41 Insurance claims and benefits (net)

For the year ended 31 March	Group		Company	
	2025	2024	2025	2024
	LKR '000	LKR '000	LKR '000	LKR '000
Gross benefits and claims paid				
Life insurance contracts	(4,209,150)	(3,437,015)	-	-
Claims ceded to reinsurers				
Life insurance contracts	162,130	378,481	-	-
Gross change in claims liabilities				
Change in life insurance contract liabilities	115,664	(72,528)	-	-
Change in contract liabilities ceded to reinsurers				
Change in life insurance contract liabilities	(7,193)	(273,971)	-	-
Net benefits and claims	(3,938,349)	(3,405,033)	-	-

42 Underwriting and net acquisition costs

For the year ended 31 March	Group		Company	
	2025	2024	2025	2024
	LKR '000	LKR '000	LKR '000	LKR '000
Life insurance				
Commission expenses for insurance contracts	(1,017,900)	(572,578)	-	-
Staff cost - Marketing	(644,827)	(590,014)	-	-
	(1,662,727)	(1,162,592)	-	-

KPMG Chartered Accountants

NOTES TO THE FINANCIAL STATEMENTS

43 Other operating income

For the year ended 31 March	Note	Group 2025 LKR '000	Group 2024 LKR '000	Company 2025 LKR '000	Company 2024 LKR '000
Fee and commission income		182,928	194,092	13,721	18,778
Net realized gains/(losses)	43.1	2,090,856	(514,090)	(1,374)	(102,729)
Collections from written off contracts	43.2	43,225	20,995	-	-
Rental income		99,136	26,969	-	6,152
Late fee recovery		3,600	1,951	-	-
Claims & commissions		14,739	-	14,739	-
Fair value loss on biological assets		-	(498,900)	-	(498,900)
Fair value gains on investment properties		34,490	42,355	(500)	-
Sundry income		313,255	146,375	53,023	467
		2,782,229	(580,253)	79,609	(576,232)

43.1	**Net realized gains/(losses)**					
	Gain on disposal of subsidiary shares		-	-	-	294,532
	Gain on disposal of property, plant and equipment		2,233	339	-	-
	Gain on disposal of leasehold property		-	2,817	-	2,817
	Capital gain/(loss) on disposal of financial assets	43.1.1	2,072,193	(117,130)	-	-
	Gain on disposal of quoted shares		17,806			
	Exchange gain/(loss)		(1,376)	1,384	(1,374)	1,421
	Fair value changes - IP and related companies		-	(401,500)	-	(401,500)
			2,090,856	(514,090)	(1,374)	(102,730)
43.1.1	**Capital gain/(loss) on disposal of financial assets**					
	Government securities		1,286,084	90,584	-	-
	Equity securities		786,109	(207,714)	-	-
			2,072,193	(117,130)	-	-

43.2 Collections from written off contracts relates to Janashakthi Finance PLC amounting to LKR 43.23 Mn (2023/24 - LKR 20.99 Mn).

	For the year ended 31 March	Group 2025 LKR '000	Group 2024 LKR '000	Company 2025 LKR '000	Company 2024 LKR '000
43.3	**Change in fair value of financial assets - Fair value through profit or loss**				
	Government securities	**593,346**	(330,272)	**22,495**	28,295
	Listed debentures	**113,694**	228,247	**-**	-
	Listed equity securities	**3,168,674**	5,069,149	**(45,693)**	(22,847)
	Unit trusts	**41,170**	299,718	**15,724**	1,094
	Derivative financial instruments - Government securities	**21,862**	82,583	**-**	-
		3,938,746	5,349,425	**(7,474)**	6,542

Changes in fair valuation of financial investments has been accounted for in accordance with the SLFRS 9.

44 Administrative & other operating expenses

For the year ended 31 March	Group 2025 LKR '000	Group 2024 LKR '000	Company 2025 LKR '000	Company 2024 LKR '000
Staff expenses	**3,464,861**	4,601,435	**283,417**	212,127
Administration & establishment expenses	**1,639,041**	749,221	**164,738**	106,722
Government levies	**579,266**	764,963	**-**	-
Depreciation & amortisation	**518,590**	339,688	**33,456**	7,169
Others	**427,409**	985,421	**23,513**	681,435
	6,629,167	7,440,728	**505,124**	1,007,453

45 Impairment charges/ (reversals) of loans and receivables from customers and investment in financial assets at amortized cost

For the year ended 31 March	Note	Group 2025 LKR '000	Group 2024 LKR '000	Company 2025 LKR '000	Company 2024 LKR '000
Finance lease receivables	45.1	**76,986**	181,329	**-**	-
Hire purchase receivables	45.2	**2,569**	3,533	**-**	-
Other loans receivable	45.3	**(2,435)**	(35,425)	**-**	-
Factoring receivable	45.4	**-**	(17,886)	**-**	-
Gold loan receivables	45.5	**(2,600)**	3,698	**-**	-
Alternative finance and other receivable	45.6	**(12,060)**	4,930	**(295,003)**	273,330
Financial instruments	45.7	**(45,375)**	(120,679)	**-**	-
		17,085	19,500	**(295,003)**	273,330

KPMG Chartered Accountants

NOTES TO THE FINANCIAL STATEMENTS

	For the year ended 31 March	Group 2025 LKR '000	Group 2024 LKR '000	Company 2025 LKR '000	Company 2024 LKR '000
45.1	**Finance lease receivable**				
	Stage 01	**(957)**	(46,697)	-	-
	Stage 02	**(73,021)**	4,624	-	-
	Stage 03	**150,964**	223,402	-	-
		76,986	181,329	-	-
45.2	**Hire purchase receivable**				
	Stage 01	-	-	-	-
	Stage 02	-	-	-	-
	Stage 03	**2,569**	3,533	-	-
		2,569	3,533	-	-
45.3	**Other loans receivable**				
	Stage 01	**(569)**	(2,269)	-	-
	Stage 02	**(911)**	(11,137)	-	-
	Stage 03	**(935)**	(22,020)	-	-
		(2,435)	(35,426)	-	-
45.4	Factoring receivable				
	Stage 01	-	-	-	-
	Stage 02	-	(1,903)	-	-
	Stage 03	-	(15,982)	-	-
		-	(17,885)	-	-
45.5	Gold loan receivable				
	Stage 01	2,766	(932)	-	-
	Stage 02	(332)	(1)	-	-
	Stage 03	(5,034)	4,631	-	-
		(2,600)	3,698	-	-
45.6	**Alternative Finance**				
	Stage 01	**(17,770)**	3,786	**(295,003)**	273,330
	Stage 02	**1,218**	1,897	-	-
	Stage 03	**4,492**	(754)	-	-
		(12,060)	4,930	**(295,003)**	273,330
45.7	Financial instruments				
	Stage 01	(45,375)	(120,679)	-	-
		(45,375)	(120,679)	-	-

KPMG Chartered Accountants

46 Profit/(loss) from operating activities stated after charging / (crediting) :

For the year ended 31 March,	Group		Company	
	2025	2024	2025	2024
	LKR '000	LKR '000	LKR '000	LKR '000
Depreciation and amortization	518,590	339,688	33,456	7,169
Auditors' remuneration - Audit	11,699	7,094	2,427	1,700
- Non-Audit	30,777	3,191	-	-
Personnel costs includes :				
Defined benefit plan costs - Gratuity	80,953	36,487	15,588	4,777
Salaries and defined contribution plan costs - EPF and ETF	2,949,701	1,174,377	267,829	197,906
Directors' fees and emoluments	396,826	240,033	22,575	9,443

47 Finance income

For the year ended 31 March,	Group		Company	
	2025	2024	2025	2024
	LKR '000	LKR '000	LKR '000	LKR '000
Interest income from investments	3,343,594	3,872,030	157,748	110,101
	3,343,594	3,872,030	157,748	110,101

48 Finance cost

For the year ended 31 March,	Group		Company	
	2025	2024	2025	2024
	LKR '000	LKR '000	LKR '000	LKR '000
Interest on bank facilities	15,902	36,654	1,103	19,529
Interest on loans and borrowings	1,789,472	3,297,268	2,155,969	4,692,115
Interest on debentures	304,612	126,524	304,612	126,524
Interest on unwinding of lease liabilities	109,701	86,924	10,838	2,379
Placement fees and corporate guarantees	28,382	40,335	28,382	40,335
Bank charges	5	6	-	-
	2,248,074	3,587,711	2,500,904	4,880,882



NOTES TO THE FINANCIAL STATEMENTS

49 Income tax expense

For the year ended 31 March,	Note	Group 2025 LKR '000	Group 2024 LKR '000	Company 2025 LKR '000	Company 2024 LKR '000
Current tax provision	50.1	2,536,457	6,127,043	-	-
Over provision for the prior year		527,580	(66,510)	-	-
Deferred taxation charge	14	(362,215)	(2,174)	-	-
Withholding tax on dividend declared from subsidiary companies		730,793	1,360,307	(516,256)	(146,668)
Income tax expenses for the year		3,432,615	7,418,666	(516,256)	(146,668)
Recognized in other comprehensive income					
Deferred tax assets (reversals)/origination during the year		1,447	3,621	-	-
		3,436,235	7,422,287	(516,256)	(146,668)
49.1 Reconciliation of accounting profit to income tax expense					
Profit / (Loss) before taxation		15,766,750	15,379,686	4,014,765	4,290,988
Less : Income from other sources		(208,476)	(116,253)	(208,476)	(116,253)
Less : Exempted income		(10,470,510)	145,358	(6,668,667)	(11,225,105)
Add : Disallowable expenses		9,841,401	6,869,481	3,093,132	1,638,944
Less : Allowable expenses		(6,294,615)	(6,354,406)	(27,368)	(258,019)
Adjusted Profit/(Loss) for the year		8,634,550	15,923,866	3,386	(5,669,445)
Add : Income from other sources		188,698	116,253	157,984	116,253
Add : Biological Assets Sales proceed		-	429,500	-	429,500
Add : Adjusted Business Profit/(Loss)		70,073	5,883,324	-	-
Total statutory income		8,893,321	22,352,943	161,370	(5,123,692)
Tax loss claimed during the year		(453,546)	(560,307)	(161,370)	(116,253)
Taxable income		8,439,975	21,792,636	-	(5,239,945)
Income tax expense					
Tax at 10% on gain on realisation of Investment Assets		-	-	-	-
Tax at 14% on Dividend Income		-	-	-	-
Tax at 15%		-	-	-	-
Tax at 24% on balance taxable Income		-	-	-	-
Tax at 30%		2,536,458	6,127,043	-	-
		2,536,458	6,127,043	-	-

KPMG Chartered Accountants

50 Basic (loss) /earnings per share

Basic earnings/(loss) per ordinary share is calculated by dividing net profit/(loss) after taxation for the year attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the year.

For the year ended 31 March,	Group		Company	
	2025	2024	2025	2024
	LKR '000	LKR '000	LKR '000	LKR '000
Net profit/(loss) attributable to ordinary shareholders (LKR'000')	3,155,366	4,317,269	3,498,509	4,144,320
Weighted average number of ordinary shares (Nos. '000)	633,551	633,551	633,551	633,551
Basic profit/(loss) per share (LKR)	4.98	6.81	5.52	6.54

51 Involvement with unconsolidated structured entities

The table below describes the type of structured entities that the Group does not consolidate but in which it holds an interest.

