105 |

### 13.7.4 COMPANY DEFERRED TAX ASSET

| | 2026 | | 2025 | |
|---|---|---|---|---|
| | **Temporary difference** | **Tax Effect** | Temporary difference | Tax Effect |
| | **Rs.** | **Rs.** | Rs. | Rs. |
| On equipment | **83,533** | **25,060** | 37,206 | 11,162 |
| On intangible assets | **(656,240)** | **(196,872)** | (757,647) | (227,294) |
| On retirement benefit obligation | **16,412,071** | **4,923,621** | 9,748,290 | 2,924,487 |
| On Carry forward Tax Losses | | | | |
| | **15,839,364** | **4,751,809** | 9,027,849 | 2,708,355 |

Deferred taxation of the Company is calculated at the rate of 30% as at the year ended 31 March 2026 (2025: 30%) and the Deferred taxation of the Group is recognized based on the rates enacted for each Company as at the year end.

## 14 BASIC EARNINGS PER SHARE

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

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | **2026** | 2025 | **2026** | 2025 |
| | **Rs.** | Rs. | **Rs.** | Rs. |
| Profit attributable to Equity Holders of the Parent Company | **2,418,377,590** | 3,606,696,393 | **3,976,395,759** | 4,597,714,085 |
| Weighted average number of Ordinary Shares | **2,046,158,934** | 1,914,549,345 | **2,046,158,934** | 1,914,549,345 |
| Basic Earnings per share - (Rs.) | **1.18** | 1.88 | **1.94** | 2.40 |
| Total number of shares outstanding | **2,072,049,345** | 1,914,549,345 | **2,072,049,345** | 1,914,549,345 |

### 14.1 Weighted Average Number of Ordinary Shares Movement

| | GROUP 2026 | GROUP 2025 | COMPANY 2026 | COMPANY 2025 |
|---|---|---|---|---|
| Balance as at 01st April | **1,914,549,345** | 1,914,549,345 | **1,914,549,345** | 1,914,549,345 |
| Effect of Shares Issued During the year | **131,609,589** | - | **131,609,589** | - |
| Weighted average number of Ordinary Shares Balance as at 31st March | **2,046,158,934** | 1,914,549,345 | **2,046,158,934** | 1,914,549,345 |

The Company issued 157,500,000 new ordinary shares during the year under review.

### 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.

*As at 31 March,*

## 15 CASH AND CASH EQUIVALENTS

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | **2026** | 2025 | **2026** | 2025 |
| | **Rs.** | Rs. | **Rs.** | Rs. |
| **15.1 Favorable Balance** | | | | |
| Cash at Bank | **1,328,224,429** | 561,139,886 | **4,556,541** | 5,629,523 |
| Cash in Hand | **205,624** | 50,644 | - | - |
| | **1,328,430,053** | 561,190,530 | **4,556,541** | 5,629,523 |
| **15.2 Unfavorable Balance** | | | | |
| Bank Overdrafts | **(639,473,169)** | (402,067,475) | **(91,981,774)** | (57,392,533) |
| *Cash and Cash Equivalents for the Purpose of Statement of* | **688,956,884** | 159,123,055 | **(87,425,233)** | (51,763,010) |

## 16 FINANCIAL ASSETS MEASURED AT FVTPL

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | **2026** | 2025 | **2026** | 2025 |
| | **Rs.** | Rs. | **Rs.** | Rs. |
| Investment in Government Treasury Bills (Note 16.1) | **39,340,813,554** | 26,913,638,682 | - | - |
| Investment in Government Treasury Bonds (Note 16.1) | **43,964,662,632** | 74,251,077,210 | - | - |
| Investment in Unit Trust Funds ( Note 16.2) | **6,847,394,993** | 1,437,142,586 | **4,036,134,104** | 726,959,721 |
| Investment in Shares (Note 16.3) | **1,868,961,715** | 1,214,844,659 | **580,478,849** | 118,834,611 |
| | **92,021,832,893** | **103,816,703,137** | 4,616,612,953 | **845,794,332** |

### 16.1 Reconciliation of Investment in Government Securities

| | GROUP | |
|---|---|---|
| | **2026** | 2025 |
| | **Rs.** | Rs. |
| Balance as at beginning of the year | **101,164,715,892** | 58,790,179,821 |
| Investments during the year | **549,555,056,999** | 884,512,947,400 |
| Sales/Maturities during the year | **(568,371,661,452)** | (846,771,665,954) |
| Disposal gain/ (loss) during the year | **2,795,795,754** | 6,314,551,393 |
| Appreciation/ (provision) during the year | **(1,838,431,007)** | (1,681,296,768) |
| | 83,305,476,186 | **101,164,715,892** |

#### 16.1.1 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 | | Face Value | |
|---|---|---|---|---|
| | **2026** | 2025 | **2026** | 2025 |
| | **Rs.** | Rs. | **Rs.** | Rs. |
| Treasury Bills | **37,738,993,226** | 23,354,501,437 | **40,504,404,262** | 24,874,701,272 |
| Treasury Bonds | **38,504,770,559** | 73,304,845,795 | **36,019,624,023** | 70,142,350,531 |
| | **76,243,763,785** | 96,659,347,232 | **76,524,028,285** | 95,017,051,803 |

**16.2 Investment in Unit Trust Funds**

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | **2026 Rs.** | 2025 Rs. | **2026 Rs.** | 2025 Rs. |
| CAL Islamic Money Market Fund | **907,836,168** | - | - | - |
| Capital Alliance High Yield Fund | **3,007,375,070** | 25,264,879 | **1,978,373,922** | 22,059,000 |
| Capital Alliance Income Fund | **30,520,230** | 99,014,010 | **30,060,441** | 54,903,724 |
| Capital Alliance Investment Grade Fund | **1,344,571,262** | 210,276,462 | **1,279,486,173** | 33,666 |
| Capital Alliance Corporate Treasury Fund | **870,776** | 529,281 | - | - |
| Capital Alliance Gilt Money Market Fund | **55,588,087** | 3,377,452 | **51,937,997** | - |
| Capital Alliance Medium Risk Debt Fund | **2,303,525** | 2,161,203 | - | - |
| Capital Alliance Gilt Fund | **2,943,799** | 2,597,747 | - | - |
| CAL Fixed Income Opportunities Fund | **1,482,256,595** | 1,061,637,560 | **696,275,571** | 649,687,718 |
| Capital Alliance Balanced Fund | **9,157** | 7,589 | - | - |
| Capital Alliance Gilt Trading Fund | **2,337,855** | 2,186,795 | - | - |
| Capital Alliance Quantitative Equity Fund | **10,782,468** | 30,089,608 | - | 275,613 |
| | **6,847,394,993** | 1,437,142,586 | **4,036,134,104** | 726,959,721 |

**16.2.1 Reconciliation of Investments in Unit Trusts**

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | **2026 Rs.** | 2025 Rs. | **2026 Rs.** | 2025 Rs. |
| Fair value as at beginning of the year | **1,437,142,586** | 1,017,136,577 | **726,959,721** | 343,855,579 |
| Investment during the year | **23,128,805,519** | 12,706,859,736 | **6,314,938,154** | 2,814,938,154 |
| Redemption during the year | **(18,066,827,163)** | (12,576,395,775) | **(3,180,179,971)** | (2,517,882,931) |
| Disposal gain | **341,080,776** | 246,393,574 | **168,022,197** | 63,138,307 |
| Gain on remeasurement | **7,193,274** | 43,148,474 | **6,394,003** | 22,910,612 |
| Fair Value of Unit Trust as at end of the year | **6,847,394,993** | 1,437,142,586 | **4,036,134,104** | 726,959,721 |

**16.2.2 Investment in Unit Trust Funds**

**COMPANY**

| | 2026 | | | 2025 | | |
|---|---|---|---|---|---|---|
| | **No. of Units** | **Fair Value (Rs.)** | **Cost (Rs.)** | No. of Units | Fair Value (Rs.) | Cost (Rs.) |
| Capital Alliance Investment Grade Fund | **32,187,927** | **1,279,486,173** | **1,229,389,694** | 925 | 33,666 | 33,268 |
| Capital Alliance Gilt Money Market Fund | **7,284,942** | **51,937,996.98** | **44,648,242.27** | - | - | - |
| Capital Alliance Quantitative Equity Fund | - | - | - | 5,390 | 275,613 | 91,173 |
| Capital Alliance High Yield Fund | **43,655,078** | **1,978,373,922** | **1,969,102,991** | 529,566 | 22,059,000 | 21,733,824 |
| Capital Alliance Income Fund | **738,884** | **30,060,441** | **27,782,892** | 1,483,909 | 54,903,724 | 50,000,000 |
| CAL Fixed Income Opportunities Fund | **14,950,386** | **696,275,571** | **625,644,250** | 17,003,213 | 649,687,718 | 626,787,209 |
| | **98,817,216** | **4,036,134,104** | **3,896,568,070** | 19,023,003 | 726,959,721 | 698,645,474 |

**GROUP**

| | 2026 | | | 2025 | | |
|---|---|---|---|---|---|---|
| | **No. of Units** | **Fair Value (Rs.)** | **Cost (Rs.)** | **No. of Units** | **Fair Value (Rs.)** | **Cost (Rs.)** |
| CAL Islamic Money Market Fund | **89,746,151** | **907,836,168** | **902,000,000** | | | |
| Capital Alliance Income Fund | **750,185** | **30,520,230** | **28,201,044** | 2,676,098 | 99,014,010 | 92,769,628 |
| Capital Alliance Investment Grade Fund | **33,820,394** | **1,344,571,262** | **1,288,840,815** | 5,779,430 | 210,276,462 | 194,836,161 |
| Capital Alliance Corporate Treasury Fund | **31,760** | **870,776** | **844,018** | 20,672 | 529,281 | 517,463 |
| Capital Alliance Quantitative Equity Fund | **165,183** | **10,782,468** | **8,446,520** | 588,442 | 30,089,608 | 24,775,675 |
| Capital Alliance High Yield Fund | **66,361,162** | **3,007,375,070** | **2,992,745,497** | 606,529 | 25,264,879 | 24,850,850 |
| Capital Alliance Gilt Money Market Fund | **7,796,912** | **55,588,087** | **48,083,882** | 510,389 | 3,377,452 | 2,920,116 |
| Capital Alliance Medium Risk Debt Fund | **92,949** | **2,303,525** | **2,161,202** | 92,948 | 2,161,203 | 1,692,632 |
| Capital Alliance Gilt Fund | **207,656** | **2,943,799** | **2,765,292** | 196,255 | 2,597,747 | 2,112,447 |
| CAL Fixed Income Opportunities Fund | **33,698,815** | **1,482,256,595** | **1,410,168,957** | 27,784,502 | 1,061,637,560 | 1,031,996,990 |
| Capital Alliance Balanced Fund | **279** | **9,157** | **7,589** | 279 | 7,589 | 5,522 |
| Capital Alliance Gilt Trading Fund | **29,253** | **2,337,855** | **2,187,701** | 29,241 | 2,186,795 | 1,713,897 |
| | **232,700,700** | **6,847,394,992** | **6,686,452,516** | 38,284,785 | 1,437,142,586 | 1,378,191,381 |

**16.3 Investment in Quoted Shares**

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | **2026 Rs.** | 2025 Rs. | **2026 Rs.** | 2025 Rs. |
| Investment in Quoted Shares | **1,868,961,715** | 1,214,844,659 | **580,478,849** | 118,834,611 |
| | **1,868,961,715** | 1,214,844,659 | **580,478,849** | **118,834,611** |

**16.3.1 Reconciliation of Investments in Shares**

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | **2026 Rs.** | 2025 Rs. | **2026 Rs.** | 2025 Rs. |
| Balance as at the beginning of the year | **1,214,844,659** | 1,073,716,616 | **118,834,611** | 129,510,869 |
| Acquisition of Subsidiary during the year | - | - | - | - |
| Investments during the year | **2,400,769,256** | 1,991,723,124 | **711,053,761** | 211,053,761 |
| Sales during the year | **(2,100,169,313)** | (2,060,788,783) | **(360,183,964)** | (222,464,971) |
| Disposal gain /(loss) | **298,631,254** | 94,529,445 | **128,870,962** | 11,303,072 |
| Appreciation/ (Provision) for Value of Investments | **58,131,730** | 119,924,032 | **(18,096,520)** | (10,568,120) |
| Net Effect of Movement of Exchange Rates | **(3,245,870)** | (4,259,775) | - | - |
| **Balance as at the end of the year** | **1,868,961,715** | 1,214,844,659 | **580,478,849** | 118,834,611 |

## 16.3.2 Quoted Share Investments

### 16.3.2.1 COMPANY

| | 2026 No. of Shares | 2026 Cost Rs. | 2026 Market Value Rs. | 2025 No. of Shares | 2025 Cost Rs. | 2025 Market Value Rs. |
|---|---|---|---|---|---|---|
| Jetwing Symphony PLC | 2,649,054 | 22,208,763 | 39,590,847 | 2,649,054 | 22,199,519 | 30,464,121 |
| Square Pharmaceuticals Ltd - Bangladesh | 5,890 | 2,800,684 | 2,799,877 | 5,890 | 2,800,684 | 2,623,719 |
| BPPL Holdings PLC | - | - | - | 1,000,000 | 23,965,440 | 19,000,000 |
| Central Finance Company PLC | - | - | - | 150,000 | 32,964,421 | 29,137,500 |
| Lanka IOC PLC | - | - | - | 296,136 | 39,693,277 | 37,609,272 |
| ACL Cables PLC | 884,248 | 56,512,290 | 75,161,080 | - | - | - |
| Haycarb PLC | 646,897 | 70,466,490 | 70,835,222 | - | - | - |
| LOLC Holding PLC | 250,000 | 149,355,000 | 132,437,500 | - | - | - |
| R I L Property PLC | 1,000,000 | 37,860,000 | 25,100,000 | - | - | - |
| Seylan Bank PLC | 750,000 | 58,290,000 | 52,950,000 | - | - | - |
| Aitken Spence PLC | 297,192 | 46,593,762 | 41,309,688 | - | - | - |
| Sunshine Holding PLC | 1,400,000 | 48,132,000 | 41,160,000 | - | - | - |
| Teejay Lanka PLC | 279,047 | 10,157,311 | 7,813,316 | - | - | - |
| Tokyo Cement Company (Lanka) PLC | 1,252,693 | 98,987,801 | 91,321,320 | - | - | - |
| | 9,415,021 | 601,364,100 | 580,478,850 | 4,101,080 | 121,623,341 | 118,834,612 |
| (Add): Appreciation/ (provision) for Value of Investments | | (20,885,251) | | | (2,788,730) | |
| | | 580,478,849 | | | 118,834,611 | |

### 16.3.2.2 Appreciation/ (provision) for Value of Investmentsfor Value of Investments

| | COMPANY 2026 Rs. | COMPANY 2025 Rs. |
|---|---|---|
| Balance at the beginning of the year | (2,788,730) | 7,779,390 |
| (Provision)/ Reversal for the year | (18,096,521) | (10,568,120) |
| Balance at the end of the year | (20,885,251) | (2,788,730) |

