ANNEXURE 1

AUDITED FINANCIAL STATEMENTS FOR THE PAST 3 FINANCIAL YEARS

AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025

INSUREME INSURANCE BROKERS
(PRIVATE) LIMITED

FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2025

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KPMG
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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF INSUREME INSURANCE BROKERS (PRIVATE) LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the Financial Statements of InsureMe Insurance Brokers (Private) Limited, ("the Company") and the Consolidated Financial Statements of the Company and its Subsidiary ("the Group"), which comprise the Statement of Financial Position as at 31 March 2025, and the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the Financial Statements, including a summary of material accounting policies.

In our opinion, the accompanying Financial Statements of the Company and the Group give a true and fair view of the Financial Position of the Company and the Group as at 31 March 2025, and of their financial performance and its Cash Flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Sri Lanka Auditing Standards (SLAuSs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the 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.

Other Information

Management is responsible for the other information. The Financial Statements do not include other information.

Our opinion on the Financial Statements does not cover the other information and we will not express any form of assurance conclusion thereon.

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

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

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Principals: S.R.I. Perera FCMA (UK), LL.B. Attorney-at-Law, H.S. Gunawardena ACA, Ms. F.R. Zyard FCMA (UK), FCIT, K. Somasundaram ACMA (UK), Ms. D Corea Dharmaratne

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

Report on Other Legal and Regulatory Requirements

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

CHARTERED ACCOUNTANTS
Colombo, Sri Lanka
29 July 2025

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INSUREME INSURANCE BROKERS (PRIVATE) LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 31 March,

	Note	Group		Company	
		2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Revenue	5	359,404,694	346,081,103	301,628,990	295,509,147
Cost of sales		(217,789,296)	(202,684,761)	(176,854,605)	(166,584,055)
Gross profit		**141,615,398**	**143,396,342**	**124,774,385**	**128,925,092**
Other income	6	15,000	21,485	15,000	21,485
Distribution expenses		(15,798,497)	(41,154,860)	(14,634,947)	(37,623,629)
Administration expenses		(110,549,341)	(96,298,342)	(80,104,595)	(75,501,500)
Finance income	7	5,793,370	11,274,532	3,381,493	8,584,751
Profit before income tax expense	8	**21,075,930**	**17,239,157**	**33,431,336**	**24,406,199**
Income tax expense	9	(8,974,660)	(4,883,683)	(8,974,660)	(4,883,683)
Profit for the year		**12,101,270**	**12,355,474**	**24,456,676**	**19,522,516**
Other comprehensive income					
Actuarial (loss)/ gain on retirement benefit obligation	17	(271,941)	(255,503)	133,958	(597,678)
Deferred tax effect on actuarial gain		(40,187)	-	(40,187)	-
Total comprehensive income for the year		**11,789,142**	12,099,971	**24,550,447**	**18,924,838**
Basic earning per share (Rs.)	10	**5.74**	**5.96**	**11.95**	**9.33**

Figures in brackets indicate deductions.
The separate financial statements are to be read in conjunction with the related notes, which form an integral part of these separate financial statements.

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INSUREME INSURANCE BROKERS (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION
As at 31 March,

	Note	Group 2025 Rs.	Group 2024 Rs.	Company 2025 Rs.	Company 2024 Rs.
ASSETS					
Non-current assets					
Property, plant and equipment	11	11,963,333	12,773,760	11,963,333	12,773,760
Intangible assets	12	34,545,436	17,739,934	1,334,020	1,499,604
Investment in subsidiary		-	-	100	100
Deferred tax asset	9.5	1,392,687	-	1,392,687	-
Total non-current assets		**47,901,456**	**30,513,694**	**14,690,140**	**14,273,464**
Current assets					
Trade and other receivables	13	145,052,243	146,611,396	129,380,811	139,798,133
Amounts due from related parties	14	-	-	61,270,868	20,252,305
Cash and cash equivalents	15	112,715,892	73,609,356	69,567,343	39,539,918
Total current assets		**257,768,135**	**220,220,752**	**260,219,022**	**199,590,356**
Total assets		**305,669,591**	**250,734,446**	**274,909,162**	**213,863,820**
EQUITY AND LIABILITIES					
Equity					
Stated capital	16	111,388,981	96,389,196	111,388,981	96,389,196
Retained earnings		31,872,938	20,083,796	35,354,415	10,803,968
Non-controlling interest		-	-	-	-
Total equity		**143,261,919**	**116,472,992**	**146,743,396**	**107,193,164**
Non-current liabilities					
Retirement benefit obligation	17	7,693,628	6,140,475	6,510,031	5,790,781
Total non-current liabilities		**7,693,628**	**6,140,475**	**6,510,031**	**5,790,781**
Current liabilities					
Trade and other payables	18	145,662,408	120,629,461	112,604,099	93,388,357
Income tax payable	9.1	7,274,589	4,883,683	7,274,589	4,883,683
Bank overdraft	15	1,777,047	2,607,835	1,777,047	2,607,835
Total current liabilities		**154,714,044**	**128,120,979**	**121,655,735**	**100,879,875**
Total equity and liabilities		**305,669,591**	**250,734,446**	**274,909,162**	**213,863,820**

Figures in brackets indicate deductions.
The separate financial statements are to be read in conjunction with the related notes, which form an integral part of these separate financial statements.

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

Assistant Manager Finance

The Board of Directors is responsible for the preparation and presentation of these separate financial statements in accordance with Sri Lanka Accounting Standards.

Approved and signed for and on behalf of the Board of Directors:

Director

Director

29 July 2025
Colombo

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INSUREME INSURANCE BROKERS (PRIVATE) LIMITED
STATEMENT OF CHANGES IN EQUITY

As at 31 March,

Company	Stated capital Rs.	Retained earnings Rs.	Total Rs.
Balance as at 31 March 2023	**96,389,196**	**(8,120,870)**	**88,268,326**
Profit for the year	-	19,522,516	19,522,516
Net of other comprehensive income	-	(597,678)	(597,678)
Balance as at 31 March 2024	**96,389,196**	**10,803,968**	**107,193,164**
Profit for the year	-	24,456,676	24,456,676
Net of other comprehensive income	-	93,771	93,771
Shares issued during the year	14,999,785	-	14,999,785
Balance as at 31 March 2025	**111,388,981**	**35,354,415**	**146,743,396**

Group	Attributable to equity holders of the parent				
	Stated capital Rs.	Retained earnings Rs.	Total Rs.	Non controlling interests Rs.	Total equity Rs.
Balance as at 31 March 2023	**96,389,196**	**7,983,825**	**104,373,021**	**-**	**104,373,021**
Profit for the year	-	12,355,474	12,355,474	-	12,355,474
Net of other comprehensive income	-	(255,503)	(255,503)	-	(255,503)
Balance as at 31 March 2024	**96,389,196**	**20,083,796**	**116,472,992**	**-**	**116,472,992**
Profit for the year	-	12,101,270	12,101,270	-	12,101,270
Net of other comprehensive income	-	(312,128)	(312,128)	-	(312,128)
Shares issued during the year	14,999,785	-	14,999,785	-	14,999,785
Balance as at 31 March 2025	**111,388,981**	**31,872,938**	**143,261,919**	**-**	**143,261,919**

Figures in brackets indicate deductions.
The separate financial statements are to be read in conjunction with the related notes, which form an integral part of these separate financial statements.