Name of the Fund	Nature of Business	Date of Incorporation	Managing Company	Investment made by First Capital Limited and First Capital Asset Management Limited (LKR 000)	Management fee received by First Capital Asset Management Limited (LKR 000)
First Capital Wealth Fund	The Unit Trust engages in investment in medium term fixed income securities (i.e. Government Securities and Corporate Debt Securities) on behalf of its clients.	18 August 2010	First Capital Asset Management Limited	-	2,959
First Capital Money Market Fund	The Unit Trust engages in investment in Short Term Fixed Income Securities on behalf of its clients.	16 September 2014	First Capital Asset Management Limited	140,882	302,383
First Capital Gilt-Edged Fund	The Unit Trust engages in investment in Government securities on behalf of its clients.	16 September 2014	First Capital Asset Management Limited	-	1,078
First Capital Fixed Income Fund	The Unit Trust engages in investment in fixed income securities (i.e. Government Securities and Corporate Debt Securities) on behalf of its clients.	25 April 2014	First Capital Asset Management Limited	-	5,770
First Capital Equity Fund	The Unit Trust engages in investment in equity shares on behalf of its clients.	30 July 2015	First Capital Asset Management Limited	37,975	9,109
First Capital Money Market Fund	The Unit Trust engages in investment in corporate debt and government securities with maturities of less than one year, while offering customers the flexibility to access their funds through ATMs.	12 January 2024	First Capital Asset Management Limited	-	525



NOTES TO THE FINANCIAL STATEMENTS

Summarised financial performance of the above unit trusts are as follows.

Year ended 31 March 2025

Name of the Fund	Income LKR '000	Profit/ (loss) after tax for the year LKR '000	Total Equity LKR '000	Net Asset per Unit LKR
First Capital Wealth Fund	40,373	39,375	352,889	2,115
First Capital Money Market Fund	6,477,154	5,863,397	70,398,160	3,364
First Capital Gilt-Edged Fund	20,470	18,265	216,295	2,522
First Capital Fixed Income Fund	388,025	149,267	1,580,862	4,024
First Capital Equity Fund	241,409	211,964	712,243	3,268
First Capital Money Plus Fund	10,459	9,721	235,322	1,086

Year ended 31 March 2024

Name of the Fund	Income LKR '000	Profit/ (loss) after tax for the year LKR '000	Total Equity LKR '000	Net Asset per Unit LKR
First Capital Wealth Fund	33,588	52,950	169,081	1,826
First Capital Money Market Fund	4,063,909	4,181,433	48,588,563	3,057
First Capital Gilt-Edged Fund	118,594	109,305	229,290	2,317
First Capital Fixed Income Fund	183,092	477,841	1,105,708	3,537
First Capital Equity Fund	16,083	35,825	295,454	2,402

Group had not provided financial or other support to an unconsolidated Structured Entity.

KPMG Chartered Accountants

52 Related party disclosures

52.1 Directorships in other companies

The Directors of Janashakthi Limited are also Directors of the following companies.

Name of the company	Relationship	Mr. Prakash Anand Schaffter	Mrs. Manjula Mathews	Mr. Ramesh Schaffter	Mr. Piranavan Sivagananathan	Mr. Chandana Lal de Silva	Mr. Rohan Saliya Abeysinghe Weera Wickramasuriya	Mr. Vishnuvarthana Vijayathithan Balachandran	Ms. Minette Perera
Janashakthi Limited	Subsidiary	NI Ex Director/ Deputy Chairman	Non-Independent Non-Executive Director	Managing Director/Group CEO	Independent Non-Executive Director	Chairman / Independent Non Executive Director	Independent Non-Executive Director	Independent Non-Executive Director	Independent Non-Executive Director
Janashakthi Insurance PLC	Subsidiary	Executive Deputy Chairman		Non-Independent Non-Executive Director					
Financial Investment Management & Support Services (Pvt)	Subsidiary				Director				
First Capital Asset Management Limited	Subsidiary								Non-Independent Non-Executive Director
First Capital Holdings PLC	Subsidiary		Deputy Chairperson	Non-Independent Non-Executive Director					
First Capital Limited	Subsidiary		Deputy Chairperson	Director					
First Capital Markets Limited	Subsidiary		Director						
First Capital Treasuries PLC	Subsidiary		Non-Independent Non-Executive Director/ Chairperson	Non-Independent Non-Executive Director					Non-Independent Non-Executive Director
First Capital Trustee Services (Pvt) Ltd	Subsidiary		Director						
Janashakthi Finance PLC (formerly known as Janashakthi Finance PLC	Subsidiary	Director							
Janashakthi Business Services (Private) Limited	Subsidiary	Director		Director					
Janashakthi Capital Limited	Subsidiary	Director		Director					
Janashakthi Corporate Services Limited	Subsidiary			Director					
Janashakthi Foundation (Guarantee) Limited	Related party through KMP	Director		Director					
24/7 Techies (Pvt) Ltd	Related party through KMP					Director			
Asia Siyaka Commodities PLC	Related party through KMP					Chairman - Non-Independent Non-Executive Director			



NOTES TO THE FINANCIAL STATEMENTS

Name of the company	Relationship	Mr. Prakash Anand Schaffter	Mrs. Manjula Mathews	Mr. Ramesh Schaffter	Mr. Piranavan Sivagananathan	Mr. Chandana Lal de Silva	Mr. Rohan Saliya Abeysinghe Weera Wickramasuriya	Mr. Vishnuvarthana Vijayathithan Balachandran	Ms. Minette Perera
Acland Insurance Services Limited	Related party through KMP	Director		Director					
B S Consultants (Pvt) Ltd	Related party through KMP							Director	
Beckett Capital (Pvt) Ltd	Subsidiary	Director		Director					
Brand Finance Lanka (Pvt) Ltd	Related party through KMP								
Colours of Courage Trust (Guarantee) Ltd	Related party through KMP				Director				
Dilmah Ceylon Tea Company PLC	Related party through KMP								Non-Executive Director
El Shaddai Trust	Related party through KMP			Chairman					
Elpitiya Plantations PLC	Related party through KMP								Non-Executive Director
Espalier Futures Limited	Related party through KMP	Director		Director					
Eureka Technology Partners (Pvt) Ltd	Related party through KMP					Director			
Forbes & Walkers (Pvt) Ltd	Related party through KMP								Non-Executive Director
Garnet Capital (Pvt) Ltd	Related party through KMP		Director						
Habitat for Humanity Sri Lanka	Related party through KMP		Director						
Habitat for Humanity International	Related party through KMP		Director						
Heritors Holdings (Pvt) Ltd	Related party through KMP						Director		
K Sivagananathan Memorial Trust	Related party through KMP				Director				
Kahawatte Plantations PLC	Related party through KMP								Non-Independent Non-Executive Director
Kelsey Heights Nugegoda (Private) Limited	Related party through KMP	Director							
Lanka Energy Lubricants (Pvt) Ltd	Related party through KMP						Director		
Lanka Shipping and Logistics (Pvt) Ltd	Related party through KMP						Director		
Loland Holdings Limited	Related party through KMP	Director							
Mahaweli Feed Mills (Private) Limited	Related party through KMP		Director						

KPMG Chartered Accountants

Name of the company	Relationship	Mr. Prakash Anand Schaffter	Mrs. Manjula Mathews	Mr. Ramesh Schaffter	Mr. Piranavan Sivagananathan	Mr. Chandana Lal de Silva	Mr. Rohan Saliya Abeysinghe Weera Wickramasuriya	Mr. Vishnuvarthana Vijayathithan Balachandran	Ms. Minette Perera
Mahaweli Marketing (Private) Limited	Related party through KMP		Director						
Pan Nippon Development (Private) Limited	Related party through KMP	Director		Director					
Reap Digital (Private) Limited	Related party through KMP					Director			
Remediumone (Pvt) Ltd	Related party through KMP						Director		
Rock Foundation (Pvt) Ltd	Related party through KMP	Director	Director	Director					
Sarvodaya Development Finance PLC	Related party through KMP			Non-Independent Non-Executive Director					
Schaffters (Private) Limited	Related party through KMP	Director		Director					
Sea-Change Partners Lanka (Pvt) Ltd	Related party through KMP					Director			
Second Janashakthi Investment Trust Limited	Related party through KMP	Director							
Serendib Land PLC	Related party through KMP			Non-Independent Non-Executive Director					
Tea Leaf Vision (Guarantee) Limited	Related party through KMP			Director					
Tea Trails (Pvt) Ltd	Related party through KMP								Alternate Director to Mr. Dilhan C Fernando
Thornton Estates Limited	Related party through KMP		Director						
Turquoise Lanka (Pvt) Ltd	Related party through KMP	-	Director		-	-	-	-	
Dilmah Ceylon Cinnamon Company (Pvt) Ltd									Non-Executive Director
Atman Group (Pvt) Ltd					Director				
Beach Prop 9 (Private) Limited					Director				
Live Events (Pvt) Ltd					Director				
Taprobane Seafood Pvt Ltd					Director				
Alangkara Hotel Developments (Pvt) Ltd					Director				
Atman Power 1 Pvt Ltd					Director				
Atman Power 2 Pvt Ltd					Director				
Atman Power 3 Pvt Ltd					Director				
Atman Power 4 Pvt Ltd					Director				
Atman Power 5 Pvt Ltd					Director				

KPMG Chartered Accountants

NOTES TO THE FINANCIAL STATEMENTS

Name of the company	Relationship	Mr. Prakash Anand Schaffter	Mrs. Manjula Mathews	Mr. Ramesh Schaffter	Mr. Piranavan Sivagananathan	Mr. Chandana Lal de Silva	Mr. Rohan Saliya Abeysinghe Weera Wickramasuriya	Mr. Vishnuvarthana Vijayathithan Balachandran	Ms. Minette Perera
Atman Power Pvt Ltd					Director				
Backbay Infrastructure (Pvt) Ltd					Director				
Backbay Solar (Pvt) Ltd					Director				
Carbon Energy Pvt Ltd					Director				
Celestialgen (Pvt) Ltd					Director				
Cinderflame Pvt Ltd					Director				
Cocohouse Pvt Ltd					Director				
Corn Sapling (Pvt) Ltd					Director				
Crowd Island Pvt Ltd					Director				
Crystal Property Group (Pvt) Ltd					Director				
Daylight Solars Pvt Ltd					Director				
Daylight Sparks (Pvt) Ltd					Director				
Dickwella Hotel Developments Pvt Ltd					Director				
Dickwella Resort Developments Pvt Ltd					Director				
Dudu International Pvt Ltd					Director				
Dynamo Solars Pvt Ltd					Director				
Earthbound Pvt Ltd					Director				
Everrenew Pvt Ltd					Director				
Galle West Hotel Developments (Pvt) Ltd					Director				
Glointegrate Pvt Ltd					Director				
Gold Shimmer (Pvt) Ltd					Director				
Golden Rock Pvt Ltd					Director				
Golden Sun Pvt Ltd					Director				
Green Agriculture Ventures Pvt Ltd					Director				
Green Forestry Ventures Pvt Ltd					Director				
Green Vanilla Ventures Pvt Ltd					Director				
Hatch Pvt Ltd					Director				
Her Capital Pvt Ltd					Director				
Jewel Energy Pvt Ltd					Director				
Kimin Power Pvt Ltd					Director				
Knight Energy Pvt Ltd					Director				
Lantern Solar Pvt Ltd					Director				
Light Speed Pvt Ltd					Director				
Lightray Energy Pvt Ltd					Director				
Lightsparked (Pvt) Ltd					Director				
Marblestone Pvt Ltd					Director				
Nidhanya International Pvt Ltd					Director				
Nilaveli Resort Developments Pvt Ltd					Director				
Orbital Energy Lanka Pvt Ltd					Director				
Orion Solar (Pvt) Ltd					Director				
Pinnacle Biz Pvt Ltd					Director				
Prime Energy Pvt Ltd					Director				
Proclime Lanka Pvt Ltd					Director				
Prop One (Private) Limited					Director				
Refract Solar Pvt Ltd					Director				
Saffron Leisure (Pvt) Ltd					Director				
Shimmerleaf (Pvt) Ltd					Director				
Sino Lanka Power Gen Pvt Ltd					Director				