### 16.3.2.3 GROUP

| | 2026 No. of Shares | 2026 Cost Rs. | 2026 Market Value Rs. | 2025 No. of Shares | 2025 Cost Rs. | 2025 Market Value Rs. |
|---|---|---|---|---|---|---|
| Jetwing Symphony PLC | 2,649,054 | 22,208,763 | 39,590,847 | 2,649,054 | 22,199,519 | 30,464,121 |
| Prime Lands Residencies PLC | 1,683,000 | 85,563,720 | 78,596,100 | - | - | - |
| Square Pharmaceuticals Ltd-Bangladesh | 5,890 | 2,800,684 | 2,799,877 | 105,890 | 3,041,004 | 2,865,111 |
| ACL Cables PLC | 1,084,248 | 69,072,290 | 92,161,080 | - | - | - |
| CAL Three Year Closed End Fund [Fund] | 9,913,391 | 99,133,910 | 104,090,606 | - | - | - |
| People's Leasing & Finance PLC | - | - | - | 5,360,201 | 82,157,812 | 95,947,598 |
| BPPL Holdings PLC | - | - | - | 1,000,000 | 23,965,440 | 19,000,000 |
| Central Finance Company PLC | - | - | - | 150,000 | 32,964,421 | 29,137,500 |
| Lanka IOC PLC | - | - | - | 966,136 | 120,802,450 | 122,699,272 |
| Aitken Spence Hotel Holdings PLC | - | - | - | 640,053 | 49,236,254 | 51,268,245 |
| Sunshine Holdings PLC | 2,758,932 | 94,539,528 | 81,112,601 | - | - | - |
| Commercial Bank PLC | 546,081 | 110,025,942 | 111,537,044 | 73,029 | 7,600,882 | 10,771,777 |
| R I L Property PLC | 1,000,000 | 37,860,000 | 25,100,000 | - | - | - |
| Digital Mobility Solutions Lanka PLC | 751,233 | 105,638,384 | 103,106,729 | - | - | - |
| Nations Trust Bank PLC | 613,705 | 93,547,053 | 177,514,171 | 734,909 | 106,214,328 | 139,632,710 |
| Seylan Bank PLC | 2,400,000 | 159,484,500 | 169,440,000 | - | - | - |
| Vallible One PLC | 167,638 | 9,830,292 | 15,405,932 | 1,531,351 | 80,574,130 | 90,196,574 |
| DFCC Bank PLC | - | - | - | - | - | - |
| Hayleys PLC | 849,045 | 118,137,850 | 182,544,675 | 1,054,896 | 117,930,696 | 144,520,752 |
| Haycarb PLC | 646,897 | 70,466,490 | 70,835,222 | - | - | - |
| John Keells Hotels PLC | - | - | - | - | - | - |
| Aitken Spence PLC | 731,812 | 107,544,871 | 101,721,868 | 754,755 | 104,793,763 | 96,419,951 |
| Teejay Lanka PLC | 279,047 | 10,157,311 | 7,813,316 | - | - | - |
| Central Finance Company PLC | - | - | - | 628,791 | 139,286,032 | 122,142,652 |
| LOLC Holdings PLC | 298,840 | 177,604,544 | 158,310,490 | 116,000 | 84,225,974 | 68,991,000 |
| Ceylon Guardian Investment Trust PLC | - | - | - | 129,863 | 20,868,681 | 19,901,505 |
| Overseas Realty (Ceylon) PLC | - | - | - | 2,700,463 | 64,555,412 | 64,000,973 |
| City Bank PLC | 104,551 | 7,893,920 | 8,031,891 | - | - | - |
| Tokyo Cement Company (Lanka) PLC | 2,259,227 | 179,654,441 | 164,802,192 | 600,000 | 33,236,557 | 47,400,000 |
| British American Tobacco Bangladesh Limited | 26,228 | 17,010,008 | 16,608,682 | - | - | - |
| Envoy Textiles Limited | 182,872 | 25,604,096 | 23,088,065 | - | - | - |
| Dhaka Bank PLC | 200,000 | 7,253,789 | 7,124,387 | - | - | - |
| BRAC Bank PLC | 139,500 | 26,761,600 | 26,043,326 | - | - | - |
| Marico Bangladesh Limited | 2,913 | 21,450,547 | 20,535,404 | - | - | - |
| Beximco Pharmaceuticals PLC | 20,000 | 6,694,507 | 6,606,573 | - | - | - |
| NRB Bank Limited | - | - | - | 49,355 | 2,840,176 | 2,689,590 |
| Semllecmf | 90,000 | 2,693,099 | 1,717,489 | - | - | - |
| Walton Hi-Tech Industries PLC | 22,713 | 23,783,625 | 22,242,861 | - | - | - |
| Investment Corporation of Bangladesh | - | - | - | 10,000 | 3,661,115 | 3,421,829 |
| Shanta Fixed Income Fund | 13,585 | 367,452 | 405,103 | 1,857,872 | 50,360,860 | 48,268,540 |
| IDLC Finance PLC | 489,615 | 51,628,613 | 50,075,183 | 36,000 | 4,940,744 | 4,668,213 |
| Nahee Aluminum Composite Panel PLC | - | - | - | 3,000 | 459,457 | 436,746 |
| | 29,930,017 | 1,744,411,827 | 1,868,961,715 | 21,151,618 | 1,155,915,707 | 1,214,844,659 |
| Add/(Less): Appreciation/ (Provision) for Value of Investments | | 124,549,889 | | | 58,928,952 | |
| | | 1,868,961,715 | | | 1,214,844,659 | |

### 16.3.2.4 Appreciation/ (Provision) for Value of Investments

| | GROUP 2026 Rs. | GROUP 2025 Rs. |
|---|---|---|
| Balance at the beginning of the year | 58,928,952 | (59,387,133) |
| Reversal/ (Provision) for the year | 58,131,730 | 119,924,032 |
| Net Effect of Movement of Exchange Rates | 7,489,207 | (1,607,947) |
| **Balance at the end of the year** | 124,549,889 | 58,928,952 |

| | GROUP 2026 Rs. | GROUP 2025 Rs. | COMPANY 2026 Rs. | COMPANY 2025 Rs. |
|---|---|---|---|---|
| **17 FINANCIAL ASSETS MEASURED AT FVOCI** | | | | |
| Investment in Un quoted Shares ( Note 17.1) | - | - | 29,492,315 | - |
| Investment in Preference shares ( Note 17.2) | - | - | 2,860,000,000 | 325,000,000 |
| | - | - | 2,889,492,315 | 325,000,000 |

| 17.1 INVESTMENT UNQUOTED SHARES | GROUP 2026 Rs. Cost | GROUP 2026 Rs. Fair value | GROUP 2025 Rs. Cost | GROUP 2025 Rs. Fair value | Company 2026 Rs. Cost | Company 2026 Rs. Fair value | Company 2025 Rs. Cost | Company 2025 Rs. Fair value |
|---|---|---|---|---|---|---|---|---|
| Lanka Financial Services Bureau Limited | 1,000,000 | - | 1,000,000 | - | - | - | - | - |
| Lanka Rating Agency Limited | 29,492,315 | - | 29,492,315 | - | 29,492,315 | - | 29,492,315 | - |
| | 30,492,315 | - | 30,492,315 | - | 29,492,315 | - | 29,492,315 | - |

| 17.2 Investments in Preference Shares | GROUP 2026 Rs. | GROUP 2025 Rs. | COMPANY 2026 Rs. | COMPANY 2025 Rs. |
|---|---|---|---|---|
| Capital Alliance Securities (Private) Limited (each Rs. 10/=) | | | 325,000,000 | 325,000,000 |
| Finnovation Pvt Ltd (each Rs. 10/=) | | | 2,535,000,000 | - |
| | - | - | 2,860,000,000 | 325,000,000 |

Pursuant to the disposal of the Company's 40% equity stake (3,297,298 ordinary voting shares) in Capital Alliance Securities (Private) Limited to CAL Investment Consultancy FZ-LLC, a wholly-owned subsidiary of the Company, as approved on 27th September 2024 and formalised through the Share Sale and Purchase Agreement executed on 22nd January 2025, the Company has ceased to exercise direct control over Capital Alliance Securities (Private) Limited . Accordingly, the investment in 32,500,000 preference shares with a nominal value of Rs. 10 each, amounting to Rs. 325,000,000, has been reclassified from "Investment in Subsidiary" to "Financial Assets at Fair Value through Other Comprehesive Income" in the financial statements for the year ended 31st March 2025.
Futher Company has Invested 253,500,000 preferance shares with a nominal value of Rs. 10 each, amouting to Rs. 2,535,000,000, has been classified as Financial Assets at Fair Value through Other Comprehesive Income" in the financial statements for the year ended 31st March 2026.

The Company designated the investments in preference shares as FVOCI because these securities represents the investments that the Company intends to hold for the long term for strategic purposes. There were no dividends received on these investments during the year.

| 18 FINANCIAL ASSETS MEASURED AT AMORTISED COST | GROUP 2026 | GROUP 2025 | COMPANY 2026 | COMPANY 2025 |
|---|---|---|---|---|
| Securities Purchased Under Resale Agreements (Note 18.1) | 1,914,745,432 | 3,003,008,990 | - | 2,535,206,833 |
| Investment in Commercial Papers (Note 18.2) | - | - | - | - |
| Investment in Debentures - Unquoted ( Note 18.3) | 1,274,092,630 | - | - | - |
| Investment in Corporate Debt | 100,054,795 | - | | |
| Placement with Banks | 69,368,937 | - | - | - |
| Term Deposits | 1,108,266,161 | 403,277,260 | - | - |
| Investments in Preference Shares (Note 18.3) | - | - | - | - |
| | 4,466,527,955 | 3,406,286,250 | - | 2,535,206,833 |

| 18.1 Securities Purchased Under Resale Agreements Movement | GROUP 2026 Rs. | GROUP 2025 Rs. | COMPANY 2026 Rs. | COMPANY 2025 Rs. |
|---|---|---|---|---|
| Balance as at 1st April | 3,003,008,990 | 1,015,901,339 | - | - |
| Net purchases during the year | (1,453,859,395) | 1,608,583,914 | - | 2,533,000,000 |
| Interest Income during the year | 365,595,837 | 378,523,737 | - | 2,206,833 |
| **Balance as at 31st March** | 1,914,745,432 | 3,003,008,990 | - | 2,535,206,833 |

**18.1.1 Fair value of the Securities Pledged for the Securities Purchased under Resale Agreements - Group**
Capital Alliance PLC (Subsidiary)

| | Market Value (Rs.) 2026 | Market Value (Rs.) 2025 | Face Value (Rs.) 2026 | Face Value (Rs.) 2025 |
|---|---|---|---|---|
| Treasury Bonds | 1,667,230,819 | 3,347,171,046 | 1,490,900,000 | 3,076,800,000 |
| | 1,667,230,819 | 3,347,171,046 | 1,490,900,000 | 3,076,800,000 |

The Company follows the guidelines stipulated in the direction on repurchase and reverse repurchase transactions of dealer direct participants in scripless treasury bonds and scripless treasury bills, issued by the central bank of Sri Lanka, in receiving securities for reverse repurchase agreements (Direction No. 01 of 2019, dated 20 December 2019). Only the eligible securities are used for such receipts and the section 4.3, 4.4 and 4.5 are complied with when considering the haircut requirements.

The Company is entitled to repledge the securities received as collateral for the Resale Agreements (Reverse Repo) and the entity has an obligation to return such securities at deal maturity. In relation to any repurchase transaction, at anytime between the purchase date and repurchase date the dealer can Substitute other Eligible Securities for any purchased securities. However, the purchased securities shall not be traded at any time between the Purchase Date and the Repurchase Date. Accordingly, the Company has repledged market value of treasury bonds amounting to Rs. 1,679,940,227 as at 31 March 2026. (As at 31st March 2025 - 1,606,594,051).

An effective internal control system is used to verify the accuracy of security allocation to each reverse repurchase transaction.
In accordance with the guidelines of the Central Bank of Sri Lanka, the Company ensures that the discounted market values of eligible securities are sufficiently covered by their resale values, both at the inception of the transactions and throughout their duration.

**Remaining Term to Maturity of the Eligible Security Minimum Haircut (%)**

| | 2026 | 2025 |
|---|---|---|
| Up to 1 year | 4 | 4 |
| More than 1 year and up to 3 years | 6 | 6 |
| More than 3 year and up to 5 years | 8 | 8 |
| More than 5 year and up to 8 years | 10 | 10 |
| More than 8 years | 12 | 12 |

**18.2 Investment in Commercial Papers**

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | **2026** | 2025 | **2026** | 2025 |
| | **Rs.** | Rs. | **Rs.** | Rs. |
| Commercial Papers | | | | |
| Less: Provision for impairment | **114,395,855** | 114,395,855 | - | - |
| | **(114,395,855)** | (114,395,855) | - | - |
| | - | - | - | - |

Based on a review of the available financial information related to the issuers of the aforementioned commercial papers, the management has assessed that there is a significant doubt regarding the recoverability of these instruments and considered the investment in commercial papers under stage 3 as per the SLFRS 9 – Financial Instruments. Accordingly, management has concluded that the commercial papers are not recoverable and has decided to recognise a full impairment of these investments in the financial statements for the year ended 31st March 2026.

**19 TRADE AND OTHER RECEIVABLES**

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | **2026** | 2025 | **2026** | 2025 |
| | **Rs.** | Rs. | **Rs.** | Rs. |
| Trade Receivables | **4,254,462,982** | 3,291,380,324 | **46,151,910** | 26,721,473 |
| Other Receivables | **152,739,097** | 34,510,627 | **6,859,866** | 5,025,903 |
| Less: Provision for impairment of trade receivables (Note 19.1) | **(19,905,953)** | (34,945,384) | **(1,151,910)** | (2,407,211) |
| | **4,387,296,126** | 3,290,945,567 | **51,859,866** | 29,340,165 |
| Short Term Loans ( Note 19.2) | **324,421,914** | 39,024,885 | **4,728,247** | 4,638,691 |
| Deposits | **192,075,862** | 120,501,340 | **8,172,781** | 6,388,500 |
| Deposit for CSE requirement | **25,320,751** | 16,000,000 | - | - |
| Advances | **126,864,888** | 9,711,565 | **1,181,980** | 4,270,842 |
| VAT Receivable | **26,352,884** | 4,763,808 | - | - |
| Withholding Tax Receivable | **12,393,090** | 430,667 | **1,043,087** | 100 |
| Reimbursable Expenses | **52,510,004** | 15,093,800 | **1,150** | 15,041,167 |
| Prepayments | **49,629,300** | 32,727,119 | **1,825,316** | 1,241,016 |
| | **5,196,864,820** | 3,529,198,751 | **68,812,427** | 60,920,481 |

**19.1 Provision for impairment of trade and other receivables**

| | GROUP 2026 | GROUP 2025 | COMPANY 2026 | COMPANY 2025 |
|---|---|---|---|---|
| Balance as at the beginning of the year | **34,945,384** | 31,661,743 | **2,407,211** | - |
| Written-off during the year | - | (10,721,719) | - | - |
| Provision during the year | **(2,310,609)** | 9,922,534 | **(1,255,301)** | 2,407,211 |
| Net effect of movement of exchange rates | **(12,728,822)** | 4,082,826 | - | - |
| Balance as at end of the year | **19,905,953** | 34,945,384 | **1,151,910** | 2,407,211 |

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

| | GROUP 2026 | GROUP 2025 | COMPANY 2026 | COMPANY 2025 |
|---|---|---|---|---|
| Margin loans | **318,730,797** | - | - | - |
| Staff Loans | **5,691,117** | 39,024,885 | **4,728,247** | 4,638,691 |
| | **324,421,914** | 39,024,885 | **4,728,247** | 4,638,691 |
| Less : Provision for Specific Impairment | - | - | - | - |
| | **324,421,914** | 55,410,426 | **4,728,247** | 4,638,691 |

**20 AMOUNTS DUE FROM RELATED ENTITIES**

| | GROUP 2026 | GROUP 2025 | COMPANY 2026 | COMPANY 2025 |
|---|---|---|---|---|
| Capital Alliance PLC | - | - | **1,994,015** | 4,685,733 |
| Capital Alliance Investments Limited | - | - | **3,585,183** | 13,528,950 |
| Capital Alliance Partners Limited | - | - | **24,585,386** | 855,008 |
| Capital Alliance Securities (Pvt) Limited | - | - | **103,949,813** | 6,346,655 |
| CAL Bangladesh Limited | - | - | **1,083,152** | 2,850,530 |
| CAL Securities Limited | - | - | **31,776,739** | 22,936,050 |
| CAL Investments Limited | - | - | **18,451,339** | 23,040,015 |
| CAL Investment Consultancy FZ-LLC | - | - | **617,700** | 292,700 |
| | - | - | **186,043,327** | 74,535,641 |

Detailed related party transactions are listed in Note 33.