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INSUREME INSURANCE BROKERS (PRIVATE) LIMITED
STATEMENT OF CASH FLOWS

For the year ended 31 March,

	Group		Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Cash flows from operating activities				
Profit before tax expense	21,075,930	17,239,157	33,431,336	24,406,199
Adjustments for;				
Interest income	(5,793,370)	(11,274,532)	(3,381,493)	(8,584,751)
Loss/ (gain) on disposal of property, plant and equipment	115,375	(21,485)	115,375	(21,485)
Provision for retirement benefit obligation	2,203,712	2,050,669	1,775,708	1,612,704
Depreciation on property, plant and equipment	3,749,123	3,027,370	3,749,123	3,027,370
Amortization on intangible assets	1,017,222	1,522,954	165,584	874,691
Operating profit before working capital changes	**22,367,992**	**12,544,133**	**35,855,633**	**21,314,728**
Changes in,				
Trade and other receivables	1,559,153	(23,019,959)	10,417,322	(28,419,801)
Amounts due from related parties	-	-	(41,018,563)	(20,252,305)
Trade and other payables	25,032,947	268,003	19,215,742	(10,045,716)
Cash generated from/ (used in) operations	**48,960,092**	**(10,207,823)**	**24,470,134**	**(37,403,094)**
Retirement benefit obligation paid	(922,500)	(360,000)	(922,500)	(360,000)
Income tax paid	(8,016,629)	(356,261)	(8,016,629)	-
Net cash generated from/ (used in) operating activities	40,020,963	(10,924,084)	15,531,005	(37,763,094)
Cash flows from investment activities				
Acquisition of property, plant and equipment	(3,404,321)	(9,361,881)	(3,404,321)	(9,361,881)
Acquisition/ development of intangible assets	(17,822,725)	(16,627,441)	-	(1,655,000)
Interest received	5,793,370	11,274,532	3,381,493	8,584,751
Proceeds from disposal of property, plant and equipment	350,251	1,735,000	350,251	1,735,000
Net cash generated from/ (used in) investing activities	**(15,083,425)**	**(12,979,790)**	**327,423**	**(697,130)**
Cash flows from financing activities				
Proceeds from share issue	14,999,785	-	14,999,785	-
Net cash generated from financing activities	**14,999,785**	-	**14,999,785**	-
Net increase in cash and cash equivalents	**39,937,324**	**(23,903,875)**	**30,858,213**	**(38,460,224)**
Cash and cash equivalents at the beginning of the year	71,001,521	94,905,396	36,932,083	75,392,307
Cash and cash equivalents at the end of the year (Note 15)	**110,938,845**	**71,001,521**	67,790,296	**36,932,083**

Figures in brackets indicate deductions.

The financial statements are to be read in conjunction with the related notes, which form an integral part of these separate financial statements.

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1. ACCOUNTING POLICIES

1.1. Corporate information
InsureMe Insurance Brokers (Private) Limited ("the Company") is a Limited Liability Company incorporated and domiciled in Sri Lanka under Companies Act. No. 07 of 2007. The registered office of the Company is located at No.14A, Boyd Place, Colombo 03, Sri Lanka.

1.2. Principal activities and nature of operations
The principal activity of the Company is carrying on business as an Insurance Broker offering Life and General Insurance solutions to corporate and individual customers and managing and holding of investments in the insurance tech industry.

1.3. Date of authorization for issue
The financial statements of InsureMe Insurance Brokers (Private) Limited and its Subsidiaries for year ended 31 March 2025 was authorised for issue in accordance with a resolution of the Board of Directors dated 29 July 2025.

1.4. Statement of compliance
The financial statements which comprise the Statement of Financial Position, Statement of Profit or Loss, Statement of Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows, together with the accounting policies and notes to the financial statements have been prepared in accordance with Sri Lanka Accounting Standards (SLFRSs/LKASs) as issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and the requirement of the Companies Act, No. 07 of 2007.

2. GROUP INFORMATION

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

3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES

3.1. Basis of preparation
The consolidated financial statements have been prepared on an accrual basis and under the historical cost convention.

3.1.1. Going concern
The Company evaluated its resilience considering factors such as expected revenue streams, cost management, profitability, ability to defer non-essential capital expenditure etc. and due to the nature of insurance tech and brokering operations, the Board of Directors is satisfied and confident that the Company will be able to continue in operation for the foreseeable future. In addition, the directors are not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Accordingly, these financial statements have been prepared on a going concern basis. Refer note 20 for going concern.

There is a considerable degree of judgement involved in making the above assessment. The underlying assumptions are also subject to uncertainties which are often outside the control of the Company. Accordingly, actual economic conditions are likely to be different from those forecast since anticipated events frequently do not occur as expected, and the effect of those differences may significantly impact accounting judgements and estimates included in these financial statements.



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3.1 Basis of preparation *(continued)*

3.1.2. Basis of measurement
The preparation of financial statements in conformity with Sri Lanka Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company accounting policies. The areas involving a higher degree of judgments or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

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

3.1.4. Functional and presentation currency
The financial statements are presented in Sri Lankan Rupees (LKR) the Company's functional and presentation currency, which is the currency of the primary economic environment in which the Company operates.

3.2. Basis of consolidation
The consolidated financial statements encompass Company and its Subsidiaries (together referred to as the "Group") as at the end of reporting period.

3.2.1. Subsidiaries
Subsidiaries are those entities controlled by the Group. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

1. Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
2. Exposure, or rights, to variable returns from its involvement with the investee
3. The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

1. The contractual arrangement with the other vote holders of the investee
2. Rights arising from other contractual arrangements
3. The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group

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3.2 Basis of consolidation *(continued)*

3.2.1 Subsidiaries *(continued)*

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

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

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

The financial statements for the year ended 31 March 2025 of the following subsidiary companies are included in the consolidated financial statements.