Name of the company	Relationship	Mr. Prakash Anand Schaffter	Mrs. Manjula Mathews	Mr. Ramesh Schaffter	Mr. Piranavan Sivagananathan	Mr. Chandana Lal de Silva	Mr. Rohan Saliya Abeysinghe Weera Wickramasuriya	Mr. Vishnuvarthana Vijayathithan Balachandran	Ms. Minette Perera
Sol Empires Pvt Ltd					Director				
Solar Forge Pvt Ltd					Director				
Solar Forge Batticaloa Pvt Ltd					Director				
Solar Forge Mannar Pvt Ltd					Director				
Solar Forge Moneragala Pvt Ltd					Director				
Solar Forge Pooneryn Pvt Ltd					Director				
Solar Forge Siyambalanduwa (Pvt) Ltd					Director				
Solarsparked (Pvt) Ltd					Director				
South Coast Hotel Developments (Pvt) Ltd					Director				
Sunflights (Pvt) Ltd					Director				
Tannish International (Pvt) Ltd					Director				
Tanu International (Pvt) Ltd					Director				
Taprobane Aqua Services Pvt Ltd					Director				
Taprobane Frozen Foods Pvt Ltd					Director				
Terrarium Sun Pvt Ltd					Director				
Titans United (Guarantee) Ltd					Director				
Wadduwa Hotel Developments (Pvt) Ltd					Director				
YMNJK Holdings (Pvt) Ltd					Director				
Laugfs Holdings Pvt Ltd					Director				

KMP - Key Management Personnel

a. The Group carries out transactions with parties who are defined as related parties as per Sri Lanka Accounting Standard (LKAS 24), "Related Party Disclosure", in the ordinary course of its business. The details of such transactions are reported below. The pricing applicable to such transactions is based on the assessment of risk and pricing model of the Company and is comparable with what is applied to transactions between the Group and its unrelated customers. Related party transactions were made on terms equivalent to those that prevail in arm's length transactions.



NOTES TO THE FINANCIAL STATEMENTS

52.2 Transactions with subsidiaries

Nature of transaction	Group		Company	
	2025 LKR '000	2024 LKR '000	2025 LKR '000	2024 LKR '000
Statement of profit or Loss and other comprehensive income				
Brokerage income (Stock broking)	-	-	-	8,066
Interest expense	-	-	679,384	1,613,258
Reimbursement of expenses	-	-	3,991	13,572
Insurance premium paid	-	-	858	818
Insurance claim received	-	-	599	366
Insurance premium	-	-	-	-
Fee income	-	-	-	1,092
Fee expenses	-	-	14,317	12,563
Secretarial fees	-	-	2	620
Dividends income	-	-	1,762,704	5,195,534
Corporate Guarantee facility commission income	-	-	13,721	15,352
Corporate Guarantee facility commission expenses	-	-	-	3,347
Statement of financial position				
Related party payable	-	-	46	46
Related party receivable	-	-	991,246	699,980
Short term lending	-	-	-	-
Short term borrowings	-	-	-	3,640,883
Investment in commercial papers	-	-	1,854,884	1,688,332
Investment in debentures	-	-	-	-
Investment in corporate debt securities	-	-	-	-
Corporate guarantee provided	-	-	1,900,000	2,400,000
Corporate guarantee received	-	-	-	838,006

KPMG Chartered Accountants

52.3 Transactions with other related companies

Nature of transaction	Group		Company	
	2025 LKR '000	2024 LKR '000	2025 LKR '000	2024 LKR '000
Statement of Profit or Loss and Other Comprehensive Income				
Interest income	115,619	143,735	90,324	94,526
Fee income	-	323	-	-
Brokerage Income	-	8,286	-	-
Benefit accrued from investment in Unit Trust	25,446	298,624	-	-
Gain on redemption on Units		-	-	-
Gain realised on sale of government securities	11,608	671,940	-	-
Allocation of personnel expenses	-	-	-	-
Dividend income	4,816	-	-	-
Gain realised on sale of corporate debt securities securities	-	-	-	-
Interest expense	2,021,250	1,469,899	19,585	-
Administrative Charges	1,079	-	-	-
Secretarial fees	-	1,660	-	-
Management fee (Portfolio Management and Unit Trust)	340,942	100,920	-	-
Performance fee (portfolio management)	30,830	-	-	-
Statement of Financial Position				
Investment in debentures	-	-	-	-
Investment in securitized papers	-	-	-	-
Investment in commercial papers	-	-	-	-
Investment in unit trust	4,003,584	5,249,078	-	-
Short term lending	-	-	-	-
Borrowing on listed debentures	10,119	264,783	-	-
Borrowing on Commercial Papers	779,414	766,574	146,309	126,036
Securities purchased under re-sale agreements (against government securities)	47,711	1,495,635	-	-
Securities purchased under re-sale agreements (against corporate debt securities)	1,973	-	-	-
Securities sold under re-purchase agreements (Against government securities)	18,054,428	399,027	-	-
Securities sold under re-purchase agreements (against corporate debt securities)	47,579	-	-	-
Management fee receivable (Portfolio management)	3,749	1,975	-	-
Management fee receivable (Unit Trust)	40,868	-	-	-
Current account receivable	16,993	1,020,023	16,993	1,050,045
Current account payable	1,230,148	284	1,230,148	-
Benefit Accrued/ Earned in Unit Trust	336,445	554,937	-	-
Funds under management (Portfolio Management)	26,827,563	27,288,399	-	-

Outstanding trading investments/borrowings other than investment under resale agreements/borrowings on repurchase agreements with related parties including current account balances at year end are not secured. There are no guarantees involved in investments under resale agreements/borrowings on repurchase agreements. The said transactions have been collateralised through trading securities. The settlement of all transactions occurs in cash. No expenses have been recognised in the current year or prior year for bad or doubtful debts in respect of amounts owed by related parties.

KPMG Chartered Accountants

NOTES TO THE FINANCIAL STATEMENTS

52.4 **Transactions with Key Management Personnel (KMP) and their Close Family Members (CFM)**

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, directly or indirectly, including any director (whether executive or otherwise) of that entity. Accordingly, the Board of directors and Chief Executive Officer have been classified as key management personnel of the Company/ Group.

Close Family Members of a Key Management Person are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the Entity. They may include;

a. The individual's domestic partner and children;
b. Children of the individual's domestic partner; and
c. dependents of the Individual or the Individual's domestic partner

Close Family Members are related parties to the Entity.

Transaction with Key Management Personnel and their close family members are disclosed below.

Nature of transaction	Group		Company	
	2025	2024	2025	2024
	LKR '000	LKR '000	LKR '000	LKR '000
Transactions with Key Management Personnel				
Statement of Profit or Loss and Other Comprehensive Income				
Interest income	**138,859**	51,460	**-**	-
Gain/ (Loss) on sale of government securities	**(24,494)**			
Claims Paid	**4,122**			
Brokerage income (Stock broking)	**1,385**	1,319	**-**	-
Management fee income (Portfolio Management)	**3,825**	6,697	**-**	-
Interest expense	**154,964**	1,655,981	**150,757**	186,082
Emoluments paid	400,454	601,228	22,575	9,443
Benefit accrued from investment in unit trust	16,993	40,094	-	-
Statement of Changes in Equity	-			
Dividend Paid/ Declared	15	8,163	-	-
Statement of Financial Position	-	-		
Management fee receivable (Portfolio Management)	508	706	-	-
Lendings	7,622	-	-	-
Trade Stock Brokering	3,023			
Securities sold under re-purchase agreements (against government securities)	**25,273**	1,495,635	-	-
Securities sold under re-purchase agreements (against corporate debt securities)	**2,775**	399,027	-	-
Securities purchased under re-sale agreements (against government securities)	**136,272**	520,544		
Investment in Unit Trust	**352,154**	104,868		
Funds under management (Portfolio Management)	**1,083,144**	1,100,312	-	-

KPMG Chartered Accountants

53 Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique;

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.
Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
Level 3: Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The following table shows an analysis of financial instruments recorded at fair value by table of fair value hierarchy.

As at 31 March 2025 Group	Total LKR '000	Level 1 LKR '000	Level 2 LKR '000	Level 3 LKR '000
Financial assets at fair value through profit or loss & derivatives				
Investment in quoted equity securities	11,400,565	11,400,565	-	-
Investment in government securities	91,959,320	91,959,320	-	-
Investment in unit trust	3,744,598	-	3,744,598	-
Investment in debentures	1,666,521	1,425,891	240,630	-
Forward sale contracts	2,814	-	-	-
Forward purchase contracts	6	6	-	-
	108,773,823	104,785,782	3,985,228	-

As at 31 March 2025	Total LKR '000	Level 1 LKR '000	Level 2 LKR '000	Level 3 LKR '000
Financial assets at fair value through other comprehensive income				
Investment in quoted equity securities	848,432	848,201	231	-
Venture capital investments	12	-	-	12
Investment in government securities	1,144,033	1,144,033	-	-
Corporate debt	1,493,673	1,493,673	-	-
	3,486,150	3,485,907	231	12

As at 31 March 2024 Group	Total LKR '000	Level 1 LKR '000	Level 2 LKR '000	Level 3 LKR '000
Financial assets at fair value through profit or loss				
Investment in quoted equity securities	1,502,953	1,502,953	-	-
Investment in government securities	71,607,788	71,607,788	-	-
Investment in unit trusts	4,815,058	-	4,815,058	-
Investment in debentures	1,018,254	777,624	240,630	-
Forward sale contracts	1,944	1,944	-	
Forward purchase contracts	49,989	49,989	-	-
	78,995,986	73,940,299	5,055,688	-
Financial assets at fair value through other comprehensive income				
Investment in quoted equity securities	2,516,818	2,516,587	231	-
Venture capital investments	12	-	-	12
Investment in government securities	932,761	932,761	-	-
Corporate debt	1,555,979	1,555,979	-	-
	5,005,570	5,005,327	231	12



NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2025 Company	Total LKR '000	Level 1 LKR '000	Level 2 LKR '000	Level 3 LKR '000
Financial assets at fair value through profit or loss				
Investment in quoted equity securities	45,693	45,693	-	-
Investment in unit trust	202,769	-	202,769	-
	248,462	45,693	202,769	-
Financial assets at fair value through other comprehensive income				
Investment in quoted equity securities	-	-	-	-
	-	-	-	-

As at 31 March 2024 Company	Total LKR '000	Level 1 LKR '000	Level 2 LKR '000	Level 3 LKR '000
Financial assets at fair value through profit or loss				
Investment in quoted equity securities	91,387	91,387	-	-
Investment in Unit Trust	29,389	-	29,389	-
	120,776	91,387	29,389	-

54 Financial risk management disclosures

Risk management demonstrate the initiatives that are undertaken to reduce or mitigate the Group's exposure to losses. The Group as a whole is exposed to the following risk categories.

* Insurance risk
* Financial risk
    - Credit risk
    - Market risk
    - Operational risk
    - Liquidity risk

Risk management framework

The primary objective of the Group's risk and financial management is to protect the Group's shareholders from events that hinder the sustainable achievement of financial performance objectives, including failing to exploit opportunities. Board of Directors of the Group recognizes the critical importance of having efficient and effective risk management system in place.

The risk management function is overlook by the Group's risk committee which comprises with Independent Directors and other expertise. The committee meets regularly and reviews Group's risk management policies which defines Group's risk identifications, its interpretation and risk levels and ensure whether the policies and

KPMG Chartered Accountants

procedures in place are sufficient to cater the risk faced by the Group. Also it prepares an investment guideline which determines asset allocations, duration allocations, and investment yields along with the monitoring of Group's Investment Portfolio, asset-liability mismatches and mitigating actions for any identified risk exposures.