## 21 INVESTMENT IN SUBSIDIARIES

| | 2026 | | | | 2025 | | | |
|---|---|---|---|---|---|---|---|---|
| | 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 | 14,618,133,043 | 283,297,152 | 86.00% | 1,635,121,720 | 15,524,683,930 | 283,297,152 | 86.00% | 1,635,121,720 |
| Finnovation (Private) Limited | - | 6,000,000 | 100% | 60,000,000 | - | 6,000,000 | 100% | 60,000,000 |
| 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 |
| Fixed Income Investment I (Pvt) Ltd | - | 1 | 100% | 10 | - | 1 | 100% | 10 |
| Fixed Income Investment II (Pvt) Ltd | - | 1 | 100% | 10 | - | 1 | 100% | 10 |
| | | | | 1,897,304,850 | | | | 1,897,304,850 |
| **Provision for Impairment of Subsidiary** | | | | | | | | |
| Finnovation (Private) Limited (Note 21.3) | | | | - | | | | - |
| | | | | 1,897,304,850 | | | | 1,897,304,850 |

### 21.3 Provision for Impairment of Subsidiary

| | COMPANY | |
|---|---|---|
| | 2026 Rs. | 2025 Rs. |
| Balance as at the beginning of the year | - | 24,041,587 |
| Reversal of Impairment of Investment in Subsidiaries | - | (24,041,587) |
| Balance as at end of the year | - | - |

**Indirect Holdings**

| | 2026 Holding % | 2025 Holding % |
|---|---|---|
| Capital Alliance Investments Limited | 94.76% | 94.76% |
| Capital Alliance Securities (Private) Limited | 100.00% | 100.00% |
| CAL Securities Limited | 63.24% | 63.24% |
| CAL Bangladesh Limited | 99.90% | 99.90% |
| CAL Investments Limited, Bangladesh | 51.00% | 51.00% |
| Capital Alliance Partners Limited | 100.00% | 100.00% |
| CAL Global Pte. Ltd, Singapore | 100.00% | 0.00% |
| Capital Alliance Advissory (Private) Limited | 100.00% | 100.00% |

### 21.4 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, Bangladesh | | Capital Alliance PLC | | CAL Securities Limited, Bangladesh | |
|---|---|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 | 2026 | 2025 |
| NCI percentage | 49% | 49% | 14% | 14.00% | 36.76% | 36.76% |
| Total assets | 921,775,098 | 739,159,340 | 84,277,998,343 | 105,356,533,738 | 1,407,792,036 | 985,574,103 |
| Total liabilities | 286,529,251 | 98,852,785 | 73,155,571,870 | 90,960,391,914 | 899,658,589 | 466,344,568 |
| **Net assets** | 635,245,847 | 640,306,555 | 11,122,426,473 | 14,396,141,824 | 508,133,447 | 519,229,535 |
| **Net assets attributable to NCI** | 311,270,465 | 313,750,212 | 1,557,139,706 | 2,015,459,855 | 186,804,845 | 190,884,094 |
| **For the year ended 31 March** | | | | | | |
| Total Operating Income | 180,159,093 | 184,519,733 | 3,624,487,429 | 7,557,680,967 | 148,069,146 | 120,677,601 |
| Profit/ (loss) after tax | (44,565,692) | 1,397,135 | 2,000,848,065 | 4,420,593,984 | (40,319,048) | (80,847,734) |
| Other comprehensive income/(expense) | - | - | (3,877,272) | 2,309,471 | - | - |
| **Total comprehensive income/ (expense)** | (44,565,692) | 1,397,135 | 1,996,970,793 | 4,422,903,455 | (40,319,048) | (80,847,734) |
| **Profit/ (loss) attributable to NCI** | (21,837,189) | 684,596 | 280,118,729 | 618,883,158 | (14,822,472) | (29,722,012) |
| **Total comprehensive income/ (loss) attributable to NCI** | (21,837,189) | 684,596 | 279,575,911 | 619,206,484 | (14,822,472) | (29,722,012) |
| Dividend paid to NCI | - | - | 737,931,712 | 899,354,274 | - | - |
| Net cash flows generated from/ (used in) operating activities | 184,815,534 | (3,835,225) | 5,669,011,901 | 6,118,097,614 | 466,090,021 | (646,361,070) |
| Net cash flows generated from/ (used in) in investing activities | (47,997,362) | (34,120,350) | (1,169,593) | (7,471,254) | (557,110,632) | 261,773,147 |
| Net cash flows generated from/ (used in) in financing activities | 125,669,341 | (14,334,190) | (5,271,203,805) | (6,427,428,757) | 231,994,711 | 337,482,444 |
| **Net increase/ (decrease) in cash and cash equivalents** | 262,487,513 | (52,289,765) | 396,638,503 | (316,802,397) | 140,974,099 | (47,105,479) |

CAPITAL ALLIANCE HOLDINGS PLC
NOTES TO THE FINANCIAL STATEMENTS
*As at 31st March,*

## 22 INVESTMENT IN ASSOCIATE

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 |
| | Rs. | Rs. | Rs. | Rs. |
| Curry King (Pvt) Ltd | 276,264,267 | - | - | - |
| | 276,264,267 | - | - | - |

### 22.1 Investment In Associate

The Company acquired 540,000 shares of Curry King (Pvt) Ltd on 15 July 2025 and increased the investment to 25% by the end of March 2026. On 15 November 2025, Finnovation (Pvt) Ltd increased its Investment in Associate to 20% and recognised Curry King (Pvt) Ltd's share of profit in Finnovation (Pvt) Ltd's financial statements from that date.

### 22.2 Value of the investment

| | GROUP | |
|---|---|---|
| | 2026 | 2025 |
| | Rs. | Rs. |
| Balance as at beginning of the year | - | - |
| During the year new Investment | 295,002,400 | - |
| | 295,002,400 | - |
| **Current years share of comprehensive income** | | |
| Included in Profit or loss | (18,738,133) | - |
| Included in other comprehensive income/ (Expense) | - | - |
| | (18,738,133) | - |
| **Carrying amount of interest in Associate** | 276,264,267 | - |

| | GROUP | |
|---|---|---|
| | 2026 | 2025 |
| | Rs. | Rs. |
| **Financial performance of equity accounted investee** | | |
| Revenue | 67,702,609 | - |
| Profit for the year, net of tax | (199,873,421) | - |
| Other comprehensive expense | - | - |
| **Total Comprehensive income** | (199,873,421) | - |
| Company's share of profit for the year (25% ) - From November 15th | (18,738,133) | - |
| Company's share of other comprehensive expense (25% ) | - | - |
| **Company's share of total comprehensive income (25% )** | (18,738,133) | - |

## 23 INTANGIBLE ASSETS

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 |
| | Rs. | Rs. | Rs. | Rs. |
| License Fees (Note 23.1) | 48,344,325 | 48,872,111 | - | - |
| Software (Note 23.2) | 38,860,792 | 40,534,464 | 1,002,811 | 2,060,064 |
| Goodwill (Note 23.4) | 71,249,394 | 71,249,394 | - | - |
| **Total Carrying Value** | 158,454,511 | 160,655,969 | 1,002,811 | 2,060,064 |

### 23.1 License Fees

| | 2026 | 2025 |
|---|---|---|
| | Rs. | Rs. |
| **Cost** | | |
| At the beginning of the year | 54,142,275 | 52,883,837 |
| Additions During the year | - | 1,258,438 |
| Balance as at 31st March | 54,142,275 | 54,142,275 |
| **Accumulated Amortisation** | | |
| At the beginning of the year | 7,906,250 | 7,906,250 |
| Balance as at 31st March | 7,906,250 | 7,906,250 |
| Net effect of movement of exchange rates | 2,108,300 | 2,636,086 |
| **Net Carrying Value** | 48,344,325 | 48,872,111 |

### 23.2 Computer Software

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 |
| | Rs. | Rs. | Rs. | Rs. |
| **Cost** | | | | |
| Balance as at 1st April | 203,749,045 | 180,160,941 | 13,350,659 | 13,232,991 |
| Additions during the year | 7,615,597 | 23,588,104 | - | 117,668 |
| Write off during the year | - | - | - | - |
| Balance as at 31st March | 211,364,642 | 203,749,045 | 13,350,659 | 13,350,659 |
| **Accumulated Amortisation** | | | | |
| Balance as at 1st April | 163,982,446 | 154,793,386 | 11,290,595 | 9,445,162 |
| Amortised during the year | 11,831,185 | 9,189,060 | 1,057,253 | 1,845,433 |
| Write off during the year | - | - | - | - |
| Balance as at 31st March | 175,813,631 | 163,982,446 | 12,347,848 | 11,290,595 |
| Net effect of movement of exchange rates | 3,309,781 | 767,865 | - | - |
| **Net Carrying Value** | 38,860,792 | 40,534,464 | 1,002,811 | 2,060,064 |

**23.3 Fully Depreciated Assets**

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

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | 2026<br>Rs. | 2025<br>Rs. | 2026<br>Rs. | 2025<br>Rs. |
| Computer Software | 136,034,157 | 130,410,647 | 9,762,614 | 9,007,882 |
| | 136,034,157 | 130,410,647 | 9,762,614 | 9,007,882 |

**23.4 Goodwill**

| | GROUP | |
|---|---|---|
| | 2026<br>Rs. | 2025<br>Rs. |
| CAL investments Limited, Bangladesh | 71,249,394 | 71,249,394 |
| | 71,249,394 | 71,249,394 |

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

Goodwill is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it may be impaired. For the purpose of impairment testing, goodwill acquired through business combinations has been allocated to individual cash-generating units (CGUs), which represent the lowest level at which goodwill is monitored for internal management purposes. An impairment loss is recognised when the carrying amount of a CGU, including the allocated goodwill, exceeds its recoverable amount. The recoverable amount is determined as the higher of the CGU's fair value less costs of disposal and its value in use (VIU), based on management's best estimates of future cash flows and appropriate discount rates.

The value in use calculations for the CGUs are most sensitive to the following assumptions: Pre-tax discount rates - Discount rates applied reflect the current market assessment of the time value of money and the risks specific to each CGU, incorporated in to the cash flow projections. The discount rate calculation is based on the specific circumstances of the Group and derived from its Weighted Average Cost of Capital ("WACC"). The WACC takes into account both debt and equity.

The estimated value in use (VIU) of the CGUs exceeds their carrying amounts by Rs. 431 Mn as at 31st March 2026.

For the VIU computation the discount rate of 10%, portfolio growth of 5% and terminal growth rate of 4.7% were used by the Management and the 5 years cashflow projection has been prepared based on the approved budget of the subsidiary.

Below table sumamrizes the senstivity of the assumptions used in the VIU assesment as at 31st March 2026 in relation to the goodwill.

| | Change in VIU<br>2026 March |
|---|---|
| **Discount rate** | |
| 1% increase | (135,724,462) |
| 1% decrease | 198,832,605 |
| **Portfolio growth rate** | |
| 1% increase | 15,488,934 |
| 1% decrease | (15,071,077) |

## 24 RIGHT - OF - USE ASSET

| | GROUP 2026 Rs. | GROUP 2025 Rs. |
|---|---|---|
| **Cost** | | |
| Balance as at 01st April | **217,293,581** | 264,869,810 |
| Derecognised during the year | - | (112,848,870) |
| Additions during the year | **312,453,993** | 65,272,641 |
| Balance as at 31st March | **529,747,574** | 217,293,581 |
| **Accumulated Depreciation** | | |
| Balance as at 01st April | **86,010,916** | 149,200,217 |
| Depreciation for the year | **65,771,438** | 44,173,184 |
| De-recognised during the Year | - | (107,362,485) |
| Balance as at 31st March | **151,782,354** | 86,010,916 |
| **Net Effect of Movement of Exchange Rates** | **(24,917,257)** | (21,682,419) |
| **Carrying Amount Value as at 31st March** | **353,047,963** | **109,600,246** |

### 24.1 Right of Use Asset Category

| 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 | 2025-2027 | 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 |
| Buildings | The second (06th ) floor of "M2M Building" situated at No. 34, W.A.D Ramanayake Mawatha, Colombo 02. | 2025-2030 | 13,400 |

## 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. |
| **Cost** | | | | | | |
| **Balance as at 01st April 2024** | 112,348,580 | 58,611,807 | 76,884,705 | 71,080,776 | 2,159,853 | 321,085,721 |
| Additions during the year | 16,722,357 | 1,725,294 | 35,526,584 | - | 600,300 | 54,574,535 |
| Disposals/ write- off year | (1,555,798) | - | - | (15,253,740) | - | (16,809,538) |
| **Balance as at 31st March 2025** | 127,515,139 | 60,337,101 | 112,411,289 | 55,827,036 | 2,760,153 | 358,850,718 |
| **Balance as at 01st April 2025** | **127,515,139** | **60,337,101** | **112,411,289** | **55,827,036** | **2,760,153** | **358,850,718** |
| Additions during the year | **27,335,287** | **2,721,075** | **6,275,846** | - | **405,900** | **36,738,108** |
| Disposals/ write- off year | - | - | - | **(54,000,000)** | - | **(54,000,000)** |
| **Balance as at 31st March 2026** | **154,850,426** | **63,058,176** | **118,687,135** | **1,827,036** | **3,166,053** | **341,588,826** |
| **Accumulated Depreciation** | | | | | | |
| **Balance as at 01st April 2024** | 68,258,155 | 25,439,437 | 48,862,687 | 25,180,776 | 2,073,104 | 169,814,159 |
| Depreciation during the year | 21,311,368 | 6,054,943 | 10,299,981 | 10,800,000 | 394,335 | 48,860,627 |
| Disposals/ write- off year | (1,555,798) | - | - | (15,253,740) | - | (16,809,538) |
| **Balance as at 31st March 2025** | 88,013,725 | 31,494,380 | 59,162,668 | 20,727,036 | 2,467,439 | 201,865,248 |
| **Balance as at 01st April 2025** | **88,013,725** | **31,494,380** | **59,162,668** | **20,727,036** | **2,467,439** | **201,865,248** |
| Depreciation during the year | **24,754,978** | **6,440,504** | **12,574,769** | **10,800,000** | **519,526** | **55,089,777** |
| Disposals/ write- off year | - | - | - | **(29,700,000)** | - | **(29,700,000)** |
| **Balance as at 31st March 2026** | **112,768,703** | **37,934,884** | **71,737,437** | **1,827,036** | **2,986,965** | **227,255,025** |
| **Exchange Difference as at 31st March 2025** | (5,714,210) | (6,792,108) | (4,257,829) | - | - | (16,764,147) |
| **Exchange Difference as at 31st March 2026** | **(5,043,742)** | **(4,023,072)** | **(3,818,774)** | - | - | **(12,885,588)** |
| **Carrying value as at 31st March 2025** | 33,787,204 | 22,050,613 | 48,990,792 | 35,100,000 | 292,714 | 140,221,323 |
| **Carrying value as at 31st March 2026** | **37,037,981** | **21,100,220** | **43,130,924** | - | **179,088** | **101,448,214** |

## 25.2 COMPANY

| | Computer Equipment Rs. | Office Equipment Rs. | Furniture & Fittings Rs. | Motor Vehicles Rs. | Communication Devices Rs. | Total Rs. |
|---|---|---|---|---|---|---|
| **Cost** | | | | | | |
| **Balance as at 01st April 2024** | 6,864,721 | 8,907,518 | 27,189,868 | 16,209,926 | 49,126 | 59,221,159 |
| Additions during the year | | - | - | - | - | - |
| Disposals / Transfers | (1,320,798) | - | - | (15,253,740) | - | (16,574,538) |
| **Balance as at 31st March 2025** | 5,543,923 | 8,907,518 | 27,189,868 | 956,186 | 49,126 | 42,646,621 |
| **Balance as at 01st April 2025** | **5,543,923** | **8,907,518** | **27,189,868** | **956,186** | **49,126** | **42,646,621** |
| Additions during the year | - | - | - | - | - | - |
| Disposals during the year | - | - | - | - | - | - |
| **Balance as at 31st March 2026** | **5,543,923** | **8,907,518** | **27,189,868** | **956,186** | **49,126** | **42,646,621** |
| **Accumulated Depreciation** | | | | | | |
| **Balance as at 01st April 2024** | 6,563,904 | 8,867,026 | 25,544,168 | 16,209,926 | 49,126 | 57,234,150 |
| Depreciation during the year | 121,817 | 40,492 | 1,638,019 | - | | 1,800,328 |
| Disposals / Transfers | (1,320,798) | - | - | (15,253,740) | - | (16,574,538) |
| **Balance as at 31st March 2025** | 5,364,923 | 8,907,518 | 27,182,187 | 956,186 | 49,126 | 42,459,940 |
| **Balance as at 01st April 2025** | **5,364,923** | **8,907,518** | **27,182,187** | **956,186** | **49,126** | **42,459,940** |
| Depreciation during the year | **119,333** | - | **7,681** | - | - | **127,014** |
| Disposals during the year | | | | | - | - |
| **Balance as at 31st March 2026** | **5,484,256** | **8,907,518** | **27,189,868** | **956,186** | **49,126** | **42,586,954** |
| **Carrying value as at 31st March 2025** | **179,000** | - | **7,681** | - | - | **186,681** |
| **Carrying value as at 31st March 2026** | **59,667** | - | - | - | - | **59,667** |

### 25.3 Capitalisation of Borrowing Cost

There were no capitalised borrowing cost related to the acquisition of Property, Plant, Equipment during the year (2025 - 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 2026.