Company	*Effective Holding 2025*	*Effective Holding 2024*	*Principal Activities*
1. Digital Services Global (Private) Limited	*100%*	*100%*	*The principal activities of the Company were providing insurance tech products and services.*

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

Non-controlling interest which represents the portion of profit or loss and net assets not held by the group, are shown as a component of profit for the year in the Statement of profit or loss, statement of other comprehensive income and as a component of equity in the consolidated statement of financial position, separately from parent's shareholders' equity.

The consolidated statement of cash flows includes the cash flows of the Company and its Subsidiaries.

3.3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements of the Group requires the management to make judgments, estimates and assumptions, which may affect the amounts of income, expenditure, assets, liabilities and the disclosure of contingent liabilities, at the end of the reporting period. In the process of applying the Group's accounting policies, the key assumptions made relating to the future and the sources of estimation at the reporting date together with the related judgments that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Deferred tax assets

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to

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3.3 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS *(continued)*

Deferred tax assets *(continued)*

determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

Defined benefit plans

The cost of the retirement benefit plan of employees is determined using an actuarial valuation. The actuarial valuation is based on assumptions concerning the rate of interest, rate of salary increases, staff turnover, retirement age and going concern of the Group. Due to the long-term nature of the plan, such estimates are subject to significant uncertainty.

Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is higher of asset's fair value less costs to sell and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Provision for expected credit losses of financial assets

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the bank balances for which credit risk has not increased significantly since initial recognition which are measured at 12-month ECLs.

Useful lifetime of depreciable assets

The Group reviews its estimate of the useful lifetime of depreciable assets at each reporting date, based on the expected economic utility of the assets.

3.4 SUMMARY OF MATERIAL ACCOUNTING POLICIES APPLIED

3.4.1 Business combination and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets.

Transaction costs, other than those associated with the issue of debt or equity securities that the Group incurs in connection with a business combinations are expensed and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

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3.4 SUMMARY OF MATERIAL ACCOUNTING POLICIES APPLIED *(continued)*

3.4.1 Business combination and goodwill *(continued)*

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss recognised in statement of profit or loss.

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

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in statement of profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

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

3.4.2 Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realized or intended to sold or consumed in a normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realized within twelve months after the reporting period or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in a normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period or
- It does not have a right at the reporting date to defer settlement of the liability by the transfer of cash or other assets for at least twelve months after the reporting period.

The Group classifies all other liabilities as non- current.

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3.4 SUMMARY OF MATERIAL ACCOUNTING POLICIES APPLIED *(continued)*

3.4.3 Fair value measurement

Fair value related disclosures for assets measured at fair value or financial instruments that are not measured at fair value, for which fair values are disclosed, are summarized in the Note 26 to the financial statements.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability.

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

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

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows,

Level 1	- Quoted (unadjusted) market prices in active markets for identical assets or liabilities
Level 2	- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
Level 3	- Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

The management determines the policies and procedures for both recurring fair value measurement and for non- recurring measurement.

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

3.4.4 Taxation

Current taxes

Current income tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

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3.4 SUMMARY OF MATERIAL ACCOUNTING POLICIES APPLIED *(continued)*

3.4.4 Taxation *(continued)*

Both InsureMe Insurance Brokers (Private) Limited and Digital Services Global (Private) Limited are liable to pay tax on business and other income earned at the prevailing tax rates.

Taxable profit is determined in accordance with the provisions of Inland Revenue Act No 24 of 2017 and amendments thereto.

Deferred taxation

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carry forward of unused tax credits and unused tax losses 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 sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in 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 at the reporting date. Unrecognized deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax relating to items recognised outside statement of profit or loss is recognised. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

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

3.4.5 SLFRS 16 – Leases

SLFRS 16 is effective for annual periods beginning on or after 1 January 2019. Lessees must adopt SLFRS 16 using either a full retrospective or a modified retrospective approach.

The lessor accounting will continue however the standard requires lessees to recognise leases on their financial position as lease liabilities, with the corresponding right of-use assets. The lessee is required to recognize depreciation expenses and interest expenses streaming from the right of use asset and lease liability in statement of comprehensive income respectively.

The lessee has been provided with an exemption to disregard SLFRS 16 lessee accounting if the leases are low value or short term (less than 12 months).



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3.4 SUMMARY OF MATERIAL ACCOUNTING POLICIES APPLIED *(continued)*

3.4.6 Property, plant and equipment

Property, plant and equipment are stated at cost of purchase less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprise its purchase price and any directly attributable cost of bringing the asset to working condition for its intended use.

The cost of self-constructed assets includes the costs of materials, direct labor, and any other costs directly attributable to bringing the asset to working condition of its intended use. This also includes costs of dismantling and removing the items and restoring the site on which they are located.

Subsequent expenditure is capitalized only when it is possible that the future economic benefits embodied with the expenditure will flow to the Company and its cost can be measured reliably.

All other ongoing repairs and maintenance are expensed as incurred.

Depreciation

Depreciation is calculated by using the straight-line method on the cost of all property, plant and equipment in order to write off such amounts over the estimated useful economic life of such assets.

The estimated useful life of assets are as follows:

Asset	*Useful lives*
Office furniture	08 years
Office equipment	05 years
Computer equipment	04 years

3.4.7 Intangible assets

An Intangible asset is recognised if it is probable that future economic benefits associated with the asset will flow to the Group and the cost of the asset can be reliably measured.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized, and expenditure is charged to income statement in the year in which the expenditure is incurred.

Development expenditures on an individual project are recognised as intangible asset when the entity can demonstrate:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation is recorded in the cost of sales. During the period of development, the asset is tested for impairment annually.

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3.4 SUMMARY OF MATERIAL ACCOUNTING POLICIES APPLIED *(continued)*

3.4.7 Intangible Assets *(continued)*

The useful lives of intangible assets are assessed as either finite or indefinite lives. Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at each financial year-end and treated as accounting estimates. The amortization expense on intangible assets with finite lives is recognised in the income statement.

Intangible assets with indefinite useful lives and goodwill are not amortized but tested for impairment annually, or more frequently when an indication of impairment exists either individually or at the cash-generating unit level. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

Following initial recognition of the development expenditure of an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete, and the asset is available for use. It is amortized over the period of expected future benefit from the use or expected future sales from the related project. During the period of development, the asset is tested for impairment annually.

A summary of the policies applied to the Group's intangible assets is as follows.