(A) Capital management objectives, policies and approach

The Group has established the following capital management objectives, policies and approach to managing the risks that affect its capital position

- To maintain the required level of solvency in order to provide a degree of security to policyholders and customers.
- To allocate capital efficiently and support the development of business by ensuring that returns on capital employed meet the requirements of its shareholders.
- To retain financial flexibility by maintaining strong liquidity and access to a range of capital markets.
- To align the profile of assets and liabilities taking account of risks inherent in the business.
- To maintain financial strength to support new business growth and to satisfy the requirements of the policyholders, customers, regulators and stakeholders.
- To maintain strong credit ratings and healthy capital rations in order to support its business objectives and maximise shareholders' value.

The Group has complied with all these regulatory requirements throughout the financial period under review.

(B) Approach to capital management

The Group's approach to managing capital involves managing assets, liabilities and risks in a coordinated way, assessing shortfalls between reported and required capital levels on a regular bases and taking appropriate actions to influence the capital position of the Group in the light of changes in economic conditions and risk characteristics.

The primary source of capital used by the Group is equity shareholders' funds. The Group also utilises, where efficient to do so, sources of funds such as bank borrowings and securitisation in addition to more traditional sources of funding. Management and the Board of Directors forecast and review the capital requirements on periodic basis.

There were no significant changes to the equity capital of the Group during the financial year under review.

(C) Regulatory framework

The operations of the Group are subject to regulatory requirements.

Insurance risk

The primary risk to the Group under its insurance contracts is that the amount and timing of actual claims and benefit payments being different from expectations. This is influenced by the frequency and severity of claims. Therefore, the objective of the Group is to ensure that sufficient reserves are available to cover these liabilities. The Group mitigates the above risk exposure by diversification across a large portfolio of insurance contracts, by careful selection and implementation of underwriting strategies and by use of reinsurance arrangement. Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provision and are in accordance with the reinsurance contracts. Although the Group has reinsurance arrangement, it is not relieved of its direct obligations or its policyholders and thus as credit exposure exists with respect to ceded insurance, to the extent that any reinsurer is unable to meet its obligations assumed under such reinsurance agreements. The Group's placement of reinsurance is diversified such that it is neither dependent on a single reinsurer nor are the operations of the Group substantially dependent upon any single reinsurance contract.

Life insurance business risk

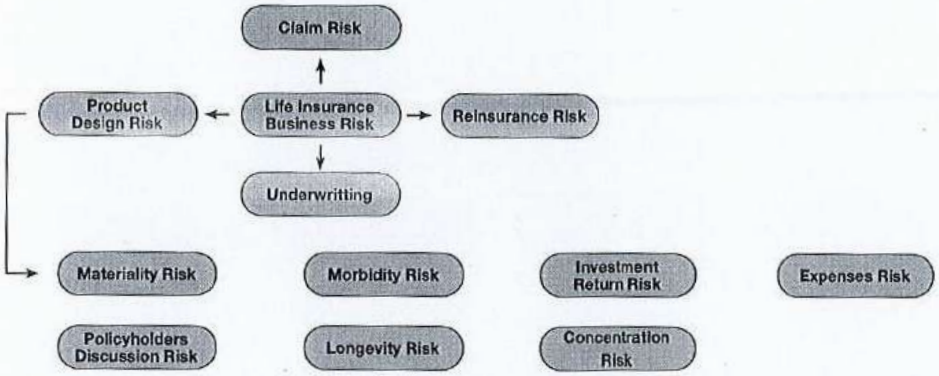
The principal insurance risk the Group faces under its insurance contract is that the actual claims and benefit payments or the timing thereof, differ from expectations. This is influenced by the frequency and subsequent development of long term claims.Therefore, the objective of the Group is to ensure that sufficient financial and reinsurance protection is available to cover these liabilities. The Group mitigates the above risk exposure by diversification across a large portfolio of insurance contract, by careful selection and implementation of underwriting strategies and by use of reinsurance agreements.

The Group has entered into long term reinsurance treaties with the world's leading reinsurers as part of its risk mitigation programme. The reinsurance programme is designed to mitigate the Group's net exposure to a single claim as well as to catastrophic losses.



NOTES TO THE FINANCIAL STATEMENTS

Life insurance is a contractual agreement between a policyholder and a life insurance company. Policyholders come to an agreement to make premium payments to the Company, and the Company agrees to pay beneficiaries if an insured event occurred. Traditional life insurance products comprise protection and annuity covers. Protection products convey product designing, underwriting, claims and reinsurance risk.



a. Product Design Risk

Life insurance contracts offered by the Company including whole life, term assurance, retirement plans, critical illness benefit,endowment plans, disability insurance, major surgery benefit and daily hospital cash. The fundamental assumptions used in product development are as below.

Risk	Description	Risk Response
Materiality risk	Risk of loss arising due to policyholders death experience being different from expected	Using standard mortality table with sensitivity to Company's mortality experience.
Morbidity risk	Risk of loss arising due to policyholders health experience being different from expected	Decisions made based on reinsurance tables and adjustments made when appropriate to reflect the Company's own risk experience.
Investment return risk	Risk of loss arising from actual returns being different from expected	The weighted average rate of return is derived based on a model portfolio that is assumed to back liabilities, consistent with the long term asset allocation strategy.
Expenses risk	Risk of loss arising from the expense experience being different from expected	Expense assumptions reflect the projected costs of maintaining and servicing in policies and associated overhead expenses.
Policyholder Discussion risk	Risk of loss arising due to policyholders experiences (lapses and surrenders) being different from expected	Lapse and surrender rates are projected according to the Company's past experience.
Longevity risk	Risk of loss arising due to the annuitant living longer than expected.	Terms and conditions included in insurance applications have been designed to address nonstandard and unpredictable risks.
Concentration risk	Risk of losses due to not maintaining a balanced product portfolio	Developing a proper product mix in line with Company strategy.



Mainly, Janashakthi Insurance PLC offer traditional participating products, non-participating products and Universal life products. Universal life product category's key risk is interest rate risk which means differences in duration and yield of assets and liabilities. Another main risk is investment credit risk. Company is matching of asset and liability cash flows and investing in investment grade assets to mitigate risks which are arising from Universal life products.

Participating Fund vs. Non-Participating Fund
The following analysis depicts the concentration of Participating and Non-Participating fund position of the Company.

	2024		2023	
For the year ended 31st December	LKR 'Mn	%	LKR 'Mn	%
Participating Fund	1,695	11	1,377	10
Non-Participating Fund	14,336	89	13,168	90
Total	16,031	100	14,545	100

b. Underwriting Risk

The Group's underwriting strategy is designed to ensure that risks are well-diversified in terms of type of risk level of insured benefits.This is largely achieved through the use of medical screening in order to ensure that pricing takes account of current health conditions and family medical history, regular review of actual claims experience and product pricing. Underwriting limits are in place to enforce appropriate risk selection criteria.

The Group further enforces a policy of actively managing and promptly pursuing claims, in order to reduce its exposure to unpredictable future developments that can negatively impact the Group. For contracts for which death or disability is the insured risk, the significant factors that could increase the overall frequency of claims than expected. The Group limits exposure on any single life by way of retention limits agreed with the reinsurers.

Life Underwriting Risk Management

1. Separate life underwriting division headed by a well-qualified management along with a trained staff is in placed in order to closely monitor the life underwriting functions of the Group.
2. Pricing decisions of the products are reviewed and guided by a qualified actuary to facilitate the management to make accurate pricing decisions.
3. Reinsurers' advice is obtained before deciding on the terms and conditions of the products in order to assists the proper pricing strategies.
4. The Group carefully analyses the current health condition and the family medical history of the proposal holder before deciding on the premiums.

c. Reinsurance Risk

A new or continuing reinsurance contract could give rise to one or more of the following risks.

Notwithstanding the advantages reinsurance provides insurers, it can expose them, at varying degrees, to various risks inherent in its use.

1. Residual insurance risk may arise from discrepancies between reinsurance needs and the actual coverage provided for in the contract, resulting in the insurer retaining greater risk than anticipated. Similarly, an insurer may face a basic risk related to alternative risk transfer mechanisms where the amounts obtained by the insurers through the mechanisms do not match the losses incurred by the insurer.
2. Legal risk may arise when the terms of the contract do not accurately reflect the intent of the insurers or when the contract cannot be legally enforced.
3. Counterparty risk may result from the inability or potential refusal of the reinsurer, or a stakeholder in the case of an alternative risk transfer mechanism, to honour its obligations towards the ceding insurer.



NOTES TO THE FINANCIAL STATEMENTS

4. Liquidity risk may arise from the possible lag time between the payment of a claim by the insurer to its insured and receipt of the reinsurance recoverable.

5. Operational risk may result from inadequate contractual arrangements or from insufficient technological or administrative capacity to manage and collect sums owed by reinsurers.

Some of the specific actions by the Group to mitigate Reinsurance Risks are shown below.

- Outstanding reinsurance receivables are viewed on a monthly basis to ensure that all dues are collected or set off against payables on time.
- A very close and professional relationship is maintained with all reinsurers.
- No cover is issued without a confirmed reinsurance in place.
- Only a globally trusted and stable portfolio of reinsurance companies which are rated highly by A.M Best is used.

For the year ended 31st December	2024 LKR'000	2023 LKR'000
Gross Written Premium	6,596	4,584
Reinsurance	(249)	(220)
Net Written Premium	6,347	4,364

Reinsurance Credit Ratings

The following table shows the credit ratings of reinsurance companies with whom the Group has entered into reinsurance arrangements as of 31 December 2024.

For the year ended 31st December	Rating Financial Strength	Rating Credit	Rating Agency
Partner Reinsurance ASIA Pte Ltd	A+	AA-	A.M Best
Hannover Rueck SE-Malaysian Branch	A+	AA	A.M Best
SCOR SE Singapore Branch	A	A+	A.M Best
Munich Re India Branch	A+	AA	A.M Best

d. Claims Risk

The possibility of adverse variance in claim pattern of the product which is not expected at the product development stage. Some of specific actions taken by the Group to mitigate the claims risks are as below.

- Strict claim review policies to assess all new and ongoing claims.
- Regular detailed review of claims handling procedures and frequent investigation of possible fraudulent claims.
- Obtaining adequate reinsurance cover.
- A qualified actuary is employed within the Group in order to assist the management to review the life insurance business.
- Life fund valuation is carried out by a qualified independent actuarial valuer on a regular basis.
- Claims are reserved immediately at the intimation or on the availability of information of the death or injury of an insured.
- The purpose of these underwriting, claims and reinsurance strategies was to limit risk exposure based on the Group's risk appetite as decided by management. The Board decided to increase or decrease the maximum tolerances based on market conditions and other factors.

KPMG Chartered Accountants

Financial Risk

The Group is exposed to financial risk primarily through financial assets, financial liabilities and insurance liabilities. The key financial risk categories that the Group is exposed to is :

Credit risk
Liquidity risk
Market risk
Operational risk

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss to the other party by failing to discharge an obligation. The Group credit risk exposure is depicted in the below table using carrying values as at the statement of financial position date.