### 25.6 Temporarily Idle Property, Plant and Equipment

There were no temporary idle items of Equipment as at 31st March 2026.

### 25.7 Fully depreciated Property, Plant, Equipment in use

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

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | **2026 Rs.** | 2025 Rs. | **2026 Rs.** | 2025 Rs. |
| Computer Equipment | **46,304,664** | 34,653,914 | **5,185,923** | 5,185,923 |
| Office Equipment | **21,488,443** | 20,228,267 | **8,907,518** | 8,907,518 |
| Furniture & Fittings | **50,584,948** | 35,676,513 | **27,189,868** | 27,151,468 |
| Communication Devices | **1,758,053** | 1,701,153 | **49,126** | 49,126 |
| Motor Vehicles | **1,827,036** | 1,827,036 | **956,186** | 956,186 |
| | **121,963,144** | 94,086,883 | **42,288,621** | 42,250,221 |

| | | GROUP | | COMPANY | |
|---|---|---|---|---|---|
| | | **2026** | 2025 | **2026** | 2025 |
| **26** | **FINANCIAL LIABILITIES MEASURED AT AMORTISED COST** | **Rs.** | Rs. | **Rs.** | Rs. |
| | Securities Sold Under Repurchase Agreements (Note 26.1) | **67,862,668,630** | 81,875,927,290 | **-** | - |
| | Short-Term Loans (Note 26.2) | **9,167,982,522** | 3,888,731,715 | **500,150,685** | 125,315,308 |
| | Commercial Papers (26.3) | **199,891,125** | 217,927,269 | **-** | - |
| | | **77,230,542,278** | **85,982,586,274** | **500,150,685** | **125,315,308** |

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

| | Market Value (Rs.) | | Face Value (Rs.) | |
|---|---|---|---|---|
| | **2026** | 2025 | **2026** | 2025 |
| | **Rs.** | Rs. | **Rs.** | Rs. |
| Treasury Bills | **37,738,993,226** | 23,354,501,437 | **40,504,404,262** | 24,874,701,272 |
| Treasury Bonds | **38,504,770,559** | 73,304,845,795 | **36,019,624,023** | 70,142,350,531 |
| | **76,243,763,785** | 96,659,347,232 | **76,524,028,285** | 95,017,051,803 |

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. An effective internal control system is used to verify the accuracy of security allocation to each Repurchase and reverse repurchase transaction.

In accordance with the guidelines of the Central Bank of Sri Lanka, the Company ensures that the discounted market values of eligible securities are sufficiently covered by their repurchase values, at the inception of the transactions and throughout their duration.

| **Remaining Term to Maturity of the Eligible Security Minimum Haircut (%)** | **Minimum Haircut (%)** | |
|---|---|---|
| | **2026** | 2025 |
| Up to 1 year | **4** | 4 |
| More than 1 year and up to 3 years | **6** | 6 |
| More than 3 year and up to 5 years | **8** | 8 |
| More than 5 year and up to 8 years | **10** | 10 |
| More than 8 years | **12** | 12 |

| | | GROUP | | COMPANY | |
|---|---|---|---|---|---|
| **26.2** | **Term Loan Movement** | **2026** | 2025 | **2026** | 2025 |
| | | **Rs.** | Rs. | **Rs.** | Rs. |
| | Balance as at 1st April | **3,888,731,715** | 478,234,603 | **125,315,308** | - |
| | Loans obtained during the year | **14,196,834,836** | 11,659,000,000 | **500,000,000** | 1,700,000,000 |
| | Loan repayment during the Year | **(8,938,731,715)** | (8,262,234,603) | **(125,315,308)** | (1,575,000,000) |
| | Interest payables | **21,147,686** | 13,731,715 | **150,685** | 315,308 |
| | **Balance as at 31st March** | **9,167,982,522** | **3,888,731,715** | **500,150,685** | 125,315,308 |

**26.2.1 Short -Term Loans**

**Bank Loans**

| | | | | | |
|---|---|---|---|---|---|
| Union Bank of Colombo PLC | 500,153,377.23 | **500,153,377** | 729,548,906 | **-** | 125,315,308 |
| DFCC Bank Loan | 1,405,030,637.79 | **1,405,030,638** | - | **500,150,685** | - |
| Nations Trust Bank PLC | 200,725,863.01 | **200,725,863** | 1,152,083,357 | **-** | - |
| Sampath Bank PLC | 4,508,667,945.21 | **4,508,667,945** | - | **-** | - |
| Hatton National Bank PLC | 2,005,230,136.99 | **2,005,230,137** | 1,003,027,397 | **-** | - |
| Cargills Bank PLC | | **-** | 502,922,740 | **-** | - |
| ICB - Bangladesh | 46,834,836.16 | **46,834,836** | | | |
| National Development Bank PLC | 501,339,726.03 | **501,339,726** | 501,149,315 | **-** | - |
| | | **9,167,982,522** | 3,888,731,715 | **500,150,685** | 125,315,308 |

**26.2.2 Bank Loans - Company**

| **Name of the Bank** | **Facility Type** | **Interest Rate** | **Security Offered** | **Outstanding as at 31st March 2026** | **Outstanding as at 31st March 2025** |
|---|---|---|---|---|---|
| Union Bank of Colombo PLC | Short term loan | The rate is determined at the time of drawdown | Nil | - | **125,315,308** |
| DFCC Bank | Short term loan | The rate is determined at the time of | Nil | **500,150,685** | - |

**26.2.3 Bank Loans - Group**

| Name of the Bank | Facility Type | Interest Rate | Security Offered | Outstanding as at 31 March 2026 | Outstanding as at 31 March 2025 |
|---|---|---|---|---|---|
| Union Bank of Colombo PLC | Short term loan | The rate is determined at the time of drawdown | Nil | - | 125,315,308 |
| DFCC Bank PLC | Short term loan | The rate is determined at the time of drawdown | Nil | **500,150,685** | |
| DFCC Bank PLC | Short term loan | AWPLR + 1.5% p.a. | Nil | **502,688,172** | - |
| ICB - Bangladesh | 3 Years | 4% | Nil | **46,834,836** | - |
| Union Bank of Colombo PLC | Short term loan | AWPLR + 1% p.a | Nil | **400,122,473** | 604,233,598 |
| Nations Trust Bank PLC | Short term loan | AWPLR +0.75% | Nil | **200,725,863** | 151,116,782 |
| Union Bank of Colombo PLC | Short term loan | 11.28% | Nil | **100,030,904** | - |
| Sampath Bank PLC | Short term loan | AWPLR - 0.10% | Nil | **1,500,743,014** | - |
| National Development Bank PLC | Short term loan | The rate is determined at the time of drawdown | Nil | **501,339,726** | 501,149,315 |
| Hatton National Bank PLC | Short term loan | AWPLR+ 0.75% | Corporate guarantee by Capital Alliance Holdings PLC | **2,005,230,137** | 1,003,027,397 |
| Cargills Bank PLC | Short term loan | AWPLR + 0.5% | Nil | - | 502,922,740 |
| DFCC Bank PLC | Intra day loan | 10% | Corporate guarantee by Capital Alliance Holdings PLC | **402,191,781** | - |
| Nations Trust Bank PLC | Short term loan | AWPLR - 0.10% | Nil | | 1,000,966,575 |
| Sampath Bank PLC | Short term loan | AWPLR+ 0.5% | Nil | **3,007,924,932** | |
| | | | | **9,167,982,522** | 3,888,731,715 |

| 26.3 Commercial Papers Movement | GROUP | | COMPANY | |
|---|---|---|---|---|
| | **2026 Rs.** | 2025 Rs. | **2026 Rs.** | 2025 Rs. |
| Balance as at 1st April | **217,927,269** | 215,425,604 | - | - |
| Investment during the year | **3,009,344,257** | 5,000,000,000 | - | - |
| Settlement during the year | **(3,079,126,325)** | (5,069,414,830) | - | - |
| Interest Expenses during the year | **51,745,925** | 71,916,495 | - | - |
| **Balance as at 31st March** | **199,891,125** | 217,927,269 | - | - |

The ineterest rate applicable for the commercial papers ranges between 5% to 6% and the maturity is one year period.

| 27 TRADE & OTHER PAYABLES | GROUP | | COMPANY | |
|---|---|---|---|---|
| | **2026 Rs.** | 2025 Rs. | **2026 Rs.** | 2025 Rs. |
| Trade Creditors | **1,038,914,211** | 430,403,074 | - | - |
| Provisions and Accrued Expenses | **1,323,026,948** | 1,836,957,221 | **16,980,272** | 62,554,165 |
| Other Payables | **254,419,701** | 69,890,950 | **2,614,722** | 8,961,183 |
| | **2,616,360,860** | **2,337,251,245** | **19,594,994** | 71,515,348 |

### 28 AMOUNTS DUE TO RELATED PARTIES

| | | | | |
|---|---|---|---|---|
| Capital Alliance Securities (Pvt) Limited | - | - | - | - |
| | - | - | - | - |

## 29 LEASE LIABILITY

| | GROUP | |
|---|---|---|
| | 2026 | 2025 |
| | Rs. | Rs. |
| **29.1 Lease liability Movement** | | |
| Balance as at 1st April | **118,763,535** | 115,012,852 |
| Additions during the year | **230,458,446** | 65,272,641 |
| Interest Expense for the year | **20,739,198** | 9,292,923 |
| Lease rental Payment during the year | **(53,254,554)** | (54,983,831) |
| Exchange Difference | **(7,641,278)** | (15,831,050) |
| **Balance as at 31st March** | **309,065,347** | **118,763,535** |
| **29.2 Amounts recognised in Income Statement** | | |
| Interest on lease liabilities | **20,739,198** | 9,292,923 |
| Depreciation - Right of use assets | **65,771,438** | 44,173,184 |
| **29.3 Amounts recognised in Statement of Cash flows** | | |
| Repayment of rental lease liability | **(32,515,356)** | (45,690,908) |
| Repayment of lease interest | **(20,739,198)** | (9,292,923) |
| **29.4 Maturity Analysis - Contractual Undiscounted Cash Flows** | | |
| Amount Payable within One Year | **73,968,000** | 60,164,006 |
| Amount Payable after One Year and Less than Five Years | **221,904,000** | 83,539,181 |
| **Total Gross Liability** | **295,872,000** | 143,703,187 |

## 30 RETIREMENT BENEFIT OBLIGATION

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 |
| | Rs. | Rs. | Rs. | Rs. |
| **30.1 Movement in Present value of Defined benefit obligation** | | | | |
| Balance as at 1st April | **171,840,395** | 148,402,712 | **9,748,290** | 17,456,276 |
| Transferred from Related Companies | - | - | - | (9,387,500) |
| Current Service Cost | **19,143,693** | 17,557,387 | **2,678,589** | 1,736,873 |
| Interest Cost | **17,143,710** | 16,279,936 | **974,829** | 1,920,190 |
| Actuarial (Gain) / Loss | **16,956,848** | (3,799,015) | **3,010,363** | (1,290,049) |
| Payments made during the year | **(45,186,000)** | (6,600,625) | - | (687,500) |
| **Balance as at 31st March** | **179,898,646** | **171,840,395** | **16,412,071** | **9,748,290** |
| **30.2 Expense recognized in Statement of Profit or Loss;** | | | | |
| Current service cost | **19,143,693** | 17,557,387 | **2,678,589** | 1,736,873 |
| Interest cost | **17,143,710** | 16,279,936 | **974,829** | 1,920,190 |
| | **36,287,403** | 33,837,323 | **3,653,418** | 3,657,063 |
| **30.3 The amount recognised in the Other Comprehensive Income** | | | | |
| Actuarial (Gain)/ Loss | **16,956,848** | (3,799,015) | **3,010,363** | (1,290,049) |
| Provision made during the year | **53,244,251** | 55,753,714 | **6,663,781** | 2,367,014 |

The provision for retirement benefit obligations as at 31st March 2026 is based on the actuarial valuation carried out by a professionally qualified actuary, Mr. K. Arumugam, an Actuary of the Actuarial and Management Consultant (Pvt) Ltd, using the "Projected Unit Credit" (PUC) method, the method recommended by the Sri Lanka Accounting Standard – LKAS 19 on "Employee Benefits". The actuarial valuation involves making assumptions about discount rates and future salary increases. Due to the complexity of the valuation and the underlying assumptions and its long term nature, the defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The Group and the Company have considered the impact on the defined benefit obligations due to changes in economic factors as a result of the prevailing macroeconomic conditions, with support of the independent actuarial expert.

The salary increment rate of 10% is considered appropriate to be in line with the Group's targeted future salary increments when taking into account the current market conditions and inflation rate.

Due to the discount rate and salary increment rate assumptions used, nature of non-financial assumptions and experience of the assumptions of the Company and the Group, there is no significant impact to employment benefit liability as a result of prevailing macro-economic conditions.

A long-term treasury bond rate of 10.00% p.a. (2025 - 10.00% p.a.) has been used to discount future liabilities taking into consideration the remaining working life of eligible employees.

**30.4 Breakup of actuarial (Gain)/ Loss on Defined benefit obligation are as follow:**

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 |
| | Rs. | Rs. | Rs. | Rs. |
| Experience adjustment | 3,538,646 | (2,851,540) | **2,119,592** | (1,418,483) |
| Financial Assumptions | 13,418,202 | (805,316) | **890,771** | (46,488) |
| Demographic adjustment | - | (142,159) | - | 174,922 |
| | **16,956,848** | **(3,799,015)** | **3,010,363** | **(1,290,049)** |

## 30 RETIREMENT BENEFIT OBLIGATION ( CONTD.)

### 30.5 Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | Increase | Decrease | Increase | Decrease |
| **Movement by 1%** | | | | |
| Discount Rate | (171,214,114) | 188,757,070 | (15,595,790) | 17,316,817 |
| Future salary scale | 189,466,153 | (109,893,722) | 17,382,203 | (15,521,301) |

### 30.6 The Principal Actuarial Assumptions used were as Follows:

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | 2026 Rs. | 2025 Rs. | 2026 Rs. | 2025 Rs. |
| Expected Annual Average Salary Increment | 9%-10% | 9% | 10% | 9% |
| Discount Rate/Interest Rate | 10% | 10% | 10% | 10% |
| Staff Turnover Rate | 11%-20% | 11%-20% | 16% | 16% |
| Retiring Age | 60 Years | 60 Years | 60 Years | 60 Years |
| Weighted average retirement age | 5 years - 7 Years | 5 years - 7 Years | 5 Years | 6 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.