Intangible assets	*Useful life*	*Impairment testing*
Developed software	5	Annually for assets not yet in use and more frequently when indicators of impairment arise. For assets in use, when indicators of impairment arise. The amortization method is reviewed at each financial year end.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the income statement when the asset is derecognized.

3.4.8 Financial instruments - initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under SLFRS 15.

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3.4 SUMMARY OF MATERIAL ACCOUNTING POLICIES APPLIED *(continued)*

3.4.8 Financial instruments - initial recognition and subsequent measurement *(continued)*

i) Financial Assets *(continued)*

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement
For purposes of subsequent measurement, financial assets are classified in four categories:

1. Financial assets at amortized cost (debt instruments)
2. Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
3. Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon de-recognition (equity instruments)
4. Financial assets at fair value through profit or loss.

However, the classification of the financial assets of the Group are limited to financial assets at amortized cost (debt instruments).

Financial assets at amortized cost (Debt instruments)
This category is the most relevant to the Group. The Group measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortized cost are subsequently measured using the Effective Interest Rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is de-recognised, modified or impaired.

The Group's financial assets at amortized cost includes trade and other receivables, cash and bank and amount due from related parties.



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3.4 SUMMARY OF MATERIAL ACCOUNTING POLICIES APPLIED *(continued)*

3.4.8 Financial instruments - initial recognition and subsequent measurement *(continued)*

i) Financial Assets (continued)

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily de-recognised (i.e., removed from the Group's statement of financial position) when:

- The rights to receive cash flows from the asset have expired,

Or

- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

Impairment of financial assets

From 31 March 2021, the Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by SLFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Group measures loss allowances at an amount equal to lifetime ECLs, except for the bank balances for which credit risk has not increased significantly since initial recognition which are measured at 12-month ECLs.

Loss allowance 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 Group 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.

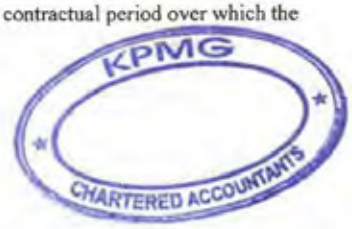
The Group considers a financial asset to be in default when:

- The debtor is unlikely to pay its credit obligation to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- The financial asset is more than 365 days past due.

The Company considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of "investment grade".

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

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



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3.4 SUMMARY OF MATERIAL ACCOUNTING POLICIES APPLIED *(continued)*

3.4.8 **Financial instruments - initial recognition and subsequent measurement** *(continued)*

i) **Financial Assets** *(continued)*

Measurement of ECLs

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

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

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost 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 occurred.

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

- Significant financial difficulty of the borrower;
- A breach of contract;
- It is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- The disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

Loss allowance for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For corporate customers, the Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery.

ii) **Financial liabilities**

Initial recognition and measurement

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

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

The Group's financial liabilities include trade and other payables, bank overdrafts, amount due to related parties, and other financial liabilities.

Derecognition

Financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.



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3.4 SUMMARY OF MATERIAL ACCOUNTING POLICIES APPLIED *(continued)*

ii) Financial liabilities *(continued)*

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

3.4.9 Cash and cash equivalents

In the statement of cash flows, cash and cash equivalents include cash in hand, term deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less net of bank overdraft.

3.4.10 Stated capital

Ordinary shares are classified as equity.

3.4.11 Employee benefits

The Company has both defined benefit and defined contribution plans.

(a) Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay further contributions. The contributions are recognized as employee benefit expense when they are due.

The Company contributes 12% on gross emoluments of employee to Employee Provident Fund (EPF) and 3% on gross emoluments of employee to Employee Trust Fund (ETF).

(b) Defined benefit plan

The Company's obligation in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is measured annually using the actuarial valuation method. The present value of the defined benefit obligation is determined by discounting.

The estimated future benefit that employees have earned in return for their services in the current and prior period.

Gains and losses arising from changes in the assumptions, current service cost and interest are recognized in the statement of comprehensive income in the period in which they arise. The retirement benefit obligation is not externally funded.

(c) Short-term employee benefit

Short-term employee benefit obligations are measured on an undiscounted amount expected to be paid for related services provided by the employees.

3.4.12 Provisions and contingent liabilities

Provisions for legal claim and other operational expenses are recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required from the Company and amounts can be estimated reliably.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. All contingent liabilities are disclosed as a note to the financial statements unless the possibility of an outflow of resources is remote.

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3.4 SUMMARY OF MATERIAL ACCOUNTING POLICIES APPLIED *(continued)*

3.4.13 Revenue from contact with customers

SLFRS 15 "Revenue from Contracts with Customers" outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue recognition guidance found across several standards and interpretations within SLFRS. It establishes a new five-step model that will apply to revenue arising from contracts with customers.

Step 1: Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that create enforceable rights and obligations and sets out the criteria for each of those rights and obligations.

Step 2: Identify the performance obligations in the contract: A performance obligation in a contract is a promise to transfer a good or service to the customer that is distinct.

Step 3: Determine the transaction price: Transaction price is the amount of consideration to which the entity expects to be entitled to in exchange for transferring the promised goods and services to a customer, excluding amounts collected from third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the entity will allocate the transaction price to each performance obligation in an amount that depicts the consideration to which the entity expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation.

Revenue represents the amounts derived from the provision of services, which fall within the Company's ordinary activities net of trade discounts and turnover related taxes.

a) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized.

b) Insurance brokerage commission income

Revenue represents the commission income derived from the insurance brokerage by offering life and general insurance solutions to corporate and individual customers.

c) Interest income

For all financial instruments measured at amortized cost and interest bearing financial assets classified as available for sale, interest income or expense is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the 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 liability, interest income is included in the finance income in the income statement.

d) Other Income

Profit or losses from disposal of furniture and equipment recognized having deducted from proceeds on disposal, the carrying value of the assets and the related expenses.

Foreign currency gains and losses are reported on a net basis.
All other income is recognized on an accrual basis.



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3.4 SUMMARY OF MATERIAL ACCOUNTING POLICIES APPLIED *(continued)*

3.4.14 Expenses

All expenditure incurred in running the business and in maintaining the Furniture and Equipment in a state of efficiency has been charged to statement of comprehensive income in arriving at the profit/(loss) for the year. Expenditure incurred for the purpose of acquiring and extending or improving assets of a permanent nature by means of which to carry on the business or for the purpose of increasing the earning capacity of the business has been treated as capital expenditure.

3.4.15 Events after the reporting period

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

3.4.16 Commitments

All material commitments at the reporting period end have been identified and disclosed in the notes to the financial statements.