Financial investments in debt securities
Loans and receivables from customers
Loans to life policyholders and others
Premium receivables
Reinsurance receivables
Cash and cash equivalent
Other financial receivables
Investment in quoted debentures
Short term and long term lendings
Placement with banks and financial institutions

For the year ended 31st March	2025 LKR '000	%	2024 LKR '000	%
Government securities & Reverse Repurchase Agreements	98,262,861	67.1%	76,680,245	71.3%
Financial investments in debt securities	2,440,672	1.7%	3,331,448	3.1%
Unit Trust	3,744,598	2.6%	4,815,058	4.5%
Investment in shares	11,400,564	7.8%	1,502,953	1.4%
Fixed deposits	672,411	0.5%	455,752	0.4%
Investment in quoted debentures	1,666,521	1.1%	1,018,254	0.9%
Short term and long term lendings	1,208,554	0.8%	130,557	0.1%
Placement with banks and financial institutions	-	0.0%	236,667	0.2%
Staff Loans	53,956	0.0%	62,953	0.1%
Reinsurance receivables	19,620	0.0%	26,814	0.0%
Premium receivables	320,075	0.2%	268,203	0.2%
Loans and receivables from customers	22,054,759	15.1%	15,658,738	14.6%
Loans to life policyholders and others	275,426	0.2%	268,736	0.3%
Cash and cash equivalents	4,229,353	2.9%	1,983,030	1.8%
Amount due from related parties	16,993	0.0%	1,050,045	1.0%
Gross financial assets	146,366,363		107,489,453	



NOTES TO THE FINANCIAL STATEMENTS

Management of credit risk includes the following components

- Formulating credit policies IN consultation WITH business units covering collateral requirements, credit assessment, risk grading and reporting, documentary and legal procedures and compliance WITH regulatory and statutory requirements
- Establishing the authorisation structure for the approval and renewal of credit facilities.
- Limiting concentration of exposures to counter parties
- Reviewing compliance through regular audits by internal audit.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The Group's market risk policy sets out the assessment and determination of what constitutes market risk for the Group.

(i) Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The Group policy is to continuously monitor positions on a daily basis and periodic interest rate re-pricing strategies are used to ensure positions are maintained on a prudential basis.

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

As at 31 March	2025		2024	
	Group LKR '000	Company LKR '000	Group LKR '000	Company LKR '000
Fixed rate instruments				
Investment in financial assets	119,862,337	379,773	91,571,321	204,497
Amounts due from related parties	16,993	991,246	1,050,045	1,446,673
Amounts due to related parties	1,276,331	1,276,379	8,163	6,708
Financial liabilities	17,694,161	9,074,764	15,801,602	9,700,996
Variable rate instruments				
Investment in financial assets	3,466,150	-	5,005,570	-
Financial liabilities	11,891,275	5,572,807	5,599,014	7,164,263

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate at the reporting date would not affect profit or loss of the Group.

Cash flow sensitivity analysis for variable rate instruments

A reasonably possible 1% change interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. The analysis assumes that all other variables, in particular foreign currency exchange rates remain constant.

As at 31 March	Profit or loss		Equity, net of tax	
	1% Increase	1% Decrease	1% Increase	1% Decrease
2025				
Variable rate instruments				
Cash flow sensitivity (net)	(84,051)	84,051	(84,051)	84,051
2024				
Variable rate instruments				
Cash flow sensitivity (net)	(5,034)	5,034	(5,034)	5,034
Operational risks				

KPMG Chartered Accountants

Operational Risks

Operational risks 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 behaviour.The Group objective is to manage operational risks so as to balance the avoidance of financial losses and damage to the Group's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

Compliance with Group standards is periodically reviewed by internal audit. The results of internal audit reviews are discussed with the management of the business unit to which they relate, with summaries submitted to the audit committee and senior management of the Group.

Foreign exchange (FOREX) and country risk

Foreign exchange (FOREX) risk is the risk that Group may suffer loss as a result of advance exchange rate movements. The impact from FOREX is not substantial on the Group to conduct in-depth analysis. However, there is a slight impact when budgeting for this cost. The above risks are triggered by the treasury operations.

A reasonably possible 1% change exchange rates (USD to LKR) at the reporting date would have increased or decreased equity and profit or loss by the amounts shown below. The analysis assumes that all other variables, in particular foreign currency exchange rates remain constant.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with Financial Instruments, when they fall due. That can be due to inadequacy of liquid assets to meet the obligations.

The Group liquidity risk policy setting out the assessment and determination of what constitutes liquidity risk for the Group. Compliance with the policy is monitored and exposures and breaches are reported to the management. The policy is regularly reviewed for pertinence and for changes in the risk environment.

An investment guideline is in place to review the asset allocations, duration allocations and the asset liability mismatches on regular basis.

Setting up contingency funding plans which specify minimum proportions of funds to meet emergency calls as well as specifying events that would trigger such plans.

Maturity Analysis - Group

As at 31 March 2025	Less than 1 Year LKR'000	1 to 3 Years LKR'000	3 to 5 Years LKR'000	Over 5 Years LKR'000	No Maturity Date LKR'000	Total LKR'000
Assets						
Financial assets at fair value through profit or loss	17,391,095	36,595,668	49,977,038	4,807,202	-	108,771,003
Fair value at amortised cost	7,093,129	858,395	2,078,967	1,160,841	-	11,191,334
Financial assets at fair value through other comprehensive income	2,179,667	377,876	486,973	441,634	-	3,486,150
Loans and receivable from customers	12,946,453	5,803,893	2,796,878	507,535	-	22,054,759
Premium receivables	320,075	-	-	-	-	320,075
Reinsurance receivable	19,620	-	-	-	-	19,620
Trade, other receivables and advances	3,396,989	204,595	117,511	215,001	-	3,934,096
Amounts due from related parties	16,993	-	-	-	-	16,993
Derivative financial instruments	2,820	-	-	-	-	2,820
Cash and cash equivalents	4,229,353	-	-	-	-	4,229,353
Total as at 31 March 2025	47,596,194	43,840,429	55,457,367	7,132,214	-	154,026,202

NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2025	Less than 1 Year LKR'000	1 to 3 Years LKR'000	3 to 5 Years LKR'000	Over 5 Years LKR'000	No Maturity Date LKR'000	Total LKR'000
Liabilities						
Debentures	2,851,443	108,000	949,000	-	-	3,908,443
Interest bearing loans & borrowings	18,950,583	6,164,792	4,470,060	-	-	29,585,436
Deposits from customers	12,569,286	2,785,267	549,259	-	-	15,903,812
Reinsurance creditors	70,983	-	-	-	-	70,983
Securities sold under repurchase agreements	73,015,525	93,609	-	-	-	73,109,134
Trade and other payable	7,865,825	38,478	133	-	-	7,904,436
Lease liabilty	737,688					737,688
Amount due to related parties	1,276,331	-	-	-	-	1,276,331
Derivative financial instruments	768	-	-	-	-	768
Bank overdrafts	1,391,740	-	-	-	-	1,391,740
Total as at 31 March 2025	**118,730,172**	**9,190,146**	**5,968,452**	**-**	**-**	**133,888,771**
As at 31 March 2024	92,494,580	9,275,069	2,246,558	-	-	104,016,207

Maturity Profile

The following table summarises the Maturity Analysis (excluding interest) of the Company's financial investments.

Maturity Analysis - Company

As at 31 March 2025	Less than 1 Year LKR'000	1 to 3 Years LKR'000	3 to 5 Years LKR'000	Over 5 Years LKR'000	No Maturity Date LKR'000	Total LKR'000
Assets						
Investment Property	-	2,953,340	-	-	-	2,953,340
Financial assets at fair value through profit or loss	248,462	-	-	-	-	248,462
Fair value at amortised cost	131,311	-	-	-	-	131,311
Amounts due from related parties	991,246	-	-	-	-	991,246
Trade & other receivables	239,249	-	-	-	-	239,249
Cash and cash equivalents	1,245,100	-	-	-	-	1,245,100
Total	2,855,368	2,953,340	-	-	-	5,808,709
As at 31 March 2024	2,692,433	2,907,000	-	-	-	5,599,433

	Less than 1 Year LKR'000	1 to 3 Years LKR'000	3 to 5 Years LKR'000	Over 5 Years LKR'000	No Maturity Date LKR'000	Total LKR'000
Liabilities						
Debentures	1,082,115	108,000	949,000	-	-	2,139,115
Interest bearing loans & borrowings	10,113,413	1,501,405	3,032,753	-	-	14,647,572
Amount due to related parties	1,276,379	-	-	-	-	1,276,379
Bank overdrafts	422,960	-	-	-	-	422,960
Total	12,894,867	1,609,405	3,981,753	-	-	18,486,026
As at 31 March 2024	15,522,642	1,977,483	999,467	-	-	18,499,592

KPMG Chartered Accountants

55 Assets pledged

The following assets have been pledged as securities against the long term and short term borrowings that have been disclosed under the Note 31.2 to the financial statements.

Name of Company	Funding Institution	Nature of Asset	Nature of Liability	Group		Company	Included Under
				LKR '000		LKR '000	
				Balance Outstanding	Value of Assets Pledged	Balance Outstanding	
Janashakthi Finance PLC	Bank Of Ceylon	Lease Receivable	Permanent Overdraft	36,900,905	66,500,000	-	Future Capital Receivable
Janashakthi Finance PLC	Commercial Bank of Ceylon PLC	Lease Receivable	Permanent Overdraft	308,085,721	253,500,000	-	Future Capital Receivable
Janashakthi Finance PLC	DFCC Bank PLC	Lease Receivable	Permanent Overdraft	223,047	112,500,000	-	Future Capital Receivable
Janashakthi Finance PLC	Hatton National Bank PLC	Lease Receivable	Permanent Overdraft	157,632,135	286,000,000	-	Future Capital Receivable
Janashakthi Finance PLC	National Development Bank PLC	Lease Receivable	Permanent Overdraft	21,605,290	32,500,000	-	Future Capital Receivable
Janashakthi Finance PLC	Peoples Bank	Lease Receivable	Permanent Overdraft	22,131,473	93,750,000	-	Future Capital Receivable
Janashakthi Finance PLC	Sampath Bank PLC	Lease Receivable	Permanent Overdraft	69,152,864	112,500,000	-	Future Capital Receivable
Janashakthi Finance PLC	Seylan Bank PLC	Lease Receivable	Permanent Overdraft	83,361,975	127,500,000	-	Future Capital Receivable
Janashakthi Finance PLC	Union Bank PLC	Lease Receivable	Permanent Overdraft	-	97,500,000	-	Future Capital Receivable
Janashakthi Finance PLC	Union Bank PLC	Lease Receivable	Term Loan	301,041,670	391,354,171	-	Future Capital Receivable
Janashakthi Finance PLC	Sampath Bank PLC	Lease Receivable	Term Loan	633,200,000	949,800,000	-	Future Capital Receivable
Janashakthi Finance PLC	Hatton National Bank PLC	Lease Receivable / Property Mortgage	Term Loan	414,000,000	496,532,000	-	Future Capital Receivable / Property Mortgage
Janashakthi Finance PLC	Bank of Ceylon	Lease Receivable	Term Loan	556,805,542	740,551,371	-	Future Capital Receivable
Janashakthi Finance PLC	Cargills Bank PLC	Lease Receivable	Term Loan	243,750,000	365,625,000	-	Future Capital Receivable
Janashakthi Finance PLC	National Development Bank PLC	Lease Receivable	Term Loan	524,960,009	787,440,014	-	Future Capital Receivable
Janashakthi Finance PLC	Sanasa Development Bank	Lease Receivable	Term Loan	444,444,444	533,333,333	-	Future Capital Receivable
Janashakthi Finance PLC	Pan Asia Banking Corporation PLC	Lease Receivable	Term Loan	350,000,000	455,000,000	-	Future Capital Receivable
Janashakthi Finance PLC	Sampath Bank PLC	Lease Receivable	Short-Term Loan	100,000,000	150,000,000	-	Future Capital Receivable