### 30.7 Maturity Analysis

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

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | 2026 Rs. | 2025 Rs. | 2026 Rs. | 2025 Rs. |
| Within next 12 months | 46,786,054 | 77,005,224 | 2,394,258 | 1,549,703 |
| Between 1 to 5 years | 76,919,316 | 53,640,229 | 8,109,632 | 4,923,377 |
| Between 5 to 10 years | 31,406,061 | 26,740,724 | 3,519,392 | 2,001,562 |
| More than 10 years | 24,787,215 | 14,454,218 | 2,388,789 | 1,273,648 |
| | 179,898,646 | 171,840,395 | 16,412,071 | 9,748,290 |

## 31 STATED CAPITAL

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | 2026 Rs. | 2025 Rs. | 2026 Rs. | 2025 Rs. |
| **Issued and Fully Paid** | | | | |
| 2,072,049,345 Ordinary Shares (2025 - 1,914,549,345) | 4,107,798,096 | 2,532,798,096 | 4,107,798,096 | 2,532,798,096 |

## 31.1 STATED CAPITAL MOVEMENT

| | No of Shares | | Value (Rs.) | |
|---|---|---|---|---|
| | 2026 | 2025 | 2026 Rs. | 2025 Rs. |
| Balance as at 01st April | 1,914,549,345 | 98,258,063 | 2,532,798,096 | 223,231,471 |
| Issued During the year | 157,500,000 | 29,378,560 | 1,575,000,000 | 2,309,566,625 |
| Effect of the share split* | - | | - | - |
| Balance as at 31st March | 2,072,049,345 | 127,636,623 | 4,107,798,096 | 2,532,798,096 |
| After the Share Split* | 31,080,740,175 | 1,914,549,345 | 4,107,798,096 | 2,532,798,096 |

The Company issued 157,500,000 new ordinary shares during the year under review.

## 32 OTHER RESERVES

### 32.1 SPECIAL RISK RESERVE

**Capital Alliance PLC**

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% of such profits as per the Primary Dealer Companies (Minimum Core Capital) Direction No. 1 of 2015 issued by Central Bank of Sri Lanka.

**CAL Investment Consultancy FZ LLC**

Subject to the applicable regulations of the Dubai Free Zone in which the Company operates, the Company has appropriated 10% of its net profit for the year ended 31 March 2026 to a special Risk Reserve.

| SPECIAL RISK RESERVE MOVEMENT | GROUP | |
|---|---|---|
| | **2026** | 2025 |
| | **Rs.** | Rs. |
| Balance at the beginning of the year | 2,839,074,701 | 2,316,818,030 |
| Transferred to Special Risk Reserve | 200,765,621 | 522,256,671 |
| | **3,039,840,322** | 2,839,074,701 |

### 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. D. A. De Zoysa
- Mr. K. P. Mannakkara*
- Mr. W. A. T. Fernando
- Mr. C. S. R. S. Anthony
- Mr. R. J. Arasaratnam
- Ms. N. T. M. S. Cooray
- Mr. T. J. William
- Ms. K A Chellaraja
- Ms. R S Jayasuriya
- Ms. W T V Perera

**The Board of Directors of Capital Alliance Holdings PLC (the Company) resolved on the 24th of July 2025, to appoint Mr. K P Mannakkara, Group CEO, as a Non Independent, Executive Director of the Company, effective 24th July 2025.*

**2) Other key management personnel (KMPs)**

Other KMPs include persons with responsibility for planning, directing and controlling the activities of the Company, directly or indirectly during the financial year.

### 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 below benefits paid for the year.

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | **2026** | **2025** | **2026** | **2025** |
| | **Rs.** | **Rs.** | **Rs.** | **Rs.** |
| Short term employee benefits | 575,026,311 | 455,841,386 | 63,040,000 | 12,050,000 |
| Post-employment benefits, including contributions to defined contribution plans | 29,766,000 | 27,017,100 | - | - |
| | **604,792,311** | **482,858,486** | **63,040,000** | **12,050,000** |

**Other Transactions with Key Management Personnel**

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

## RELATED PARTY TRANSACTIONS (CONTD.)

**Transaction With Related Companies**

**1) Directorships in Other Companies**

**Names of the Directors of the Related Companies which had Transactions with the Company**

| Name of the Director/Company | Capital Alliance Securities (Pvt) Limited | CAL Investment Consultancy FZ - LLC | Capital Alliance PLC | Capital Alliance Partners Ltd | Capital Alliance Investments Ltd [1] | CAL Investments Ltd, Bangladesh | CAL Bangaladesh Limited | Fixed Income Investment I (Pvt) Ltd | Fixed Income Investment II (Pvt) Ltd | Finnovation (Pvt) Limited | CAL Global Pte Ltd | CAL Securities Ltd, Bangladesh |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Mr. W. A. T. Fernando | - | Director | Director | - | - | - | Director | - | - | - | - | Chairman/Director [2] |
| Mr. D. A. De Zoysa | - | - | Director/ Chairman | - | - | - | - | - | - | - | - | - |
| Mr. C. S. R. S. Anthony | - | - | Director | - | - | - | - | - | - | - | - | - |
| Mr. R. J. Arasaratnam | - | - | Director [3] | - | - | - | - | - | - | - | - | - |
| Ms. N. T. M. S. Cooray | - | - | - | - | - | Director [4] | - | - | - | - | - | - |
| Mr. T. J. William | - | - | - | - | - | - | - | - | - | - | - | - |
| Ms. K. A. Chellaraja | - | - | - | - | - | - | - | - | - | - | - | - |
| Ms. R. S. Jayasuriya | - | - | - | - | - | - | - | - | - | - | - | - |
| Ms. K A D Siriwardene | - | - | Director | - | - | - | - | - | - | - | - | - |
| Ms. A I C Nandasena | - | - | Director | - | - | - | - | - | - | - | - | - |
| Ms. H. M. S. Perera | Director | - | - | Director | Director | Director | - | - | - | Director | - | - |
| Mr. A. D. Pushparajah | Director | Director | - | - | - | Director | Director | - | - | - | - | Director [5] |
| Dr. M. De Zoysa | Director | - | - | Director | Director | - | - | - | - | - | - | - |
| Mr. K. P. Mannakkara | - | Director | - | - | Director | Director | Director | - | - | - | Director [6] | - |
| Mr. U R Jonas | Director | - | - | Director | - | - | - | - | - | Director | - | Director [7] |
| Mr. U. L. B Ariyarathne | Director | - | - | - | - | - | - | - | - | - | - | - |
| Mr. N. R. Goonasekera | - | - | - | - | - | Director [8] | - | - | - | - | - | - |
| Ms. W. T. V. Perera | - | - | - | - | - | - | - | - | - | - | - | - |
| Mr. J. M. Jayasuriya | - | - | Director | - | - | - | - | - | - | - | - | - |
| Mr. W. D. P. De Mel | - | - | Director [9] | - | - | - | - | - | - | - | - | - |
| Mr. T. Kulasinghe | - | - | - | - | - | - | - | Director | Director | Director | - | - |
| Mr. M M Islam | - | - | - | - | - | Director | - | - | - | - | - | - |
| Mr. A R Shamsi | - | - | - | - | - | - | - | - | - | - | - | Director |
| Mr. S Ahmed | - | - | - | - | - | Director | - | - | - | - | - | - |
| Ms. Tan Sock Kheng | - | - | - | - | - | - | - | - | - | - | Director [10] | - |
| Mr. Nirugunan Tiruchelvam | - | - | - | - | - | - | - | - | - | - | Director | - |
| Mr. M Ahmed | - | - | - | - | - | - | - | - | - | - | - | Director |

1 *Managing Company of the Unit Trust Funds*
2 *Resigned on 30th June 2025*
3 *Resigned on 17th November 2025*
4 *Resigned on 3rd September 2025*
5 *Resigned on 12th December 2025*
6 *Appointed on 06th November 2025*
7 *Appointed on 02nd September 2025*
8 *Appointed on 03rd September 2025*
9 *Appointed on 07th August 2025*
10 *Appointed on 06th November 2025*

## 33 RELATED PARTY TRANSACTIONS (CONTD.)

**2) Transactions with Related Parties**

| Company | Relationship | Nature Of Transaction | 2026<br>Rs. | 2025<br>Rs. |
|---|---|---|---|---|
| CAL Investment Consultancy FZ - LLC | Subsidiary Company | Intercompany Receivable | 617,700 | 292,700 |
| | | Sale of Subsidiary | - | 33,335,683 |
| Capital Alliance PLC | Subsidiary Company | Interest on Reverse Repo | 365,595,837 | 2,206,833 |
| | | Investment on Reverse Repo | - | 2,535,206,833 |
| | | Reimbursement of Expenses | 44,651,785 | 34,943,649 |
| | | Intercompany Receivable | 1,994,015 | 4,685,733 |
| | | Interest Income on Loan | 551,708 | - |
| | | Guarantee Fee Income | 1,200,000 | 400,000 |
| Capital Alliance Investments Ltd | Sub Subsidiary Company | Intercompany Receivable | 3,585,183 | 13,528,950 |
| | | Reimbursement of overhead Expenses | 66,858,260 | 44,659,905 |
| | | Interest Income on Loan | 18,173,192 | - |
| Capital Alliance Partners Ltd | Sub Subsidiary Company | Commercial Paper Interest Expense | - | - |
| | | Reimbursement of overhead Expenses | 12,445,925 | 17,280,309 |
| | | Intercompany Receivable/ (Payable) | 24,585,386 | 855,008 |
| | | Placement Fee Expenses | - | (4,850,000) |
| | | Written off of Related Party Balance | - | 120,000,000 |
| | | Interest Income on advances given | 36,144,570 | 1,063,811 |
| Capital Alliance Securities (Pvt) Ltd | Sub Subsidiary Company | Reimbursement of overhead Expenses | 29,622,741 | 49,896,004 |
| | | Brokerage Expense | 16,539,882 | (2,775,686) |
| | | Intercompany (Payable)/ Receivable | 103,949,813 | 6,346,655 |
| | | Interest Income on Loan | | 750,162 |
| | | Preferance Share Investment | 325,000,000 | - |
| | | Loss on Sale of Subsidiary | - | (37,688,116) |
| Finnovation Pvt Ltd | Subsidiary Company | Interest Income on Loan | 10,526,372 | - |
| | | Preferance Share Investment | 2,535,000,000 | |
| | | Advances Given | - | 4,575,000,000 |
| | | Settlement of Advances | - | (4,575,000,000) |
| CAL Securities Ltd, Bangladesh | Sub-Subsidiary Company | Reimbursement of Expenses | - | 4,025,180 |
| | | Intercompany Receivable | - | 22,936,050 |
| CAL Investments Ltd, Bangladesh | Sub-Subsidiary Company | Reimbursement of Expenses | - | 4,070,145 |
| | | Intercompany Receivable | - | 23,040,015 |

## 33 RELATED PARTY TRANSACTIONS (CONTD.)

**2) Transactions with Related Parties**

| Company | Relationship | Nature Of Transaction | 2026 | 2025 |
|---|---|---|---|---|
| CALBangladesh Ltd, Bangladesh | Sub-Subsidiary Company | Intercompany Receivable | - | 2,850,530 |
| Fixed Income Investment I (Pvt) Ltd | Subsidiary Company | Investment in Shares | - | - |
| Fixed Income Investment II (Pvt) Ltd | Subsidiary Company | Investment in Shares * | - | 40 |
| Capital Alliance Investment Grade Fund | Unit Trust Fund managed by Subsidiary Company | Investment in Unit Trust Fund | **1,229,356,028** | 21,139,548 |
| | | Earning for the period | **50,096,479** | 33,666 |
| Capital Alliance Income Fund | Unit Trust Fund managed by Subsidiary Company | Investment in Unit Trust Fund | **(27,120,832)** | 54,903,724 |
| | | Earning for the period | **2,277,548** | 4,903,724 |
| Capital Alliance Quantitative Equity Fund | Unit Trust Fund managed by Subsidiary Company | Investment in Unit Trust Fund | **(340,887)** | 275,613 |
| | | Earning for the period | **65,274** | 58,992 |
| Capital Alliance High Yield Fund | Unit Trust Fund managed by Subsidiary Company | Investment in Unit Trust Fund | **1,947,043,992** | 22,059,000 |
| | | Earning for the period | **9,270,930** | 559,000 |
| CAL Fixed Income Opportunity Fund | Unit Trust Fund managed by Sub-Subsidiary Company | Commercial paper Interest Expense | - | - |
| | | Earning for the period | **70,745,938** | 35,816,116 |
| | | Investment in Unit Trust Fund | **413,716,136** | 649,687,717 |
| CAL Money Market Fund | Unit Trust Fund managed by Sub-Subsidiary Company | Investment in Unit Trust Fund | **44,648,242** | - |
| | | Earning for the period | **7,289,755** | - |
| Jetwing City (Pvt) Ltd | Related Entity with Ultimate Shareholder | Settlement of invoices | **(1,465,075)** | (104,300) |
| Jetwing Hotels Ltd | Related Entity with Ultimate Shareholder | Settlement of invoices | - | (795,801) |
| Jetwing Journeys (Pvt) Ltd | Related Entity with Ultimate Shareholder | Settlement of invoices | **(61,950)** | (389,500) |
| Jetwing Real Estate (Pvt) Ltd | Related Entity with Ultimate Shareholder | Settlement of invoices | **(13,610,580)** | (3,197,508) |

## 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 2026.

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

| | 2026 Rs. | 2025 Rs. |
|---|---|---|
| **Assets** | | |
| Forward Purchases-Government Securities | **5,453,498,500** | 4,636,873,000 |
| **Liabilities** | | |
| Forward Sales-Government Securities | **4,061,608,487** | 4,456,559,485 |

## 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 below.

Capital Alliance PLC

**Commercial paper borrowings**

The Company has borrowed Rs. 2.1 Billion and Rs. 1.5 Billion from its related parties of CAL Fixed Opportunities Fund and CAL Five Year Close End Fund respectively at a rate of 10% per annum till 12th June 2026. The Related Party Tranactions Review Committee of the Company is of the view that the above transactions are on normal commercial terms and is not prejudicial to the interest of the Company and its minority shareholders.