3.4.17 Statement of cash flows

The Statement of Cash Flows has been prepared using the indirect method. For cash flow purposes, cash and cash equivalents are presented net of bank overdrafts.

4 EFFECTIVE OF ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

The new and amended standards and interpretations that are issued up to the date of issuance of the Company's financial statements but are not effective for the current annual reporting period, are disclosed below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

SLFRS 17 Insurance Contracts

SLFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, SLFRS 17 will replace SLFRS 4 Insurance Contracts (SLFRS 4) that was issued in 2005. SLFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of SLFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in SLFRS 4, which are largely based on grandfathering previous local accounting policies, SLFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of SLFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

SLFRS 17 is effective for annual reporting periods beginning on or after 1 January 2025, with comparative figures required. Early application is permitted, provided the entity also applies SLFRS 9 and SLFRS 15 on or before the date it first applies SLFRS 17.

This standard is not applicable to the Company.



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	Group		Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
5. Revenue				
Services transferred during the year	359,404,694	346,081,103	301,628,990	295,509,147
	359,404,694	**346,081,103**	**301,628,990**	**295,509,147**
6. Other income				
Gain on disposal of property, plant and equipment	15,000	21,485	15,000	21,485
	15,000	**21,485**	**15,000**	**21,485**
7. Finance income				
Interest income	5,793,370	11,274,532	3,381,493	8,584,751
	5,793,370	**11,274,532**	**3,381,493**	**8,584,751**
8. Profit before income tax expense				
Is stated after charging all expenses including the following:				
Auditor's remuneration				
- KPMG (Statutory audit)	803,088	650,000	404,491	350,000
Depreciation	3,749,123	3,027,357	3,749,123	3,027,357
Amortization charge on intangible assets	1,017,222	1,522,954	165,584	874,691
Personnel costs include;				
- Defined contribution plan - E.P.F and E.T.F	14,494,084	12,909,543	10,674,938	9,790,379
- Salaries, wages and other staff costs	127,520,154	117,727,242	89,941,996	84,745,700
9. Income tax expense				
Income statement				
Current taxes				
Current tax expense **(Note 9.2)**	10,407,535	4,883,683	10,407,535	4,883,683
Deferred tax charge/ (reversal) (Note 9.5)	(1,432,875)	-	(1,432,875)	-
	8,974,660	**4,883,683**	**8,974,660**	**4,883,683**
Other comprehensive income				
Deferred tax charge/ (reversal) (Note 9.2)	40,187	-	40,187	-
	40,187	-	**40,187**	-
9.1 Income tax payable				
At the beginning of the year	4,883,683	-	4,883,683	-
Charge for the year	10,407,535	4,883,683	10,407,535	4,883,683
Payments and set off against refunds	(8,016,629)	-	(8,016,629)	-
At the end of the year	**7,274,589**	**4,883,683**	**7,274,589**	**4,883,683**
9.2 Reconciliation between accounting loss and taxable income				
Accounting profit before tax	21,075,925	17,239,156	33,431,336	24,406,199
Aggregate disallowed items	8,835,432	8,140,782	5,820,790	7,294,621
Aggregate allowed items	(7,794,217)	(5,694,396)	(4,657,924)	(4,928,871)
Disposal value of PPE	97,582	(21,485)	97,582	(21,485)
Tax losses from subsidiary	14,888,939	9,776,188	-	-
Interest income	(5,793,370)	(11,274,532)	(3,381,493)	(8,584,751)
Taxable income from trade	**31,310,291**	**18,165,713**	**31,310,291**	**18,165,713**
Interest income liable to tax	-	-	-	-
Disposal value of PPE	-	21,485	-	21,485
WHT on interest income	-	-	-	-
Assessable income from investment	-	-	-	-
Tax written down value	-	-	-	-
Profit exempt - IT services	-	-	-	-
Tax loss claimed during the year **(Note 9.3)**	(2,411,877)	(8,188,259)	-	(8,188,259)
Assessable income from business	28,898,414	9,998,939	31,310,291	9,998,938
Assessable income from investment	5,793,370	8,584,751	3,381,493	8,584,751
Taxable income	**34,691,784**	**18,583,690**	34,691,784	**18,583,689**
Total income tax charged at;				
Standard rate (Tax Rate @ 30%)	10,407,535	5,575,107	10,407,535	5,575,107
Total income tax expense for the year	10,407,535	5,575,107	10,407,535	5,575,107

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	Group		Company	
	2025	2024	2025	2024
9.3 Tax losses carried forward	Rs.	Rs.	Rs.	Rs.
Tax loss brought forward	7,086,407	8,188,259	-	8,188,259
Tax loss for the year of assessment	14,888,939	9,776,188	-	-
Tax loss deducted against interest income	(2,411,877)	(2,689,781)	-	-
Tax loss claimed during the year	-	(8,188,259)	-	(8,188,259)
Tax loss carried forward	**19,563,469**	**7,086,407**	-	-

9.4 In terms of the Inland Revenue Act No. 24 of 2017 and amendments thereto, the Company is liable for income tax at the rate of 30% on its taxable income.

	Group		Company	
	2025	2024	2025	2024
9.5 Deferred tax asset	Rs.	Rs.	Rs.	Rs.
Unrecognized deferred tax assets				
Balance at the beginning of the year	-	-	-	-
Origination of temporary differences recognized in profit or loss	1,392,687	-	1,392,687	-
Balance at the end of the year	**1,392,687**	-	**1,392,687**	-
Deferred tax assets and liabilities				
Deferred tax assets	1,993,196	-	1,993,196	-
Deferred tax liabilities	(600,509)	-	(600,509)	-
Total net deferred tax asset as at the end of the year	**1,392,687**	-	**1,392,687**	-

Summary of net deferred tax asset	2025		2024	
	Temporary difference	Tax effect @ 30%	Temporary difference	Tax effect @ 30%
	Rs.	Rs.	Rs.	Rs.
Group				
Deferred tax liabilities on:				
Property, plant and equipment and intangible assets	1,867,739	560,322	-	-
Actuarial gain on retirement benefit obligation	133,958	40,187	-	-
Total deferred tax liabilities	**2,001,697**	**600,509**	-	-
Deferred tax assets on:				
Tax effect on retirement benefit obligation	6,643,988	1,993,196	-	-
Total deferred tax assets	**6,643,988**	**1,993,196**	-	-
Net deferred tax asset	**4,642,291**	**1,392,687**	-	-
Company				
Deferred tax liabilities on:				
Property, plant and equipment and intangible assets	1,867,739	560,322	-	-
Actuarial gain on retirement benefit obligation	133,958	40,187	-	-
Total deferred tax liabilities	**2,001,697**	**600,509**	-	-
Deferred tax assets on:				
Tax effect on retirement benefit obligation	6,643,988	1,993,196	-	-
Total deferred tax assets	**6,643,988**	**1,993,196**	-	-
Net deferred tax asset	**4,642,291**	**1,392,687**	-	-

Applicable tax rate used for deferred tax computation is 30%

Management has measured the deferred tax assets and liabilities by applying the tax rates which have been enacted by the Inland Revenue Act, No 24 of 2017 as at the end of reporting period, in accordance with LKAS 12 paragraph 46.