NOTES TO THE FINANCIAL STATEMENTS

Name of Company	Funding Institution	Nature of Asset	Nature of Liability	Group		Company	Included Under
				LKR '000		LKR '000	
				Balance Outstanding	Value of Assets Pledged	Balance Outstanding	
Janashakthi Finance PLC	Union Bank PLC	Lease Receivable	Short-Term Loan	400,000,000	520,000,000	-	Future Capital Receivable
Janashakthi Finance PLC	NDB Trust 01	Lease Receivable	Securitisation	830,700,000	1,240,217,110	-	Future Capital Receivable
Janashakthi Finance PLC	Subordinated loan	Unsecured	Term Loan	1,000,000,000	1,300,000,000	-	Unsecured
Janashakthi Limited	National Development Bank PLC	Quoted shares	Long term loans	435,000	2,068,000	435,000	Interest bearing borrowings
Janashakthi Limited	National Development Bank PLC	Quoted shares	Short term loans - Revolving	350,000		350,000	Interest bearing borrowings
Janashakthi Limited	Seylan Bank PLC		Short term loans - Revolving	250,000	5,614,864	250,000	Interest bearing borrowings
Janashakthi Limited	Seylan Bank PLC		Long term loans	450,000		450,000	Interest bearing borrowings
Janashakthi Limited	Bank of Ceylon	Land located at wattala	Long term loans	700,000	2,800,000	700,000	Interest bearing borrowings
Janashakthi Limited	Bank of Ceylon	Land located at wattala	Long term loans	1,000,000		1,000,000	Interest bearing borrowings
Janashakthi Limited	Bank of Ceylon	Land located at wattala	Long term loans	10,914		10,914	Interest bearing borrowings
Janashakthi Limited	Cargills bank	Personal guarantees of Directors	Long term loans	176,075	325,000	176,075	Interest bearing borrowings
Janashakthi Limited	Cargills bank	Personal guarantees of Directors	Long term loans	412	250,000	412	Interest bearing borrowings

Name of Company	Funding Institution	Nature of Asset	Nature of Liability	Group		Company	Included Under
				LKR '000		LKR '000	
				Balance Outstanding	Value of Assets Pledged	Balance Outstanding	
Janashakthi Limited	Commercial Bank of Ceylon PLC	Quoted shares	Long term loans	1,000,000	4,255,142	1,000,000	Interest bearing borrowings
Janashakthi Limited	Commercial Bank of Ceylon PLC	Quoted shares	Long term loans	294,205		294,205	Interest bearing borrowings
Janashakthi Limited	Hatton National Bank PLC	Quoted shares / Personal guarantees of Directors	Long term loans	2,400,000	7,733,680	2,400,000	Interest bearing borrowings
Janashakthi Limited	Pan Asia Banking Corporation PLC	Quoted shares / Personal guarantees of Directors	Long term loans	646,314	833,100	646,314	Interest bearing borrowings
Janashakthi Limited	Nations Trust Bank PLC	Quoted shares / Personal guarantees of Directors	Long term loans	200,000	1,380,600	200,000	Interest bearing borrowings

55.1 In the ordinary course of the business, the Group entered into transactions that result in the transfer of financial assets to third parties. The information above sets out the extent of such transfers and retained interest in transferred assets.

55.2 The Group has transferred future rental receivable of Leases and Hire Purchases, but has retained substantially all of the credit risks associated with the transferred assets. Due to the retention of substantially all the risk and rewards on these assets the Group continues to recognized these assets within Lease Rental Receivable and Stock out on Hire.

NOTES TO THE FINANCIAL STATEMENTS

56 Fair values versus the carrying amounts

The fair values of financial assets and liabilities, together with the carrying amounts shown in the Statement of Financial Position, are as follow;

Group	2025 Carrying Amount	2025 Fair Value	2024 Carrying Amount	2024 Fair Value
Financial assets measured at fair value				
Financial assets at amortised cost	11,191,334	11,191,334	12,627,268	12,627,268
Loans and receivables from customers	22,054,759	22,054,759	15,658,738	15,658,738
Loans to life policyholders and others	275,426	275,426	268,736	268,736
Reinsurance receivables	19,620	19,620	26,815	26,815
Amount due from related parties	16,993	16,993	1,050,045	1,050,045
Trade, other receivables and advances	3,934,096	3,934,096	5,854,500	5,854,500
Cash at banks and in hand	4,229,353	4,229,353	1,983,030	1,983,030
Total financial assets	41,721,581	41,721,581	37,469,132	37,469,132
Financial liabilities not measured at fair value				
Deposits from customers	15,903,812	15,903,812	13,556,431	13,556,431
Interest bearing loans and borrowings	29,585,436	29,585,436	23,522,292	23,522,292
Borrowings on debentures	3,908,443	3,908,443	3,573,447	2,924,489
Securities sold under re-purchase agreements	73,109,134	73,307,931	49,643,339	50,260,785
Trade payable	401,203	401,203	408,156	408,156
Amount due to related parties	1,276,331	1,276,331	8,163	8,163
Bank overdrafts	1,391,740	1,391,740	2,082,924	2,082,924
Total financial liabilities	125,576,099	125,774,896	92,794,752	92,763,240

Company	2025 Carrying Amount	2025 Fair Value	2024 Carrying Amount	2024 Fair Value
Financial assets not measured at fair value				
Amount due from related parties	991,246	991,246	1,446,673	1,446,673
Financial assets at amortised cost	131,311	131,311	83,721	83,721
Cash at banks and in hand	1,245,100	1,245,100	769,215	769,215
Total financial assets	2,367,658	2,367,658	2,299,609	2,299,609
Financial liabilities not measured at fair value				
Borrowings on debentures	2,139,115	2,139,115	1,058,299	1,058,299
Interest bearing loans and borrowings	14,647,572	14,647,572	17,322,154	17,322,154
Amount due to related parties	1,276,379	1,276,379	6,708	6,708
Bank overdrafts	422,960	422,960	112,432	112,432
Total financial liabilities	18,524,045	18,524,045	18,537,613	18,537,613

KPMG Chartered Accountants

Cash and cash equivalents

The carrying amounts of cash and cash equivalents, approximate their fair value as those are short-term in nature and are receivable on demand.

Investments with banks and other financial institutions

The carrying amounts of fixed deposits with banks and other reverse repurchase agreements, approximate their fair value as those are short-term in nature. Almost all of these balances have a remaining maturity of less than six months from the reporting date.

Bank overdrafts

The carrying amounts of bank overdrafts, approximate their fair value as those are short-term in nature.

Interest bearing loans and borrowings

Interest bearing borrowings include both the fixed rate and floating rate borrowings. Floating rate borrowings represent nearly 63% of the portfolio. Accordingly, carrying value of the floating rate borrowings approximate to their fair values as at the reporting date. Rest of the borrowings has a remaining contractual maturity of less than one year. Therefore, fair value of interest bearing borrowings approximate to the carrying value as at the reporting date.

57 Commitments

There were no material commitments as at the reporting date which require disclosure in the financial statements other than the following.

57.1 Capital Commitments

a. *First Capital Holdings Group*

First Capital Treasuries PLC entered into sale and purchase agreement to acquire a property (land and premises) for a consideration of LKR 382Mn and an advance of LKR 77.3Mn was paid. However, as a consequence of the seller failing to honour the terms of the agreement, legal proceedings were initiated against the seller and the District Court granted an interim order in favour of the Company, against the seller disposing and alienating the property to any third party. Further, respective appeals against the interim order are pending before the higher courts. The legal proceedings are in progress.

57.2 Other Commitments

First Capital Holdings Group

There value of forward purchase contracts (Government Securities) as at 31 March 2025 is LKR 1,340Mn (31 March 2024 - LKR 14,517Mn) and the value of forward sales contracts (Government Securities) as at 31 March 2025 is LKR 11Mn (31 March 2024 - LKR 7,093Mn).

58 Contingent liabilities

There were no material contingent liabilities as at the reporting date which require disclosure in the financial statements, other than disclosed below.
for the following.

58.1 Company

a. The Department of Inland Revenue issued an assessment on income tax for year of assessment 2015/16, 2016/17 and 2017/18 totaling to LKR 95.8 Mn (inclusive of penalties). The Company has appealed against the assessment.

b. The Department of Inland Revenue issued a assessment on NBT/VAT on financial services for year of assessment 2017/18 totaling to LKR 49.7 Mn (inclusive of penalties). The Company has appealed against the assessment.

The related appeals against the said assessments have been duly submitted. Based on the tax consultant's opinion, the Board of Directors of the Company is of the view that no liability would arise on the above stated tax matters as they are outside the scope of chargeability of taxes.

KPMG Chartered Accountants

NOTES TO THE FINANCIAL STATEMENTS

c. Company has provided corporate guarantees on account of banking facilities obtained by below subsidiaries

Subsidiaries	Beneficiary	Amount (LKR.)
Janashakthi Insurance PLC	National Development Bank PLC	450,000,000
First Capital Holdings PLC	Nations Trust Bank PLC	300,000,000
First Capital Holdings PLC	DFCC Bank PLC	750,000,000
First Capital Holdings PLC	Hatton National Bank PLC	500,000,000
Janashakthi Finance PLC	Pan Asia Bank PLC	200,000,000

58.2 First Capital Holdings - Group

a. First Capital Holdings PLC has provided corporate guarantees on account of banking facilities obtained by First Capital Limited (sub-subsidiary) and First Capital Treasuries PLC (sub-subsidiary) amounting to LKR 800 Mn and LKR 1 Bn respectively.

b. First Capital Holdings PLC's appeal against the assessment on VAT on financial services amounting to LKR 21 Mn (2016/17) is heard at the Tax Appeals Commission. The appeal against the assessment on VAT on financial services of LKR 233 Mn related to 2017/18 is contested at the Court of Appeal. Further, the Department of Inland Revenue (IRD) raised assessments on VAT on financial services for 2019/20 and 2020/21 amounting to LKR 431Mn. The appeal proceedings have not been concluded yet.

c. First Capital Limited's (sub-subsidiary) appeal against the assessment of VAT on financial services (2012/13) amounting to LKR 9.3 Mn is heard at the Court of Appeal. The subsidiary's appeals against assessments on VAT on financial services (2013/14, 2014/15) amounting to LKR 99.3 Mn were determined by the Tax Appeals Commission reducing the total value of assessments to LKR 43 Mn (original assessment – LKR 99.3 Mn) during year 2023/24. These have been referred to the Court of Appeal. The IRD also filed counter appeals against the determinations made by the Tax Appeals Commission. The hearing of appeals/counter appeals has not been concluded yet. Further, the IRD issued assessments on VAT on financial services for 2019/20 and 2020/21 amounting to LKR 130 Mn to the subsidiary. The appeal proceedings are in progress.

Appeals against the above assessments (b and c) have been duly submitted. Based on the tax consultant's opinion, the Board of Directors of the Company is of the view that no liability would arise on the above stated tax matters as they are outside the scope of chargeability of taxes.

There were no material litigations or claims with respect to employee compensation. Further, the Company did not have any other material litigations or claims that could have a material impact on the financial position of the Group, or which would lead to a disclosure in the financial statements for the year ended 31 March 2025.