In terms of Section 9.14.7 of the Listing Rules of the Colombo Stock Exchange, as aggregated value of all non-current related party transactions entered in to related parties - CAL Fixed Opportunities Fund and CAL Five Year Close End Fund during the 2026/27 financial year exceeds 10% Equity as per the latest audited financial statements ended 31 March 2025. the relevant announcements were made through the Colombo Stock Exchange

**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 investment 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 As at 31 March 2026 Rs. | Market risk measurement Trading portfolios Rs. | Market risk measurement Non trading portfolios Rs. | Carrying amount As at 31 March 2025 Rs. | Market risk measurement Trading portfolios Rs. | Market risk measurement Non trading portfolios Rs. |
|---|---|---|---|---|---|---|
| **Financial assets** | | | | | | |
| Cash and cash equivalents | 4,556,541 | - | 4,556,541 | 5,629,523 | - | 5,629,523 |
| Trade and other receivable | 56,588,113 | - | 56,588,113 | 33,978,856 | - | 33,978,856 |
| Amounts due from related parties | 186,043,327 | - | 186,043,327 | 74,535,641 | - | 74,535,641 |
| Financial assets measured at amortised cost | - | - | - | 2,535,206,833 | - | 2,535,206,833 |
| Financial assets measured at FVTPL | 4,616,612,953 | 4,616,612,953 | - | 845,794,332 | 845,794,332 | - |
| Financial Assets measured at FVOCI | 2,860,000,000 | - | 2,860,000,000 | 325,000,000 | - | 325,000,000 |
| | 7,723,800,935 | 4,616,612,953 | 3,107,187,981 | 3,820,145,185 | 845,794,332 | 2,974,350,853 |
| **Financial liabilities** | | | | | | |
| Bank Overdrafts | 91,981,774 | - | 91,981,774 | 57,392,533 | - | 57,392,533 |
| Financial liabilities at amortised cost | 500,150,685 | - | 500,150,685 | 125,315,308 | - | 125,315,308 |
| Trade and Other Payables | 14,958,679 | - | 14,958,679 | 66,879,033 | - | 66,879,033 |
| | 607,091,139 | - | 607,091,139 | 249,586,874 | - | 249,586,874 |

**GROUP**
**At the reporting date the exposure to market risk of the Group's financial instruments was;**

| | Carrying amount As at 31 March 2026 Rs. | Market risk measurement Trading portfolios Rs. | Market risk measurement Non trading portfolios Rs. | Carrying amount As at 31 March 2025 Rs. | Market risk measurement Trading portfolios Rs. | Market risk measurement Non trading portfolios Rs. |
|---|---|---|---|---|---|---|
| **Financial assets** | | | | | | |
| Cash and cash equivalents | 1,328,430,053 | - | 1,328,430,053 | 561,190,530 | - | 561,190,530 |
| Financial assets measured at amortised cost | 4,466,527,955 | - | 4,466,527,955 | 3,406,286,250 | - | 3,406,286,250 |
| Trade and other receivable | 4,711,718,040 | - | 4,711,718,040 | 3,329,970,452 | - | 3,329,970,452 |
| Financial assets measured at FVTPL | 92,021,832,893 | 92,021,832,893 | - | 103,816,703,137 | 103,816,703,137 | - |
| | 102,528,508,941 | 92,021,832,893 | 10,506,676,048 | 111,114,150,369 | 103,816,703,137 | 7,297,447,232 |
| **Financial liabilities** | | | | | | |
| Bank Overdrafts | 639,473,169 | - | 639,473,169 | 402,067,475 | - | 402,067,475 |
| Financial liabilities at amortised cost | 77,230,542,278 | - | 77,230,542,278 | 85,982,586,274 | - | 85,982,586,274 |
| Lease liability | 309,065,347 | - | 309,065,347 | 118,763,535 | - | 118,763,535 |
| Trade and Other Payables | 2,541,885,089 | - | 2,541,885,089 | 2,262,775,474 | - | 2,262,775,474 |
| | 80,720,965,883 | - | 80,720,965,883 | 88,766,192,758 | - | 88,766,192,758 |

**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 on a timely manner.

**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, | 2026 | | | 2025 | | |
|---|---|---|---|---|---|---|
| | Variable interest rate | Fixed interest rate | Total | Variable interest rate | Fixed interest rate | Total |
| **Financial assets** | | | | | | |
| Financial assets measured at amortised cost | - | - | - | - | 2,535,206,833 | 2,535,206,833 |
| Financial assets measured at FVTPL | 4,036,134,104 | - | 4,036,134,104 | 726,959,721 | - | 726,959,721 |
| **Total** | 4,036,134,104 | - | 4,036,134,104 | 726,959,721 | 2,535,206,833 | 3,262,166,554 |
| **Financial liabilities** | | | | | | |
| Financial liabilities at amortised cost | 500,150,685 | - | 500,150,685 | 125,315,308 | - | 125,315,308 |
| Bank Overdrafts | 91,981,774 | - | 91,981,774 | 57,392,533 | - | 57,392,533 |
| **Total** | 592,132,459 | - | 592,132,459 | 182,707,841 | - | 182,707,841 |

**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, | 2026 | | | 2025 | | |
|---|---|---|---|---|---|---|
| | Variable interest rate | Fixed interest rate | Total | Variable interest rate | Fixed interest rate | Total |
| **Financial assets** | | | | | | |
| Financial assets measured at amortised cost | - | 4,466,527,955 | 4,466,527,955 | - | 3,406,286,250 | 3,406,286,250 |
| Financial assets measured at FVTPL | 6,847,394,993 | - | 6,847,394,993 | 1,437,142,586 | - | 1,437,142,586 |
| Government Treasury Bills and Bonds | - | 83,305,476,186 | 83,305,476,186 | - | 101,164,715,892 | 101,164,715,892 |
| **Total** | 6,847,394,993 | 87,772,004,141 | 94,619,399,134 | 1,437,142,586 | 104,571,002,142 | 106,008,144,728 |
| **Financial liabilities** | | | | | | |
| Financial liabilities at amortised cost | - | 77,230,542,278 | 77,230,542,278 | - | 85,982,586,274 | 85,982,586,274 |
| Bank Overdrafts | 108,979,280 | 530,493,889 | 639,473,169 | 67,739,249 | 334,328,226 | 402,067,475 |
| **Total** | 108,979,280 | 77,761,036,167 | 77,870,015,447 | 67,739,249 | 86,316,914,500 | 86,384,653,749 |

The Group engages in fee-based 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/limits

**36.1.1.1 Sensitivity analysis - Company**

The following table shows the estimated impact on profitability and equity by fluctuation of interest rates assuming that all other variables remain constant on the following financial assets and liabies Floating rate instruments expose the Company to cash flow fluctuations.

| As at 31 March, | 2026 | | 2025 | |
|---|---|---|---|---|
| | Variable-rate | | Variable-rate | |
| | Impact on PBT | Impact on equity | Impact on PBT | Impact on equity |
| **Increase in 100 basis points** | | | | |
| **Financial liabilities** | | | | |
| Financial liabilities - Bank loans and overdrafts | (2,169,818) | (1,518,872) | (1,823,925) | (1,276,748) |
| | (2,169,818) | (1,518,872) | (1,823,925) | (1,276,748) |
| **Decrease in 100 basis points** | | | | |
| **Financial liabilities** | | | | |
| Financial liabilities - Bank loans and overdrafts | 2,169,818 | 1,518,872 | 1,823,925 | 1,276,748 |
| | 2,169,818 | 1,518,872 | 1,823,925 | 1,276,748 |

**36.1.1.1 Sensitivity analysis - Group**

The following table shows the estimated impact on profitability and equity by fluctuation of interest rates assuming that all other variables remain constant on the following financial assets and liabities Floating rate instruments expose the Group to cash flow fluctuations.

| As at 31 March, | 2026 | | 2025 | |
|---|---|---|---|---|
| | Variable-rate | | Variable-rate | |
| | Impact on PBT | Impact on equity | Impact on PBT | Impact on equity |
| **Increase in 100 basis points** | | | | |
| **Financial assets/ Liabilities** | | | | |
| Financial liabilities - Bank loans and overdrafts | (91,679,825) | (91,679,825) | (39,839,793) | (27,887,855) |
| | (91,679,825) | (91,679,825) | (39,839,793) | (27,887,855) |
| **Decrease in 100 basis points** | | | | |
| **Financial assets/ Liabilities** | | | | |
| Financial liabilities - Bank loans and overdrafts | 91,679,825 | 91,679,825 | 39,839,793 | 27,887,855 |
| | 91,679,825 | 91,679,825 | 39,839,793 | 27,887,855 |

**36.1.1.2 The Group 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 | |
|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 |
| | Rs. | Rs. | Rs. | Rs. |
| Investment in Quoted Shares | 1,868,961,715 | 1,214,844,659 | 580,478,849 | 118,834,611 |
| | 1,868,961,715 | 1,214,844,659 | 580,478,849 | 118,834,611 |

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 | |
| | 2026 | 2025 | 2026 | 2025 |
| | Rs. | Rs. | Rs. | Rs. |
| 10% decline in stock prices | (186,896,172) | (121,484,466) | (58,047,885) | (11,883,461) |
| 10% Increase in stock prices | 186,896,172 | 121,484,466 | 58,047,885 | 11,883,461 |

**36.1.2.1 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.

**36.1.2 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.

A strengthening or weakening of the LKR, as indicated below, against the USD as at 31 March 2026 would have increased/ (decreased) the equity and profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant.

| | Strengthening | Weakening |
|---|---|---|
| **Group** | **Profit/ (Loss)** | **Profit/ (Loss)** |
| *As at 31st March 2026* | | |
| 10% movement in USD | 10,826,003 | (10,826,003) |

### 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 2026 | Total carrying amount | Contractual cash flows Total | 12 months or less | 1 - 2 years | 2 - 9 Years |
|---|---|---|---|---|---|
| **Assets** | | | | | |
| Investment in Government Treasury Bills | 39,340,813,554 | 39,340,813,554 | 39,340,813,554 | - | - |
| Investment in Government Treasury Bonds | 43,964,662,632 | 43,964,662,632 | 27,822,517,658 | 1,966,520,210 | 14,175,624,764 |
| Investment in Unit Trust Funds | 6,847,394,993 | 6,847,394,993 | 6,847,394,993 | - | - |
| Investment in Shares | 1,868,961,715 | 1,868,961,715 | 1,868,961,715 | - | - |
| Securities Purchase under Resale Agreements | 1,914,745,432 | 1,914,745,432 | 1,914,745,432 | - | - |
| Other Financial Assets Measured at Amortised Cost | 2,551,782,523 | 2,551,782,523 | 1,277,689,892 | - | 1,274,092,630 |
| Trade and Other Receivables | 4,711,718,040 | 4,711,718,040 | 4,711,718,040 | - | - |
| | 101,200,078,887 | 101,200,078,887 | 83,783,841,283 | 1,966,520,210 | 15,449,717,394 |
| **Liabilities** | | | | | |
| Securities Sold under Repurchase Agreements | 67,862,668,630 | 67,862,668,630 | 67,862,668,630 | - | - |
| Short Term Loan | 9,167,982,522 | 9,167,982,522 | 9,167,982,522 | - | - |
| Commercial Papers | 199,891,125 | 216,493,694 | 216,493,694 | - | - |
| Trade and Other Payables | 2,541,885,089 | 2,541,885,089 | 2,541,885,089 | - | - |
| Lease Liability | 309,065,347 | 295,872,000 | 73,968,000 | 73,968,000 | 147,936,000 |
| Bank Overdrafts | 639,473,169 | 639,473,169 | 639,473,169 | - | - |
| | 80,720,965,883 | 80,724,375,104 | 80,502,471,104 | 73,968,000 | 147,936,000 |

| As at 31 March 2025 | Total carrying amount | Contractual cash flows Total | 12 months or less | 1 - 2 years | 2 - 9 Years |
|---|---|---|---|---|---|
| Investment in Government Treasury Bills | 26,913,638,682 | 26,913,638,682 | 26,913,638,682 | - | - |
| Investment in Government Treasury Bonds | 74,251,077,210 | 74,251,077,210 | 17,109,626 | 1,916,520,210 | 72,317,447,374 |
| Investment in Unit Trust Funds | 1,437,142,586 | 1,437,142,586 | 1,437,142,586 | - | - |
| Investment in Shares | 1,214,844,659 | 1,214,844,659 | 1,214,844,659 | - | - |
| Securities Purchase under Resale Agreements | 3,406,286,250 | 3,406,286,250 | 1,158,087,752 | - | - |
| Trade and Other Receivables | 3,329,970,452 | 3,329,970,452 | 3,329,970,452 | - | - |
| | 110,552,959,839 | 110,552,959,839 | 34,070,793,757 | 1,916,520,210 | 72,317,447,374 |
| Securities Sold under Repurchase Agreements | 81,875,927,290 | 81,875,927,290 | 81,875,927,290 | - | - |
| Short Term Loan | 3,888,731,715 | 3,888,731,715 | 3,888,731,715 | - | - |
| Commercial Papers | 217,927,269 | 217,927,269 | 217,927,269 | - | - |
| Trade and Other Payables | 2,262,775,474 | 2,262,775,474 | 2,262,775,474 | - | - |
| Lease Liability | 118,763,535 | 143,703,187 | 60,164,006 | 51,330,180 | 32,209,001 |
| Bank Overdrafts | 402,067,475 | 402,067,475 | 402,067,475.0 | - | - |
| | 88,766,192,758 | 88,791,132,410 | 88,707,593,229 | 51,330,180 | 32,209,001 |

**COMPANY**

| As at 31 March 2026 | Total carrying amount | Contractual cash flows Total | 12 months or less | 1 - 2 years | 2 - 9 Years |
|---|---|---|---|---|---|
| **Assets** | | | | | |
| Trade and Other Receivables | 56,588,113 | 56,588,113 | 56,588,113 | - | - |
| Amounts Due from Related Entities | 186,043,327 | 186,043,327 | 186,043,327 | - | - |
| Financial Assets Measured at Fair Value through Other Comprehensive Income | 2,860,000,000 | 2,860,000,000 | - | - | 2,860,000,000 |
| Investment in Unit Trust Funds | 4,036,134,104 | 4,036,134,104 | 4,036,134,104 | - | - |
| Investment in Shares | 580,478,849 | 580,478,849 | 580,478,849 | - | - |
| | 7,719,244,394 | 7,719,244,394 | 4,859,244,394 | - | 2,860,000,000 |
| **Liabilities** | | | | | |
| Short Term Loan | 500,150,685 | 500,150,685 | 500,150,685 | - | - |
| Trade and Other Payables | 14,958,679 | 14,958,679 | 14,958,679 | - | - |
| Bank Overdrafts | 91,981,774 | 91,981,774 | 91,981,774 | - | - |
| | 607,091,139 | 607,091,139 | 607,091,139 | - | - |

| As at 31 March 2025 | Total carrying amount | Contractual cash flows Total | 12 months or less | 1 - 2 years | 2 - 9 Years |
|---|---|---|---|---|---|
| **Assets** | | | | | |
| Trade and Other Receivables | 33,978,856 | 33,978,856 | 33,978,856 | - | - |
| Amounts Due from Related Entities | 74,535,641 | 74,535,641 | 74,535,641 | - | - |
| Financial Assets Measured at Amortised Cost | 2,535,206,833 | 2,535,206,833 | 2,535,206,833 | | |
| Investment in Unit Trust Funds | 726,959,721 | 726,959,721 | 726,959,721 | - | - |
| Financial Assets Measured at Fair Value through Other Comprehensive Income | 325,000,000 | 325,000,000 | - | - | 325,000,000 |
| Investment in Shares | 118,834,611 | 118,834,611 | 118,834,611 | - | - |
| | 3,814,515,662 | 3,814,515,662 | 3,489,515,662 | - | 325,000,000 |
| **Liabilities** | | | | | |
| Short Term Loan | 125,315,308 | 125,315,308 | 125,315,308 | - | - |
| Trade and Other Payables | 66,879,033 | 66,879,033 | 66,879,033 | - | - |
| Bank Overdrafts | 57,392,533 | 57,392,533 | 57,392,533 | | |
| | 249,586,874 | 249,586,874 | 249,586,874 | - | - |