In the current year, the Group has recognized a deferred tax asset amounting to Rs.1,392,687 relating to taxable temporary differences arising in the parent company.

Deferred tax assets related to carried forward tax losses and other deductible temporary differences in the subsidiary continue to remain unrecognized due to the absence of sufficient probable future taxable profits.

In the previous year, no deferred tax assets or liabilities were recognized in the statement of financial position. Unrecognized deferred tax assets were disclosed separately, as management assessed that the recognition criteria under LKAS 12 were not met.

10 Basic earnings per share

The earnings per share is computed on the profit attributable to ordinary shareholders after tax divided by the weighted average number of ordinary shares in issue during the year.

	Group		Company	
	2025	2024	2025	2024
Profit attributable to ordinary shareholders (Rs.)	11,789,142	12,099,971	24,550,447	18,924,838
Weighted average number of ordinary shares as at end of the year (No.)	2,055,290	2,029,274	2,055,290	2,029,274
Basic earnings per share (Rs.)	5.74	5.96	11.95	9.33

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INSUREME INSURANCE BROKERS (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
As at 31 March.

11. Property, plant and equipment (Company)

	Office furniture Rs.	Computer equipment Rs.	Office equipment Rs.	Total Rs.
Cost				
At the beginning of the year	5,290,603	9,309,862	5,559,326	20,159,791
Additions during the year	270,875	2,851,963	281,483	3,404,321
Disposal during the year	(186,582)	(1,320,090)	(231,767)	(1,738,439)
At the end of the year	**5,374,896**	**10,841,735**	**5,609,042**	**21,825,673**
Accumulated depreciation				
At the beginning of the year	1,757,565	3,293,156	2,335,310	7,386,031
Charge for the year	629,420	2,262,043	857,660	3,749,123
Disposal during the year	(82,281)	(958,766)	(231,767)	(1,272,814)
At the end of the year	2,304,704	4,596,433	2,961,203	9,862,340
Carrying value				
As at 31 March 2025	**3,070,192**	**6,245,302**	**2,647,839**	**11,963,333**
As at 31 March 2024	3,533,038	6,016,706	3,224,016	12,773,760

	Group		Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
12 Intangible assets				
InsureMe Platform (Note 12.1)	214,020	353,675	214,020	353,675
Mobile Application (Software) (Note 12.2)	-	25,929	-	25,929
Digi KYC Online Platform (Note 12.3)	1,182,986	1,601,511	-	-
Digi Mobile App Platform (Note 12.4)	12,918,707	1,197,977	-	-
Capital work in progress - InsureMe Platform (Note 12.5)	1,120,000	1,120,000	1,120,000	1,120,000
Capital work in progress - Digi Mobile App Platform (Note 12.6)	-	13,140,842	-	-
Capital work in progress -Digi Eye (Note 12.7)	14,821,137	-	-	-
Capital work in progress -Project Maji (Note 12.8)	4,288,586	-	-	-
	34,545,436	17,739,934	1,334,020	1,499,604

12.1 InsureMe Platform

Cost				
Balance at the beginning of the year	7,113,746	7,113,746	7,113,746	7,113,746
Additions during the year	-	-	-	-
Transfers during the year (Note 12.3)	-	-	-	-
Balance at the end of the year	7,113,746	7,113,746	7,113,746	7,113,746
Accumulated amortization				
Balance at the beginning of the year	6,760,071	6,144,521	6,760,071	6,144,521
Charge during the year	139,655	615,550	139,655	615,550
Balance at the end of the year	6,899,726	6,760,071	6,899,726	6,760,071
Carrying amount	214,020	353,675	214,020	353,675

12.2 Mobile Application (Software)

Cost				
Balance at the beginning of the year	1,295,703	1,295,703	1,295,703	1,295,703
Additions during the year	-	-	-	-
Transfers during the year	-	-	-	-
Balance at the end of the year	1,295,703	1,295,703	1,295,703	1,295,703
Accumulated amortization				
Balance at the beginning of the year	1,269,774	1,010,634	1,269,774	1,010,634
Charge during the year	25,929	259,141	25,929	259,141
Balance at the end of the year	1,295,703	1,269,774	1,295,703	1,269,774
Carrying amount	-	25,929	-	25,929

12.3 Digi KYC Online Platform

Cost				
Balance at the beginning of the year	2,092,625	1,996,025	-	-
Additions during the year	-	96,600	-	-
Balance at the end of the year	2,092,625	2,092,625	-	-
Accumulated amortization				
Balance at the beginning of the year	491,114	79,873	-	-
Charge during the year	418 525	411,240	-	-
Balance at the end of the year	909,639	491,114	-	-
Carrying amount	1,182,986	1,601,511	-	-