58.3 Janashakthi Insurance PLC

a. *Outstanding Tax Assessment*

The Department of Inland Revenue (IRD) has issued assessments in relation to the years 2003, 2004 & 2005 imposing VAT on reinsurance commissions and claim recoveries. The Group has filed cases in the Court of Appeal with the consultation of Tax Consultant and the Company's lawyers. As such no provisions are made in the Financial Statements for the taxes in dispute and penalties. The status of each case is provided in section e. below.

b. *Year of Assessment 2002/2003*

An appeal to Tax Appeals Commission (TAC) has been made against the determination made by the Commissioner General of Inland Revenue (CGIR). Appeal is pending before the Court of Appeal. The impact on present value of contingent liability is LKR 32 Mn. The case was stated for additional argumentation on 22nd January, 2024. However, on this specified date, the case was not addressed, prompting its rescheduling for mention on 7th May, 2024 and 6th June, 2024. When the matter was called on this date case was fixed for the Written Submissions of Defendant on 29th August 2024. Further, this matter was fixed for Written Submissions on 15th October 2024. The case was scheduled for arguments on 1st April 2025.

c. *Year of Assessment 2004/2005*

The Company made an appeal to Court of Appeals seeking its opinion which has been decided in IRD's favour previously. Then the Company appealed to Supreme Court against the Court of Appeals order. Judgement was delivered by Supreme Court in favour of Janashakthi Insurance PLC and the Court of Appeal (CA) judgement was set aside. The matter was reverted to Court of Appeal to rehear based on the SC judgement. Written submissions were scheduled for 7th December, 2023, with both

KPMG Chartered Accountants

parties submitting their arguments on that date. The case was scheduled for argument on 5th November, 2024 and when the matter was called on this date, the case was scheduled for arguments on 8th May 2025. The impact on the present value of contingent liability has been assessed at LKR 591 million.

d. The Company has also received assessments relating to Income Taxes for the years of assessment of 2010/11, 2011/12, 2012/13, 2013/14, 2014/15, 2016/17, 2017/18, 2018/19, 2019/20 & 2020/21 where the Department of Inland Revenue has disallowed management expenses relating to the Life Insurance Business including capital allowance. The Company has appealed against the assessments. The appeals had been filed following due process. Further, these Income Tax Assessments have been common assessments for all Life Insurance Companies in the insurance industry. It is the view of the industry and the Company's Tax Consultant that these assessments will not materialise. Therefore, no additional provisions has been made in the Financial Statements.
This has been reinforced by a recent decision from the Court of Appeal (CA) in favour of another participant in the industry in their CA appeal no. CA/Tax/019/2019.

Further, the Tax Appeals Commission (TAC) also has determined in favour of the Company for the year 2018/19. The TAC determined that the assessment for this period was inconsistent with Section 92 of the Inland Revenue Act No. 10 of 2006. Being aggrieved by the decision of TAC, the Commissioner General of Inland Revenue (CGIR) has challenged this decision at Court of Appeal.

Name of Company	Funding Institution	Nature of Asset	Nature of Liability
2010/2011	Following a determination by the TAC in favour of the Commissioner General of Inland Revenue, the Company has appealed to the Court of Appeal.	Loss Adjustment (Decrease in Brought Forward Tax Loss).	Loss Adjustment (Decrease in Brought Forward Tax Loss) Tax loss reduced by LKR 49 Mn
2011/2012	Following a determination by the TAC in favour of the Commissioner General of Inland Revenue, the Company has appealed to the Court of Appeal.	Loss Adjustment (Decrease in Brought Forward Tax Loss) and Additional Tax Liability.	Loss Adjustment (Decrease in Brought Forward Tax Loss) Tax loss reduced by LKR 53 Mn.
2012/2013	Following a determination by the TAC in favour of the Commissioner General of Inland Revenue, the Company has appealed to the Court of Appeal.	Loss Adjustment (Decrease in Brought Forward Tax Loss) and Additional Tax Liability.	Loss Adjustment (Decrease in Brought Forward Tax Loss) Tax loss reduced by LKR 89 Mn.
2013/2014	Following a determination by the TAC in favour of the Commissioner General of Inland Revenue, the Company has appealed to the Court of Appeal.	Loss Adjustment (Decrease in Brought Forward Tax Loss) and Additional Tax Liability.	Loss Adjustment (Decrease in Brought Forward Tax Loss) Tax loss reduced by LKR 157 Mn.
2014/2015	Following a determination by the TAC in favour of the Commissioner General of Inland Revenue, the Company has appealed to the Court of Appeal.	Loss Adjustment (Decrease in Brought Forward Tax Loss) and Additional Tax Liability.	Loss Adjustment (Decrease in Brought Forward Tax Loss) Tax loss reduced by LKR 189 Mn.
2016/2017	Pending Decision from Tax Appeals Commission.	Loss Adjustment (Decrease in Brought Forward Tax Loss).	Loss Adjustment (Decrease in Brought Forward Tax Loss) Tax loss reduced by LKR 97 Mn.
2017/2018	Pending Decision from Tax Appeals Commission.	Loss Adjustment (Decrease in Brought Forward Tax Loss).	Loss Adjustment (Decrease in Brought Forward Tax Loss) Tax loss reduced by LKR 51 Mn.
2018/2019	Following a determination by the TAC in favour of the Company, Commissioner General of Inland Revenue has appealed to the Court of Appeal.	Loss Adjustment (Decrease in Brought Forward Tax Loss).	Loss Adjustment (Decrease in Brought Forward Tax Loss) Tax loss reduced by LKR 36 Mn.
2019/2020	Pending Decision from Tax Appeals Commission	Loss Adjustment (Decrease in Brought Forward Tax Loss).	Loss Adjustment (Decrease in Brought Forward Tax Loss) Tax loss reduced by LKR 85 Mn.
2020/2021	Pending Decision from Tax Appeals Commission	Loss Adjustment (Decrease in Brought Forward Tax Loss) and Additional Tax Liability.	Loss Adjustment (Decrease in Brought Forward Tax Loss) Tax loss reduced by LKR 82 Mn.

KPMG Chartered Accountants

NOTES TO THE FINANCIAL STATEMENTS

e. *Status of Assessment - VAT on FS - JIPLC*

Value Added Tax (VAT) on Financial Services represent a broader concern impacting all life insurance companies within the insurance sector. The industry has recently obtained a favourable decision from the Court of Appeal (CA). As a result, no additional provisions have been recorded in the Financial Statements.

Year of Assessment	Status of Assessment
2016	CGIR has confirmed the assessment and issued its determination. Company being aggrieved by the determination has appealed to the TAC. The present value of the contingent liability is estimated to be LKR 20 Mn.
2021/2022	CGIR has issued the assessment and Company has appealed to that assessment. The present value of the contingent liability is estimated to be LKR 51 Mn.

f. *Status of Assessment - Income Tax - JGIL*

Janashakthi Insurance PLC has indemnified the purchaser with respect to pending tax matters of its subsidiary Janashakthi General Insurance Limited (JGIL). IRD has issued Tax Assessments for JGIL for the years 2015/16, 2016/17 & 2017/18. The amount cannot be quantified at this time due to pending finalization of tax credits.

g. *Status of Assessment - VAT & NBT - JGIL*

Year of Assessment	Status of Assessment
2016-Q1 - VAT	Assessment issued by CGIR and Allianz has lodged an objection. The present value of the contingent liability is estimated to be LKR 23 Mn.
2016 - NBT	Assessment issued by CGIR and Company has submitted an appeal. Administrative review to be initiated by the CGIR. The present value of the contingent liability is estimated to be LKR 0.2 Mn.

h. *Status of Assessment - Income Tax & PAYE – Former AIA GI*

Year of Assessment	Status of Assessment
2015/16 CIT	IRD has issued a default notice. JIPLC filed an objection. The present value of the contingent liability is estimated to be LKR 12 Mn.
2015/16 PAYE	IRD has issued a default notice. JIPLC filed an objection. The present value of the contingent liability is estimated to be LKR 0.7 Mn.

Janashakthi Insurance PLC vs Allianz SE

1551/2023/ARB-Commercial High Court Colombo

The SIAC Arbitration Final Award, issued on 15th March 2023, favored JIPLC, with Allianz SE paying ordered costs in Singapore and Sri Lanka. JIPLC, acting on legal advice, sought to register the award as a judgment to publicize its exoneration from fraud allegations, overcoming arbitration confidentiality rules.

JIPLC filed a Commercial High Court case (Case No. 1551/2023/ARB) against Allianz SE, which was supported on 10th January 2024. The court directed Allianz SE to file objections by 4th March 2024, but multiple extensions were granted. On 13th May 2024, Allianz SE submitted objections, and written submissions were ordered. On 8th July 2024, Allianz SE indicated its intent to negotiate a settlement, delaying submissions further.

The case was rescheduled for 23rd September 2024, but proceedings were cancelled due to a public holiday. On 9th October 2024, the case was listed for submissions on 9th December 2024. JIPLC filed its written submission on that date, while Allianz SE failed to do so. The court directed Allianz SE to file its submission in the registry, and the case is now scheduled for an order on 12th March 2025.

58.5 Janashakthi Finance PLC (Orient Finance PLC officially changed its name to Janashakthi Finance PLC with effect from 29th April 2025)

The Inland Revenue Department has issued assessments for Value Added Tax on Financial Services and Nation Building Tax on Financial Services amounting to LKR 192,806,365/- (including penalties of LKR 84,843,148/-) and the Board of Directors is confident that there will not be any additional tax liability on that.



59 Events after reporting period

Company

a. On 15 May 2025, the Company completed a merger with its subsidiaries, Orient Capital Limited and Janashakthi Capital Limited. Following the merger, Janashakthi Limited remains as the sole surviving entity.

b. In April 2025, First Capital Treasuries PLC (sub-subsidiary) issued Listed, Rated, Subordinated, Unsecured, Redeemable Debentures of 30 Mn (par value of LKR 100/- each) and raised funds amounting to LKR 3 Bn (Tier II capital funds).

Janashakthi Finance PLC

Change of Company Name

Subsequent to the reporting date, at the Extraordinary General Meeting of shareholders held on 29th April 2025, it was resolved that the name of the Company, Janashakthi Finance PLC, be changed to Janashakthi Finance PLC, subject to the necessary regulatory approvals and formal registration.The change of name does not affect the legal entity status of the Company and has no impact on the operations or financial position reported as at 31st March 2025.The Company is in the process of effecting this change through the Registrar of Companies in accordance with applicable laws and regulations.

60 Economic Outlook and the Business Impact

a. We remain optimistic about the year ahead. Sri Lanka's economic outlook for 2025 reflects steady progress towards macroeconomic stabilisation. The ADB projects GDP growth at 3.9% for 2025, supported by reforms under the IMF programme, fiscal consolidation and improved investor sentiment. The CBSL's policy direction remains accommodative, aimed at anchoring inflation expectations and facilitating credit expansion to productive sectors. As external buffers improve and domestic confidence rebuilds, conditions are increasingly conducive for capital mobilisation and business expansion. Both globally and locally, investor sentiment remains fluid tempered by caution but underpinned by emerging confidence. Selective opportunities, particularly those requiring agility and arbitrage, continue to surface, even in lower-volatility settings.

b. The management has formed judgment that the Company, its subsidiaries, and affiliates have adequate resources to continue in operational existence for the foreseeable future driven by the continuous operationalization of risk mitigation initiatives and monitoring of business continuity and response plans at each business unit level along with the financial strength of the Group.

c. As explained in Note 2.12, the Company's management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future.

d. As explained in Note 2.12, the Company's management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future.