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

**36.2.2 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 2026 the Company had approved unutilized bank facilities amounting to Rs. 625Mn (2025: Rs. 625 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 2026 | Cash and Cash Equivalents | Financial Assets measured at FVTPL | Financial Assets measured at Amortised Cost | Trade and Other Receivables | Financial Assets measured at Fair Value through Other Comprehensive Income |
|---|---|---|---|---|---|
| | Rs. | Rs. | Rs. | Rs. | |
| Government | - | 83,305,476,186 | 1,914,745,432 | - | - |
| Corporate | - | 8,716,356,707 | 1,374,147,425 | - | 2,860,000,000 |
| Other | 1,328,430,053 | - | 1,177,635,098 | 4,711,718,040 | - |
| **Total** | 1,328,430,053 | 92,021,832,893 | 4,466,527,954 | 4,711,718,040 | 2,860,000,000 |
| **As at 31st March 2025** | | | | | |
| Government | - | 101,164,715,892 | 3,406,286,250 | - | - |
| Corporate | - | 2,651,987,245 | - | - | - |
| Other | 561,190,530 | - | - | 3,329,970,452 | - |
| **Total** | 561,190,530 | 103,816,703,137 | 3,406,286,250 | 3,329,970,452 | - |

**COMPANY**

| As at 31st March 2026 | Cash and Cash Equivalents | Financial Assets measured at FVTPL | Financial Assets measured at Amortised Cost | Trade and Other Receivables | Financial Assets measured at Fair Value through Other Comprehensive Income |
|---|---|---|---|---|---|
| | Rs. | Rs. | Rs. | Rs. | |
| Corporate | - | 4,616,612,953 | - | - | - |
| Other | 4,556,541 | - | - | 56,588,113 | - |
| **Total** | 4,556,541 | 4,616,612,953 | - | 56,588,113 | - |
| **As at 31st March 2025** | | | | | |
| Corporate | - | 845,794,332 | 2,535,206,833 | - | 325,000,000 |
| Other | 5,629,523 | - | - | 33,978,856 | - |
| **Total** | 5,629,523 | 845,794,332 | 2,535,206,833 | 33,978,856 | 325,000,000 |

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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**

| | 2026 | | 2025 | |
|---|---|---|---|---|
| | Gross Rs. | Impairment Rs. | Gross Rs. | Impairment Rs. |
| Not past due | **893,528,441** | - | 1,411,701,589 | - |
| Past due 0 - 30 days | **2,121,502,358** | - | 1,250,347,408 | - |
| Past due 31 - 90 days | **901,976,733** | - | 500,990,324 | - |
| More than 90 days | **337,455,450** | **19,905,953** | 128,341,003 | 34,945,384 |
| | **4,254,462,982** | **19,905,953** | 3,291,380,324 | 34,945,384 |

**COMPANY**

| | 2026 | | 2025 | |
|---|---|---|---|---|
| | Gross Rs. | Impairment Rs. | Gross Rs. | Impairment Rs. |
| Not past due | - | - | 24,314,262 | - |
| Past due 0 - 30 days | **45,000,000** | - | - | - |
| Past due 31 - 90 days | - | - | - | - |
| More than 90 days | **1,151,910** | **1,151,910** | 2,407,211 | 2,407,211 |
| | **46,151,910** | **1,151,910** | 26,721,473 | 2,407,211 |

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.

| | | | Group | | Company | |
|---|---|---|---|---|---|---|
| | | | 2026 | 2025 | 2026 | 2025 |
| Institution | Rating | Rating Agency | Rs. | Rs. | Rs. | Rs. |
| Commercial Banks | A+ | Fitch | **489,710,485** | 243,751,522 | - | 103,164 |
| | A | Fitch | - | 19,143,175 | **3,987,452** | 3,020,636 |
| | A- | Fitch | **36,805,759** | - | **507,757** | - |
| | AA- | Fitch | **184,186,889** | 145,548,901 | **40,650** | 1,875,977 |
| | BBB+ | Fitch | **573,934** | 629,746 | **20,682** | 629,746 |
| | AA | ECRL | **35,572,520** | 17,066,195 | - | - |
| | A+ | ECRL | **93,196,037** | 3,457,185 | - | - |
| | BBB+ | ECRL | **2,201,387** | - | - | - |
| | AA | CRAB | - | 93,082,574 | - | - |
| | AAA | CRAB | **375,968,210** | 476,097 | - | - |
| | AA | CRISL | **7,436,050** | 2,831,351 | - | - |
| | AAA | CRISL | **100,579,764** | - | - | - |
| | AA- | CRISL | **14,888** | 11,834 | - | - |
| | B2 | BRAC | - | 32,951,712 | - | - |
| Central Bank of Sri Lanka | | | **1,978,507** | 2,189,594 | - | - |
| | | | **1,328,224,429** | 561,139,886 | **4,556,541** | 5,629,523 |

Credit risk exposure of Financial assets is depicted in the below table using the carrying values as at the Statement of Financial Position Date.

| | | | Group | | Company | |
|---|---|---|---|---|---|---|
| | | | 2026 | 2025 | 2026 | 2025 |
| Institution | Rating | Rating Agency | Rs. | Rs. | Rs. | Rs. |
| Commercial Banks | AAA | CRISL | 804,291,142 | 403,277,260 | - | - |
| | A- | Fitch | 22,320,768 | - | - | - |
| Financial Institutions | BBB | LRA | 100,054,795 | - | - | - |
| | BBB- | Fitch | 261,931,534 | - | - | - |
| | A- | Fitch | 1,012,161,096 | - | - | - |
| | B+ | Fitch | 200,000,000 | - | - | - |
| | B+ | LRA | 151,023,189 | - | - | - |
| Central Bank of Sri Lanka | | | 1,914,745,432 | 3,003,008,990 | - | 2,535,206,833 |
| | | | **4,466,527,956** | **3,406,286,250** | - | **2,535,206,833** |

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.

### 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.

4 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.

## 37 CAPITAL MANAGEMENT

The gearing ratio at the reporting date is as follows.

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| As at 31st March | 2026 Rs. | 2025 Rs. | 2026 Rs. | 2025 Rs. |
| Interest bearing borrowing | **77,870,015,447** | 86,384,653,749 | **592,132,459** | 182,707,841 |
| (-) Cash and Cash Equivalents | **(1,328,430,053)** | (561,190,530) | **(4,556,541)** | (5,629,523) |
| | **76,541,585,393** | 85,823,463,219 | **587,575,918** | 177,078,318 |
| Equity | **22,019,707,299** | 20,594,501,187 | **8,972,270,478** | 5,495,031,318 |
| Gearing ratio | **3.48** | 4.17 | **0.07** | 0.03 |

## 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 2026 | Note | Fair Value Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|---|
| **Financial Assets measured Fair value Through Profit or Loss** | | | | | |
| Investment in Government Treasury Bills | 16 | 39,340,813,554 | - | - | 39,340,813,554 |
| Investment in Government Treasury Bonds | 16 | 43,964,662,632 | - | - | 43,964,662,632 |
| Investment in Unit Trust Funds | 16 | - | 6,847,394,993 | - | 6,847,394,993 |
| Investment in Quoted Shares | 16 | 1,868,961,715 | - | - | 1,868,961,715 |
| | | **85,174,437,901** | **6,847,394,993** | - | **92,021,832,893** |
| **Financial Assets measured at Amortised Cost** | | | | | |
| Securities Purchased Under Resale Agreements | 18 | - | - | 1,914,745,432 | 1,914,745,432 |
| Placement with Bank (Term Deposits) | 18 | - | - | 1,108,266,161 | 1,108,266,161 |
| Trade and Other Receivables | 19 | - | - | 4,711,718,040 | 4,711,718,040 |
| | | - | - | **7,734,729,633** | **7,734,729,633** |
| **Financial Liabilities not Measured at Fair Value** | | | | | |
| Securities Sold Under Repurchase Agreements | 26 | - | - | 67,862,668,630 | 67,862,668,630 |
| Short Term Loan | 26 | - | - | 9,167,982,522 | 9,167,982,522 |
| Commercial Paper liabilities | 26 | - | - | 199,891,125 | 199,891,125 |
| Trade and Other Payables | 27 | - | - | 2,541,885,089 | 2,541,885,089 |
| Bank Overdrafts | 15.2 | - | - | 639,473,169 | 639,473,169 |
| | | - | - | **80,411,900,536** | **80,411,900,536** |

| GROUP<br>As at 31st March 2025 | Note | Fair Value Level 1 | Fair Value Level 2 | Fair Value Level 3 | Total |
|---|---|---|---|---|---|
| **Financial Assets measured Fair value Through Profit or Loss** | | | | | |
| Investment in Government Treasury Bills | 16 | 26,913,638,682 | - | - | 26,913,638,682 |
| Investment in Government Treasury Bonds | 16 | 74,251,077,210 | - | - | 74,251,077,210 |
| Investment in Unit Trust Funds | 16 | - | 1,437,142,586 | - | 1,437,142,586 |
| Investment in Quoted Shares | 16 | 1,214,844,659 | - | - | 1,214,844,659 |
| | | 102,379,560,551 | 1,437,142,586 | - | 103,816,703,137 |
| **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 | - | - | 3,003,008,990 | 3,003,008,990 |
| Placement with Bank (Term Deposits) | 18 | - | - | 403,277,260 | 403,277,260 |
| Trade and Other Receivables | 19 | - | - | 3,329,970,452 | 3,329,970,452 |
| | | - | - | 6,736,256,702 | 6,736,256,702 |
| **Financial Liabilities not Measured at Fair Value** | | | | | |
| Securities Sold Under Repurchase Agreements | 26 | - | - | 81,875,927,290 | 81,875,927,290 |
| Short Term Loan | 26 | - | - | 3,888,731,715 | 3,888,731,715 |
| Commercial Papers | 26 | - | - | 217,927,269 | 217,927,269 |
| Trade and Other Payables | 27 | - | - | 2,262,775,474 | 2,262,775,474 |
| Bank Overdrafts | 15.2 | - | - | 402,067,475 | 402,067,475 |
| | | - | - | 88,647,429,223 | 88,647,429,223 |

| COMPANY<br>As at 31st March 2026 | Note | Fair Value Level 1 | Fair Value Level 2 | Fair Value Level 3 | Total |
|---|---|---|---|---|---|
| **Financial Assets measured Fair value Through Profit or Loss** | | | | | |
| Investment in Unit Trust Funds | 16 | - | 4,036,134,104 | - | 4,036,134,104 |
| Investment in Quoted Shares | 16 | 580,478,849 | - | - | 580,478,849 |
| | | 580,478,849 | 4,036,134,104 | - | 4,616,612,953 |
| **Financial Assets measured Fair value Through Other Comprehensive Income** | | | | | |
| Investment in preference shares | 17 | - | - | 2,860,000,000 | 2,860,000,000 |
| | | - | - | 2,860,000,000 | 2,860,000,000 |
| **Financial Assets measured at Amortised Cost** | | | | | |
| Trade and Other Receivables | 19 | - | - | 56,588,113 | 56,588,113 |
| Amount Due from Related Entities | 20.1 | - | - | 186,043,327 | 186,043,327 |
| Financial Assets Measured at Amortised Cost | 18 | - | - | - | - |
| | | - | - | 242,631,440 | 242,631,440 |
| **Financial Liabilities not Measured at Fair Value** | | | | | |
| Short Term Loan | 26 | - | - | 500,150,685 | 500,150,685 |
| Trade and Other Payables | 27 | - | - | 14,958,679 | 14,958,679 |
| Bank Overdrafts | 15.2 | - | - | 91,981,774 | 91,981,774 |
| | | - | - | 607,091,139 | 607,091,139 |

| COMPANY<br>As at 31st March 2025 | Note | Fair Value Level 1 | Fair Value Level 2 | Fair Value Level 3 | Total |
|---|---|---|---|---|---|
| **Financial Assets measured Fair value Through Profit or Loss** | | | | | |
| Investment in Unit Trust Funds | 16 | - | 726,959,721 | - | 726,959,721 |
| Investment in Quoted Shares | 16 | 118,834,611 | - | - | 118,834,611 |
| | | 118,834,611 | 726,959,721 | - | 845,794,332 |
| **Financial Assets measured Fair value Through Other Comprehensive Income** | | | | | |
| Investment in preference shares | 17 | - | - | 325,000,000 | 325,000,000 |
| | | - | - | 325,000,000 | 325,000,000 |
| **Financial Assets measured at Amortised Cost** | | | | | |
| Trade and Other Receivables | 19 | - | - | 33,978,856 | 33,978,856 |
| Amount Due from Related Entities | 20.1 | - | - | 74,535,641 | 74,535,641 |
| Financial Assets Measured at Amortised Cost | 18 | - | - | 2,535,206,833 | 2,535,206,833 |
| | | - | - | 2,643,721,330 | 2,643,721,330 |
| **Financial Liabilities not Measured at Fair Value** | | | | | |
| Short Term Loan | 26 | - | - | 125,315,308 | 125,315,308 |
| Trade and Other Payables | 27 | - | - | 66,879,033 | 66,879,033 |
| Bank Overdraft | 27 | - | - | 57,392,533 | 57,392,533 |
| | | - | - | 249,586,874 | 249,586,874 |

**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**

| | Note | GROUP 2026 Rs. | GROUP 2025 Rs. | COMPANY 2026 Rs. | COMPANY 2025 Rs. |
|---|---|---|---|---|---|
| **Financial Assets** | | | | | |
| **Financial assets measured at Fair Value Through Profit or Loss** | | | | | |
| Investment in Government Treasury Bills | 16 | 39,340,813,554 | 26,913,638,682 | - | - |
| Investment in Government Treasury Bonds | 16 | 43,964,662,632 | 74,251,077,210 | - | - |
| Investment in Unit Trust Funds | 16 | 6,847,394,993 | 1,437,142,586 | 4,036,134,104 | 726,959,721 |
| Investment in Quoted Shares | 16 | 1,868,961,715 | 1,214,844,659 | 580,478,849 | 118,834,611 |
| | | 92,021,832,893 | 103,816,703,137 | 4,616,612,953 | 845,794,332 |
| **Financial Assets Measured at Fair Value Through OCI** | | | | | |
| Investment in Unquoted Share Investments | 17 | - | - | 2,860,000,000 | 325,000,000 |
| | | - | - | 2,860,000,000 | 325,000,000 |
| **Financial Assets Measured at Amortised Cost** | | | | | |
| Investment in Corporate Debt | 18 | 100,054,795 | - | - | - |
| Investment in Debenture | 18 | 1,274,092,630 | - | - | - |
| Securities Purchase under Resale Agreements | 18 | 1,914,745,432 | 3,003,008,990 | - | 2,535,206,833 |
| Placement with Bank | 18 | 1,177,635,098 | 403,277,260 | - | - |
| Trade and other receivables | 19 | 4,711,718,040 | 3,329,970,452 | 56,588,113 | 33,978,856 |
| Amount due from related Entities | 20 | - | - | 186,043,327 | 74,535,641 |
| | | 9,178,245,994 | 6,736,256,702 | 242,631,440 | 2,643,721,330 |
| | | 101,200,078,887 | 110,552,959,839 | 7,719,244,394 | 3,814,515,662 |
| **Non Financial Assets** | | | | | |
| Equipment | 25 | 101,448,214 | 140,221,323 | 59,667 | 186,681 |
| Intangible assets | 23 | 158,454,511 | 160,655,969 | 1,002,811 | 2,060,064 |
| Right-of-use Assets | 24 | 353,047,963 | 109,600,246 | - | - |
| Investment in Subsidiaries | 21 | - | - | 1,897,304,850 | 1,897,304,850 |
| Income Tax Recoverable | 13.3 | - | - | - | 9,656,037 |
| Advances,Deposits,Prepayments and Other Receivables | 19 | 485,146,780 | 199,228,299 | 12,224,314 | 26,941,625 |
| Deferred Tax Assets | 13.7 | 38,242,540 | 47,467,193 | 4,751,809 | 2,708,355 |
| | | 1,412,604,276 | 657,173,030 | 1,915,343,452 | 1,938,857,612 |
| Cash and cash equivalents | 15.1 | 1,328,430,053 | 561,190,530 | 4,556,541 | 5,629,523 |
| **Total Assets** | | 103,941,113,216 | 111,771,323,399 | 9,639,144,386 | 5,759,002,797 |

| | Note | GROUP 2026 Rs. | GROUP 2025 Rs. | COMPANY 2026 Rs. | COMPANY 2025 Rs. |
|---|---|---|---|---|---|
| **Financial Liabilities** | | | | | |
| **Other Financial Liabilities** | | | | | |
| Financial Liability Measured at Amortised Cost | 26 | 77,230,542,278 | 85,982,586,274 | 500,150,685 | 125,315,308 |
| Trade & Other Payables | 27 | 2,541,885,089 | 2,262,775,474 | 14,958,672 | 66,879,033 |
| Amounts Due to Related Entities | 28 | - | - | - | - |
| Bank Overdrafts | 15.2 | 639,473,169 | 402,067,475 | 91,981,774 | 57,392,533 |
| | | 80,411,900,536 | 88,647,429,223 | 607,091,132 | 249,586,874 |
| **Other non financial liabilities** | | | | | |
| Lease Liability | 29 | 309,065,347 | 118,763,535 | - | - |
| Retirement Benefit Obligations | 30 | 179,898,646 | 171,840,395 | 16,412,071 | 9,748,290 |
| Income Tax Payable | 13.3 | 946,065,617 | 2,164,313,288 | 38,734,390 | - |
| Other Payables | | 74,475,771 | 74,475,771 | 4,636,315 | 4,636,315 |
| Deferred Tax Liability | 13.7 | - | - | - | - |
| | | 1,509,505,381 | 2,529,392,989 | 59,782,776 | 14,384,605 |
| **Total Liabilities** | | 81,921,405,917 | 91,176,822,212 | 666,873,907 | 263,971,479 |

## 39 COMPARATIVE FIGURES

For better presentation and comparability, certain line items in the statement of cash flows have been reclassified during the current year. Such reclassifications have no impact on the reported profit, total assets, total liabilities, equity or net cash flows.
Below table sumamrizes the re-classifications made to the comparative figures in the statement of Cash flows.