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	Group		Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
12.4 Digi Mobile App Platform				
Cost				
Balance at the beginning of the year	1,735,000	-	-	-
Additions during the year	13,588,842	1,735,000	-	-
Written off during the year	(1,735,000)	-	-	-
Balance at the end of the year	13,588,842	1,735,000	-	-
Accumulated amortization				
Balance at the beginning of the year	237,022	-	-	-
Charge during the year	433,113	237,023	-	-
Balance at the end of the year	670,135	237,023	-	-
Carrying amount	12,918,707	1,497,977	-	-
12.5 Capital work in progress -InsureMe Platform				
Balance at the beginning of the year	1,120,000	1,200,000	1,120,000	1,200,000
Additions during the year	-	1,655,000	-	1,655,000
Transfers during the year	-	(1,735,000)	-	(1,735,000)
Balance at the end of the year	1,120,000	1,120,000	1,120,000	1,120,000
12.6 Capital work in progress - Digi Mobile App Platform				
Balance at the beginning of the year	13,140,842	-	-	-
Additions during the year	-	13,140,842	-	-
Transfers during the year	(13,140,842)	-	-	-
Balance at the end of the year	-	13,140,842	-	-
12.7 Capital work in progress - Digi Eye				
Balance at the beginning of the year	-	-	-	-
Additions during the year	14,821,137	-	-	-
Balance at the end of the year	14,821,137	-	-	-
12.8 Capital work in progress - Project MAJI				
Balance at the beginning of the year	-	-	-	-
Additions during the year	4,288,586	-	-	-
Balance at the end of the year	4,288,586	-	-	-
13. Trade and other receivables				
Trade receivables	136,759,967	146,857,288	121,156,674	137,732,428
Provision for bad and doubtful debts	(3,112,520)	(8,462,391)	(2,281,520)	(5,228,931)
Advances and prepayments	10,049,422	8,011,150	9,365,957	5,963,480
Interest receivable	1,355,374	205,349	1,139,700	1,331,156
	145,052,243	146,611,396	129,380,811	139,798,133
14. Amounts due from related parties				
Digital Services Global (Pvt) Limited	-	-	61,270,868	20,252,305
	-	-	61,270,868	20,252,305
15. Cash and cash equivalents				
Favorable balance				
Short term investments	-	14,000,000	-	-
Fixed deposits	52,144,415	40,013,986	42,351,729	31,924,772
Cash at bank	60,531,477	19,540,370	27,175,614	8,460,146
Cash in hand	40,000	55,000	40,000	55,000
	112,715,892	73,609,356	69,567,343	39,539,918
Unfavorable balance				
Bank overdraft	1,777,047	2,607,835	1,777,047	2,607,835
Cash and cash equivalent for the purpose of statement of cash flows	110,938,845	71,001,521	67,790,296	36,932,083

16. Stated Capital	2025		2024	
	Rs.	No. of Shares	Rs.	No. of Shares
Balance at the beginning of the year	96,389,196	2,029,274	96,389,196	2,029,274
Share issue during the year	14,999,785	26,016	-	-
Balance at the end of the year	111,388,981	2,055,290	96,389,196	2,029,274

During the year, the Company issued 26,016 ordinary shares for a total consideration of Rs.14,999,785/-.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per individual present at meeting of the shareholders or one vote per share in the case of a poll.

	Group		Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
17. Retirement benefit obligation				
Balance as at 01 April	6,140,476	4,194,304	5,790,781	3,940,399
Current service cost	1,528,260	1,211,808	1,138,722	1,064,691
Interest cost	675,452	838,861	636,986	788,080
Transfer of employee into company	-	-	-	(240,067)
Retirement benefit obligation paid	(922,500)	(360,000)	(922,500)	(360,000)
Actuarial loss/ (gains) on retirement benefit plans net of tax	271,941	255,503	(133,958)	597,678
Balance as at 31 March	7,693,629	6,140,476	6,510,031	5,790,781

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17. Retirement benefit obligation *(Continued)*

The retirement benefit liability of the Company is calculated using the Projected Unit Credit method as required by LKAS 19 - "Employee Benefits". The principal assumptions used are as follows:

	Group		Company	
	2025	2024	2025	2024
Rate of discount	9.5%	11%	9.5%	11%
Rate of salary increment	7%	8%	7%	8%
Retirement age (in years)	60	60	60	60

Sensitivity analysis

17.1 Sensitivity analysis - salary increment rate

Values appearing in the separate financial statements are sensitive to the changes of financial and non-financial assumptions used in the valuation of retirement benefit obligations. The sensitivity was carried for salary increment rate. Simulations made for retirement benefit obligations show that an increase or decrease by 1% of the rate of salary increment has the following effect on the retirement benefit obligations:

	Group		Company	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
Percentage change in salary increment rate				
1% Increase	7,894,718	6,350,599	6,671,076	5,987,196
1% Decrease	7,499,616	5,939,690	6,354,442	5,603,199

17.2 Sensitivity analysis - discount rate

Values appearing in the separate financial statements are sensitive to the changes of financial and non-financial assumptions used in the valuation of retirement benefit obligations. The sensitivity was carried for salary increment rate. Simulations made for retirement benefit obligations show that an increase or decrease by 1% of the rate of salary increment has the following effect on the retirement benefit obligations:

	Group		Company	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
Percentage change in discount rate				
1% Increase	7,533,916	5,972,934	6,382,435	5,634,585
1% Decrease	7,861,883	6,318,601	6,644,281	5,956,917

17.3 Maturity analysis of the payments

The following payments are expected on employee benefit plan - gratuity in future years

	Group		Company	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
Within the next 12 months	1,703,414	78,240	1,703,414	78,240
Between 1 and 2 years	-	-	-	-
Between 2 and 5 years	5,990,214	6,062,237	4,806,617	5,712,542
Between 5 and 10 years	-	-	-	-
Beyond 10 years	-	-	-	-
Total expected payments	7,693,628	6,140,477	6,510,031	5,790,782
Weighted average duration (years) of defined benefit obligation	2.5	3.1	2.5	3.1

18 Trade and other payables

Accrued expenses	11,262,033	19,660,164	8,205,734	5,690,511
Premium payable	11,417,773	3,330,785	11,417,773	3,330,785
Float funds	29,271,256	12,509,485	-	-
Other payable	93,711,346	85,129,027	92,980,592	84,367,061
	145,662,408	120,629,461	112,604,099	93,388,357

19 Related party transactions

(a) Transaction with related entity

Name of the Company	Relationship	Nature of transaction	Company 2025 Rs. Amount receivables/ (payables)	Company 2024 Rs. Amount receivables/ (payables)
Digital Services Global (Private) Limited	Subsidiary	Working capital financing	61,270,868	20,252,305

(b) Transactions with key management personnel

According to Sri Lanka Accounting Standard 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 Company identify the Board of Directors as key management personnel. The total remuneration paid to them is Rs. 15,000,000/- for the year ended 31 March 2025.

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20 **Going concern**

The Group and the Company have applied the going concern basis for the preparation of financial statements considering several new strategic initiatives planned for the ensuing year focusing on improving the financial performance of the Group and the Company which have been explained in detail below.

Digital Services Global (Private) Limited

Digital Services Global (Private) Limited which is a fully owned subsidiary of the Company, has incurred a loss of Rs 12,355,406. (2024: loss Rs 7,167,043) As at 31 March 2025 the current liability exceeding its current asset Rs 35,509,196, (2024: Rs 6,610,708), and negative net asset Rs 3,481,377, whereas (2024: positive net asset Rs.9,279,928). Notwithstanding this, the Financial Statements of the Group has been prepared on a going concern basis and the Board of Directors are of the view that it is appropriate to use the going concern basis for the preparation of Financial Statements considering below facts and circumstances.