61 Number of Employees of the Group as at the year end

The number of employees as at 31 st March 2025 was 1,243. (31 March 2024 – 1,245)



NOTES TO THE FINANCIAL STATEMENTS

62 Classification of Financial Assets and Liabilities

Group Financial Assets As at 31 March 2025	Financial Assets Measured at Fair Value through Profit or Loss (FVTPL) LKR'000	Financial Assets at Fair Value through other Comprehensive Income (FVTOCI) LKR'000	Financial Assets at Amortised Cost (AC) LKR'000	Total Carrying Amount LKR'000
Financial assets - Fair value through profit or loss	108,771,003	-	-	108,771,003
Financial assets at amortised cost	-	-	11,191,334	11,191,334
Financial assets - Fair value through other comprehensive income	-	3,486,150	-	3,486,150
Loans and receivables from customers	-	-	22,054,759	22,054,759
Loans to life policyholders and others	-	-	275,426	275,426
Amount due from related parties	-	-	16,993	16,993
Reinsurance receivables	-	-	19,620	19,620
Trade, other receivables and advances	-	-	3,934,096	3,934,096
Derivative financial instruments	2,820	-	-	2,820
Cash and cash equivalents	-	-	4,229,353	4,229,353
Total Financial Assets	108,773,823	3,486,150	41,721,581	153,981,554

Financial Liabilities As at 31 March 2025	Financial Liabilities Measured at Fair Value through other Comprehensive Income (FVTOCI) LKR'000	Financial Liabilities at Amortised Cost (AC) LKR'000	Total Carrying Amount LKR'000
Deposits from Customers	-	15,903,812	15,903,812
Interest bearing loans and borrowings	-	29,585,436	29,585,436
Bank Overdrafts	-	1,391,740	1,391,740
Debentures	-	3,908,443	3,908,443
Securities sold under re-purchase agreements	-	73,109,134	73,109,134
Derivative financial instruments	768	-	768
Liabilities & accrued expenses	-	3,821,307	3,821,307
Amount due to related companies	-	1,276,331	1,276,331
Other payable	-	427,240	427,240
Total Financial Liabilities	768	129,423,443	129,424,211

KPMG Chartered Accountants

Group Financial Assets As at 31 March 2024	Financial Assets Measured at Fair Value through Profit or Loss (FVTPL) LKR'000	Financial Assets at Fair Value through other Comprehensive Income (FVTOCI) LKR'000	Financial Assets at Amortised Cost (AC) LKR'000	Total Carrying Amount LKR'000
Financial assets - fair value through profit or loss	78,944,053	-	-	78,944,053
Financial assets at amortised cost	-	-	12,627,268	12,627,268
Financial assets - fair value through other comprehensive income	-	5,005,570	-	5,005,570
Loans and receivables from customers	-	-	15,658,738	15,658,738
Loans to life policyholders and others	-	-	268,736	268,736
Amount due from related parties	-	-	1,050,045	1,050,045
Trade, other receivables and advances	-	-	26,815	26,815
Reinsurance receivables	-	-	5,854,500	5,854,500
Derivative financial instruments	51,933	-	-	51,933
Cash and cash equivalents	-	-	1,983,030	1,983,030
Total Financial Assets	78,995,986	5,005,570	37,469,132	121,470,687

Financial Liabilities As at 31 March 2024	Financial Liabilities Measured at Fair Value through other Comprehensive Income (FVTOCI) LKR'000	Financial Liabilities at Amortised Cost (AC) LKR'000	Total Carrying Amount LKR'000
Deposits from customers	-	13,556,431	13,556,431
Interest bearing loans and borrowings	-	23,522,292	23,522,292
Bank overdrafts	-	2,082,924	2,082,924
Debentures	-	3,573,447	3,573,447
Securities sold under re-purchase agreements	-	49,643,339	49,643,339
Derivative financial instruments	71,742	-	71,742
Other creditors including accrued expenses	-	3,926,590	3,926,590
Amount due to related companies	-	8,163	8,163
Other payable	-	461,273	461,273
Total Financial Liabilities	71,742	96,774,459	96,846,201



NOTES TO THE FINANCIAL STATEMENTS

Company Financial Assets As at 31 March 2025	Financial Assets Measured at Fair Value through Profit or Loss (FVTPL) LKR'000	Financial Assets at Fair Value through other Comprehensive Income (FVTOCI) LKR'000	Financial Assets at Amortised Cost (AC) LKR'000	Total Carrying Amount LKR'000
Financial assets - fair value through profit or loss	248,462	-	-	248,462
Financial assets at amortised cost	-	-	131,311	131,311
Financial assets - fair value through other comprehensive income	-	-	-	-
Trade,other receivables and advances	-	-	239,249	239,249
Amount due from related parties	-	-	991,248	991,248
Cash and cash equivalents	-	-	1,245,100	1,245,100
Total Financial Assets	248,462	-	2,606,908	2,855,371

Financial Liabilities As at 31 March 2025	Financial Liabilities Measured at Fair Value through other Comprehensive Income (FVTOCI) LKR'000	Financial Liabilities at Amortised Cost (AC) LKR'000	Total Carrying Amount LKR'000
Debentures	-	2,139,115	2,139,115
Long term borrowings	-	1,103,117	1,103,117
Short term borrowings	-	13,544,455	13,544,455
Amount due to related companies	-	1,276,377	1,276,377
Amount due to directors	-	44,516	44,516
Bank overdrafts	-	422,961	422,961
Total Financial Liabilities	-	18,530,542	18,530,540

KPMG Chartered Accountants

Company Financial Assets As at 31 March 2024	Financial Assets Measured at Fair Value through Profit or Loss (FVTPL) LKR'000	Financial Assets at Fair Value through other Comprehensive Income (FVTOCI) LKR'000	Financial Assets at Amortised Cost (AC) LKR'000	Total Carrying Amount LKR'000
Financial assets - Fair value through profit or loss	114,233	-	-	114,233
Financial Assets at Amortised Cost	-	-	49,530	49,530
Financial assets - Fair value through other comprehensive income	-	-	-	-
Trade,other receivables and advances	-	-	55,444	55,444
Amount due from related parties	-	-	7,824,274	7,824,274
Cash and Cash Equivalents	-	-	130,331	130,331
Total Financial Assets	114,233	-	8,059,579	8,173,812

Financial Liabilities As at 31 March 2024	Financial Liabilities Measured at Fair Value through other Comprehensive Income (FVTOCI) LKR'000	Financial Liabilities at Amortised Cost (AC) LKR'000	Total Carrying Amount LKR'000
Debentures	-	1,778,373	1,778,373
Long term borrowings	-	6,446,106	6,446,106
Short term borrowings	-	17,846,886	17,846,886
Amount due to related companies	-	40,409	40,409
Amount due to directors	-	-	-
Bank Overdrafts	-	103,942	103,942
Total Financial Liabilities	-	26,215,716	26,215,716

KPMG Chartered Accountants

NOTES TO THE FINANCIAL STATEMENTS

63 Financial reporting by segments

For the year ended 31 March	Life Insurance		Lease & Hire Purchase		Loans		Factoring		Gold Loan		Investment	
	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Revenue	6,596,001	4,584,822	2,910,086	2,421,088	79,264	115,270	1,828	4,528	1,303,665	1,368,369	356,262	71,875
Cost of sales	(249,286)	(220,183)	(1,507,703)	(1,489,048)	(42,197)	(74,795)	(6,529)	(6,966)	(649,119)	(789,028)	-	-
Other operating income	2,381,656	23,585	165,614	161,289	6,816	14,443	11,492	7,553	20,534	-	155,235	(576,232)
Total segmental income	8,728,375	4,388,224	1,567,998	1,093,329	43,884	54,918	6,791	5,115	675,079	579,341	511,497	(504,357)
Insurance claims and benefits (net)	(3,950,242)	(3,411,483)	-	-	-	-	-	-	-	-	-	-
Underwriting & net acquisition costs	(1,662,727)	(1,162,592)	-	-	-	-	-	-	-	-	-	-
Change in life insurance fund	(1,376,912)	(2,502,624)	-	-	-	-	-	-	-	-	-	-
Depreciation & amortization	(91,006)	(120,844)	(103,152)	(44,179)	(2,887)	(2,219)	(447)	(207)	(44,410)	(23,410)	(33,456)	(12,222)
Other operating expenses	(639,237)	3,641,201	(1,127,351)	(789,914)	(31,552)	(39,677)	(4,882)	(3,695)	(485,365)	(418,565)	(239,837)	(1,002,811)
Impairment charge/ (reversal)	-	-	79,555	(184,862)	(2,435)	35,425	-	17,886	(2,600)	(3,698)	295,003	(273,330)
Net Finance Finance income / (Expense)	3,269,753	4,418,841	-	-	-	-	-	-	-	-	(2,357,356)	(4,782,683)
Share of Profit	1,331,534										6,573,156	-
Profit / (loss) from ordinary activities before tax	5,609,538	5,260,723	417,049	74,374	7,011	48,447	1,482	19,098	142,704	133,668	4,749,008	(6,575,403)
Corporate taxation	(1,191,523)	(1,115,900)	(36,574)	-	(1,024)	-	(159)	-	(15,748)	-	(516,256)	(148,852)
Net Profit / (loss) for the year	4,418,015	4,134,823	380,475	74,374	5,987	48,447	1,303	19,098	126,957	133,668	4,232,751	(6,724,255)

	Life Insurance		Lease & Hire Purchase		Loans		Factoring		Gold Loan		Investment	
	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Segmental assets	37,896,831	36,192,207	16,016,791	7,857,567	981,094	605,754	61,050	31,621	8,534,204	4,483,270	29,659,812	27,816,255
Segmental liabilities	20,994,268	20,600,292	13,685,370	6,475,051	838,285	499,174	52,164	26,058	7,291,956	3,694,452	19,990,007	19,913,432

Financial Services		Property Development		Secretarial		Fitness		Shared Service		Adjustments		Total	
2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
13,935,435	30,203,040	-	-	11,858	6,853	213,804	216,504	-	-	(645,955)	(1,071,010)	24,762,249	37,921,339
(7,671,689)	(10,346,741)	-	-	-	-	-	(119,970)	-	-	116,866	262,892	(10,009,657)	(12,783,839)
57,333	88,851	-	-	30	558	109	10,606	183	3,317	(16,779)	(314,222)	2,782,228	(580,252)
6,321,085	19,945,150	-	-	11,888	7,411	213,913	107,140	183	3,317	(545,868)	(1,122,340)	17,534,820	24,557,248
-	-	-	-	-	-	-	-	-	-	11,693	6,450	(3,938,349)	(3,405,033)
-	-	-	-	-	-	-	-	-	-	-	-	(1,662,727)	(1,162,592)
-	-	-	-	-	-	-	-	-	-	-	-	(1,376,912)	(2,502,624)
(143,249)	(39,811)	-	-	(79)	(199)	(99,770)	-	(134)	(60)	-	-	(518,590)	(243,151)
204,136	(3,637,904)	-	-	(22,587)	(14,453)	(139,629)	(155,851)	(356)	(566)	46,957	293,255	(2,439,703)	(2,128,980)
(113,278)	95,694	-	-	-	-	-	-	-	-	(273,330)	293,385	(17,085)	(19,500)
(27,948)	(27,406)	-	-	-	-	(32,651)	(29,432)	-	-	243,722	704,998	1,095,520	284,318
										(6,573,156)	-	1,331,534	-
6,240,745	16,335,723	-	-	(10,778)	(7,241)	(58,137)	(78,143)	(307)	2,691	(7,089,782)	175,748	8,676,974	15,379,685
(1,671,334)	(6,153,913)	-	-	-	-	-	-	-	-	-	-	(3,432,615)	(7,418,665)
4,569,411	10,181,810	-	-	(10,778)	(7,241)	(58,137)	(78,143)	(307)	2,691	(7,089,782)	175,748	5,244,359	7,961,020

Financial Services		Property Development		Secretarial		Fitness		Shared Service		Adjustments		Total	
2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
101,099,578	86,152,226	-	-	13,988	8,252	-	422,976	17,200	50,912	(26,758,590)	(29,471,353)	167,521,958	134,149,687
91,073,763	76,892,294	-	-	26,275	9,623	-	310,922	15,805	48,520	(3,737,541)	(9,623,268)	150,230,349	118,846,549