***Extract of statement of cash flows for the year ended 31 March 2025,***

| | Group | | | Company | | |
|---|---|---|---|---|---|---|
| | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. |
| **Line item** | **Previously Reported** | **Adjustments** | **Re-classified** | **Previously Reported** | **Adjustments** | **Re-classified** |
| ***Cash flows from operating activities*** | | | | | | |
| **Profit before income tax** | **6,626,435,683** | - | **6,626,435,683** | **4,599,394,420** | - | **4,599,394,420** |
| **Operating profit/ (loss) before changes in operating activities** | **(1,680,730,270)** | - | **(1,680,730,270)** | **(94,556,132)** | - | **(94,556,132)** |
| Interest income received | - | 9,598,627,115 | **9,598,627,115** | - | 4,020,806 | **4,020,806** |
| Interest expenses paid | - | (5,494,899,122) | **(5,494,899,122)** | - | (31,261,489) | **(31,261,489)** |
| Lease interest paid | - | (9,292,923) | **(9,292,923)** | - | - | - |
| **Net cash generated from/ (used in) operating activities)** | **(4,743,956,770)** | **4,094,435,070** | **(649,521,700)** | **(2,644,387,642)** | **(27,240,683)** | **(2,671,628,325)** |
| ***Cash flows from investing activities*** | | | | | | |
| Interest income received | 9,598,627,115 | (9,598,627,115) | - | 4,020,806 | (4,020,806) | - |
| **Net cash generated from/ (used in) investing activities)** | **9,136,510,414** | **(9,598,627,115)** | **(462,116,701)** | 4,529,674,044 | (4,020,806.00) | **4,525,653,238** |
| ***Cash flows from financing activities*** | | | | | | |
| Interest expense paid | (5,494,899,122) | 5,494,899,122 | - | (31,261,489) | 31,261,489 | - |
| Lease rental paid | (54,983,831) | 9,292,923 | (45,690,908) | - | - | - |
| **Net cash generated from/ (used in) financing activities** | **(5,204,949,138)** | **5,504,192,045** | **299,242,907** | **(1,948,449,057)** | **31,261,489** | **(1,917,187,568)** |
| **Net increase / (decrease) in cash and cash equivalents** | **(812,395,494)** | - | **(812,395,494)** | **(63,162,655)** | - | **(63,162,655)** |
| **Cash and cash equivalents at the end of the year** | **159,123,055** | - | **159,123,055** | **(51,763,010)** | - | **(51,763,010)** |

## 40 ANALYSIS OF CHANGES IN FINANCING DURING THE YEAR

*Reconciliation of movement of liabilities to cash flows arising from financing activities*

| GROUP | 2026 | | | | |
|---|---|---|---|---|---|
| | Term loans | Commercial papers | Lease liabilities | Equity | NCI |
| **Balance as at 1 April 2025** | **3,888,731,715** | **217,927,269** | **118,763,535** | **18,065,589,266** | **2,528,911,921** |
| Term loan obtained during the year | 14,196,834,836 | - | - | - | |
| Term loan settled during the year | (8,938,731,715) | - | - | - | |
| Lease rental Paid | - | - | (32,515,356) | - | |
| Shares Issued | - | - | - | 1,575,000,000 | |
| Dividend Paid | - | - | - | (2,072,049,345) | (737,931,712) |
| Investment in commercial papers | | 3,009,344,257 | | | |
| Settlement of commercial papers | - | (3,027,380,400) | - | - | |
| ***Total changes from financing cashflows*** | ***5,258,103,121*** | *(18,036,143)* | *(32,515,356)* | ***(497,049,345)*** | *(737,931,712)* |
| Effect of changes in foreign excahnge rates | - | - | (7,641,278) | | |
| Other changes | - | - | 230,458,446 | **2,347,226,084** | 312,961,085 |
| ***Liability related interest*** | | | | | |
| Interest expenses | 480,396,771 | 51,745,925 | **20,739,198** | - | - |
| Interest paid | (459,249,085) | (51,745,925) | - | - | - |
| Lease interest paid | - | - | (20,739,198) | - | - |
| **Balance as at 31 March 2026** | **9,167,982,522** | **199,891,125** | **309,065,347** | **19,915,766,005** | **2,103,941,294** |

| GROUP | 2025 | | | | |
|---|---|---|---|---|---|
| | Term loans | Commercial papers | Lease liabilities | Equity | NCI |
| **Balance as at 1 April 2024** | **478,234,603** | **215,425,604** | **115,012,852** | **16,590,937,102** | **2,917,351,867** |
| Term loan obtained during the year | 11,659,000,000 | - | - | - | - |
| Term loan settled during the year | (8,262,234,603) | - | - | - | - |
| Lease rental Paid | - | - | (45,690,908) | - | - |
| Shares Issued | - | - | - | - | - |
| Dividend Paid | - | - | - | (2,042,187,568) | (940,229,184) |
| Net Issue / (settlement) of Commercial Papers | - | 2,501,665 | - | - | - |
| ***Total changes from financing cashflows*** | ***3,396,765,397*** | ***2,501,665*** | ***(45,690,908)*** | ***(2,042,187,568)*** | ***(940,229,184)*** |
| Effect of changes in foreign excahnge rates | - | - | (15,831,050) | | - |
| Other changes | - | - | 65,272,641 | 3,516,839,732 | 551,789,238 |
| Interest expenses | 247,460,252 | 71,916,495 | 9,292,923 | - | - |
| Interest paid | (233,728,537) | (71,916,495) | - | - | - |
| Lease interest paid | - | - | (9,292,923) | - | - |
| **Balance as at 31 March 2025** | **3,888,731,715** | **217,927,269** | **118,763,535** | **18,065,589,266** | **2,528,911,921** |

| COMPANY | 2026 | | 2025 | |
|---|---|---|---|---|
| | Term loan | Equity | Term loan | Equity |
| **Balance as at 1 April** | **125,315,308** | **5,495,031,318** | - | **2,938,601,767** |
| Term loan obtained during the year | 500,000,000 | - | 1,700,000,000 | - |
| Term loan settled during the year | (125,315,308) | - | (1,575,000,000) | - |
| Shares Issued | - | 1,575,000,000 | - | - |
| Dividend Paid | - | (2,072,049,345) | - | (2,042,187,568) |
| ***Total changes from financing cashflows*** | ***374,684,692*** | ***(497,049,345)*** | ***125,000,000*** | ***(2,042,187,568)*** |
| Other changes | - | 3,974,288,505 | - | 4,598,617,119 |
| Interest expenses | 28,067,048 | | 28,688,296 | |
| Interest paid | (27,916,363) | | (28,372,988) | |
| **Balance as at 31 March 2025** | 500,150,685 | **8,972,270,478** | **125,315,308** | **5,495,031,318** |

41 SEGMENT REPORTING

Information about reportable segments

The Group's activities have been segregated into four different segments (Primary Dealer, Corporate Finance, Asset Management, Stock Brokering) based on the business activities that each unit is engaged for the purpose of reviewing the operating results of the Group as well as to make decisions about resource allocation
Segment information is presented in respect of the Group's business segments as per SLFRS 8. The Group's primary format for segment reporting is based on business segments.
The business segments are determined based on the Group's management and internal reporting structure.

| For the Year ended 31 March, | Primary Dealer | | Corporate Finance | | Asset Management | | Stock Brokering | | Eliminations/ Unallocated | | Consolidated | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 | 2026 | 2025 | 2026 | 2025 | 2026 | 2025 | 2026 | 2025 |
| Interest Income | 8,976,861,611 | 8,874,890,409 | 461,594 | 568,265 | 104,064,362 | 81,057,749 | 341,933,710 | 214,664,592 | 260,729,846 | 165,398,626 | 9,684,051,123 | 9,336,579,641 |
| Interest Expenses | (6,527,601,316) | (5,854,922,371) | (2,223,725) | (1,549,194) | (121,830,858) | (3,871,713) | (142,003,886) | (85,559,018) | (2,972,661) | (22,891,707) | (6,796,632,446) | (5,968,794,003) |
| Net Interest Income | 2,449,260,295 | 3,019,968,038 | (1,762,131) | (980,929) | (17,766,496) | 77,186,036 | 199,929,824 | 129,105,574 | 257,757,185 | 142,506,919 | 2,887,418,677 | 3,367,785,638 |
| Fee Based Income | - | - | 265,034,469 | 147,797,492 | 1,780,238,321 | 1,361,000,661 | 1,407,990,293 | 843,786,221 | 72,684,811 | 180,942,663 | 3,525,947,893 | 2,533,527,037 |
| Net Gain from Trading | 2,964,702,344 | 6,096,133,620 | - | - | 120,874,883 | 37,578,107 | 10,335,082 | 27,644,190 | 339,595,475 | 494,118,495 | 3,435,507,784 | 6,655,474,412 |
| Net Gain / (Loss) from remeasurement of Financial Assets at FVTPL | (1,769,367,457) | (1,554,535,633) | - | - | 1,267,914 | 8,523,061 | (778,289) | 219,031 | (4,228,171) | 27,569,279 | (1,773,106,003) | (1,518,224,262) |
| Direct Expenses | (57,605,559) | (42,681,085) | - | - | - | - | (204,839,151) | (15,778,349) | 38,211,278 | - | (224,233,432) | (58,459,434) |
| Other Income | 37,497,806 | 38,796,027 | 1,393,472 | 120,344,063 | 11,761,595 | 498,088 | 37,181,987 | 4,527,675 | 19,049,777 | (95,025,828) | 106,884,636 | 69,140,025 |
| Net Operating Income | 3,624,487,429 | 7,557,680,967 | 264,665,810 | 267,160,626 | 1,896,376,217 | 1,484,785,953 | 1,449,819,746 | 989,504,342 | 723,070,354 | 750,111,528 | 7,958,419,556 | 11,049,243,416 |
| Operating Expenses | (771,002,456) | (1,186,566,285) | (205,328,764) | (265,052,908) | (942,306,443) | (588,509,022) | (630,330,160) | (640,398,194) | (1,194,220,728) | (1,742,281,324) | (3,743,188,551) | (4,422,807,733) |
| Operating Profit/ (Loss) | 2,853,484,974 | 6,371,114,682 | 59,337,046 | 2,107,718 | 954,069,774 | 896,276,931 | 819,489,586 | 349,106,148 | (471,150,373) | (992,169,796) | 4,215,231,005 | 6,626,435,683 |
| Share of Profit/ (Loss) from Equity accounted Investee (Net of Tax) | - | - | - | - | - | - | - | - | (18,738,133) | 21,070,301 | (18,738,133) | - |
| Profit Before Tax | 2,853,484,974 | 6,371,114,682 | 59,337,046 | 2,107,718 | 954,069,774 | 896,276,931 | 819,489,586 | 349,106,148 | (489,888,507) | (971,099,495) | 4,196,492,872 | 6,626,435,683 |
| Income Tax Expenses | (852,636,909) | (1,950,520,698) | (14,680,044) | 4,777,353 | (301,926,462) | (279,273,933) | (276,364,605) | (143,698,421) | (53,964,818) | (29,899,680) | (1,499,572,838) | (2,398,615,379) |
| Profit for the year | 2,000,848,065 | 4,420,593,984 | 44,657,002 | 6,885,071 | 652,143,312 | 617,002,998 | 543,124,980 | 205,407,727 | (543,853,325) | (1,000,999,175) | 2,696,920,034 | 4,227,820,304 |
| Other Comprehensive Income/ (Expense) for the year | (3,877,272) | 2,309,471 | 1,212,272 | (532,453) | 39,404,112 | (2,325,102) | 37,375,736 | 1,784,506 | (110,847,712) | (160,427,756) | (36,732,864) | (159,191,334) |
| Total Comprehensive Income/ (Expense) for the year | 1,996,970,793 | 4,422,903,455 | 45,869,274 | 6,352,618 | 691,547,425 | 614,677,896 | 580,500,716 | 207,192,233 | (654,701,037) | (1,161,426,931) | 2,660,187,170 | 4,068,628,970 |
| | | | | | | | | | | | | |
| Total Assets | 84,277,998,343 | 105,356,533,738 | 250,533,735 | 103,538,178 | 4,695,709,472 | 1,615,777,409 | 5,466,007,959 | 3,049,693,510 | 9,250,863,708 | 1,645,780,564 | 103,941,113,216 | 111,771,323,399 |
| Total Liabilities | 73,155,571,870 | 90,960,391,914 | 156,076,220 | 54,949,935 | 3,182,207,862 | 800,767,169 | 3,683,060,359 | 1,834,082,159 | 1,744,489,607 | (2,473,368,965) | 81,921,405,917 | 91,176,822,212 |
| Net Assets | 11,122,426,473 | 14,396,141,824 | 94,457,515 | 48,588,243 | 1,513,501,610 | 815,010,240 | 1,782,947,600 | 1,215,611,351 | 7,506,374,101 | 4,119,149,529 | 22,019,707,299 | 20,594,501,187 |
| | | | | | | | | | | | | |
| Cash flows from operating activities | 5,669,011,901 | 6,118,097,614 | 4,819,741 | (53,873,398) | 202,774,583 | 810,541,124 | (1,017,038,067) | (1,118,869,764) | | | 2,629,653,548 | (649,521,700) |
| Cash flows from investing activities | (1,169,593) | (7,471,254) | 1,367,438 | (2,618,091) | (2,210,200,427) | (4,983,067) | (510,596,694) | 578,740,731 | | | (6,186,075,763) | (462,116,701) |
| Cash flows from financing activities | (5,271,203,805) | (6,427,428,757) | (5,598,505) | (5,217,084) | 2,321,645,536 | (833,399,373) | 751,893,647 | 433,411,572 | | | 4,008,642,851 | 299,242,907 |
| Net cash flow generated during the year | 396,638,503 | (316,802,397) | 588,674 | (61,708,573) | 314,219,691 | (27,841,316) | (775,741,114) | (106,717,461) | | | 452,220,636 | (812,395,494) |