The Company InsureMe Insurance Brokers (Private) Limited through a Letter of Support has undertaken to provide financial support to the Group to ensure that it can pay its debts as and when they fall due and payable for a minimum of 12 months period from the date of approval of these Financial Statements by the Board of Directors.

In addition, the Group Management believes that the financial position and the performance of the Group will improve with the implementation of below strategies;

Significant cash inflows are expected in the near term from newly onboarded clients, which will materially improve the Company's current asset position. The Company has also made substantial investments in the development of a new software product, which is nearing completion and forms the foundation of its international expansion strategy. A client has already been onboarded in Singapore subsequently, with ongoing negotiations in the UAE, and active engagement with potential clients in Cambodia and parts of Africa. These developments provide management with confidence in the Company's ability to scale operations and generate significant future revenues.

Further, the Group Management does not have any intention to liquidate Digital Services Global (Private) Limited to cease the operations in the near future. The management further envisages that with the implementation of new planned initiatives and expansion of operations of the Group, mentioned above, will help to establish long term improved profitability in the business sectors in which the Group and the Company operates. Thus, the Board of Directors are of the view that the Group and the Company are able to continue as going concern in the foreseeable future and accordingly, the consolidated Financial Statements have been prepared on going concern basis.

21. **Commitments and contingencies**

No pending litigation or claim against InsureMe Insurance Brokers (Private) Limited as at the year ended 31 March 2025.

22. **Events occurring after the reporting period**

No material event has occurred subsequent to the reporting period, which require adjustments to or disclosures in the separate financial statements.

	Group		Company	
	2025	2024	2025	2024
23. Financial risk management	Rs.	Rs.	Rs.	Rs.
23.1 Summary of financial instruments				
Financial assets				
Loans and receivables				
SOFP Line item:				
Trade and other receivables	145,052,243	146,611,396	129,380,811	139,798,133
Amount due from related parties	-	-	61,270,868	20,252,305
Cash and cash equivalents	112,715,892	73,609,356	69,567,343	39,539,918
	257,768,135	**220,220,752**	**260,219,022**	**199,590,356**
Financial liabilities				
Other Financial Liabilities				
SOFP Line item:				
Trade and other payables	145,662,408	120,629,461	112,604,099	93,388,357
Income tax payable	7,274,589	4,883,683	7,274,589	4,883,683
Bank Overdraft	1,777,047	2,607,835	1,777,047	2,607,835
	154,714,044	**128,120,979**	**121,655,735**	**100,879,875**

The Company has exposure to the following risks from its use of financial instruments.

- Credit risk
- Liquidity risk
- Market risk

This note presents the qualitative and quantitative information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risks, 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 Company's risk management policies are established to identify and analyse the risk faced by the Company, to set appropriate risk limits and controls, and to monitor risk 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.

(i) Credit risk

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

Exposure to credit risk

The Company trades only with recognized, creditworthy third parties. It is the Company's policy that all clients who wish to trade on credit terms are subject to credit verification procedures and contractual agreement made for every high-value transactions. In addition, receivable balances are monitored on an ongoing basis with the result that the Company's exposure to bad debts is not significant.

With respect to credit risk arising from the other financial assets of the Company, such as cash and cash equivalents and financial instruments, The Company's exposure to credit risk arises from default of the counter party. The Company manages its operations to avoid any excessive concentration of counter party risk and the Company takes all reasonable steps to ensure the counter parties fulfil their obligations.

The carrying amount of financial assets represent the maximum credit exposure. The maximum exposure to the credit risk as is:

As at 31 March,	Carrying amount Group		Carrying amount Company	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
Financial assets				
Trade and other receivables	145,052,243	146,611,396	129,380,811	139,798,133
Amount due from related parties	-	-	61,270,868	20,252,305
Cash and cash equivalents	112,715,892	73,609,356	69,567,343	39,539,918
Total	**257,768,135**	**220,220,752**	**260,219,022**	**199,590,356**

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23. Financial risk management (continued)

(i) Credit risk (continued)

Exposure to credit risk (continued)

The aging of trade receivables at the reporting date was as follows:

Company	2025		2024	
	Gross carrying value Rs.	Allowance for expected credit losses Rs.	Gross carrying value Rs.	Allowance for expected credit losses Rs.
Not past due	60,989,040	-	29,005,399	-
31-365 days	56,959,459	-	23,362,041	-
Past due more than 365 days	3,208,176	2,281,520	5,228,931	5,228,931
	121,156,674	2,281,520	57,596,371	5,228,931

Group	2025		2024	
	Gross carrying value Rs.	Allowance for expected credit losses Rs.	Gross carrying value Rs.	Allowance for expected credit losses Rs.
Not past due	74,014,648	-	29,005,399	-
31-365 days	58,706,144	-	29,050,942	-
Past due more than 365 days	4,039,176	3,112,520	8,664,891	8,144,091
	136,759,967	3,112,520	66,721,232	8,144,091

Cash and cash equivalents

The Company held bank balances of Rs. 27,175,614 as at 31 March 2025 which represent its maximum credit exposure on these assets.

(ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

To measure and mitigate liquidity risk, Company will closely monitor its net operating cash flow, maintained a level of cash and cash equivalents and secured committed funding facilities from financial institutions

Followings are the contractual maturity of financial liabilities

Company	Carrying amount Rs.	0-12 months Rs.	More than 1 year Rs.
31 March 2025			
Financial liabilities (non derivatives)			
Trade and other payables	112,604,099	112,604,099	-
Income tax payable	7,274,589	7,274,589	-
Bank overdraft	1,777,047	1,777,047	-
	121,655,735	121,655,735	-
31 March 2024			
Financial liabilities (non derivatives)			
Trade and other payables	93,388,357	93,388,357	-
Income tax payable	4,883,683	4,883,683	-
Bank overdraft	2,607,835	2,607,835	-
	100,879,875	100,879,875	-
Group			
31 March 2025			
Financial liabilities (non derivatives)			
Trade and other payables	145,662,408	145,662,408	-
Income tax payable	7,274,589	7,274,589	-
Bank overdraft	1,777,047	1,777,047	-
	154,714,044	154,714,044	-
31 March 2024			
Financial liabilities (non derivatives)			
Trade and other payables	120,629,461	120,629,461	-
Income tax payable	4,883,683	4,883,683	-
Bank overdraft	2,607,835	2,607,835	-
	128,120,979	128,120,979	-

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

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