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JANASHAKTHI GROUP



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JANASHAKTHI PLC | FINANCIAL STATEMENTS 2025/26

Independent Auditor's Report

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Janashakthi PLC (Formerly known as Janashakthi Limited)

Report on the Audit of the Financial Statements

Opinion

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

In our opinion, the accompanying financial statements of the Company and the Group give a true and fair view of the financial position of the Company and the Group as of March 31, 2026, and of their financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Basis for Opinion

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

Emphasis of Matter – Restatement of Comparative Information

We draw attention to Note 65 to the financial statements which indicate that the comparative information for the year ended March 31, 2025, has been restated and presented as comparatives in these financial statements. Our opinion is not modified in respect of this matter

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

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Key Audit Matters

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

Risk Description	Our Responses
1. Allowances for Expected Credit Losses of Loans and Advances at Amortized Cost. As disclosed in Note 17.7 to the financial statements, allowances for expected credit losses of financial assets amounting to LKR1.3 billion arising from loans and receivables of LKR 34 billion of the group are determined by management based on the accounting policies described in Note 7.1.7. A high degree of complexity and judgment is involved in estimating Expected Credit Losses (ECL) on loans and receivables to customers. A high degree of complexity and judgment is involved in estimating Expected Credit Losses (ECL) on loans and receivables to customers. Collective impairment is calculated using internally developed statistical models which are inherently complex, and significant judgment is required in developing these models. This involves a number of key inputs and assumptions in applying the requirements of SLFRS 9, including the selection and incorporation of forward-looking information, past due data, and historical loss parameters. Some of these assumptions and inputs are heavily dependent upon the macroeconomic environment; Accordingly, the impairment allowance on loans and receivables at amortized cost is considered a key audit matter due to its significance to the financial statements and the estimation uncertainty associated with the assumptions and judgments applied by management in determining the impairment allowance.	**Our audit procedures included;** Assessing the adequacy of collective impairment by: • Assessing the accuracy of the data used in the ECL models by checking a sample of data fields such as account balance, days past due, interest rates to relevant source systems; • Evaluating the appropriateness of the accounting policies relating to ECL and the underlying methodology applied in accordance with the requirements of SLFRS 9, with the involvement of our Financial Risk Management (FRM) specialists and based on our business understanding. Working with Financial Risk Management (FRM) specialists to: • Assess the accuracy of the ECL model estimates by re-performing, for a sample of loans, and comparing to the amount recorded by the group; • Examine the model design and calculation approach compared with industry standards. • Evaluating the completeness of customers/facilities assessed individually based on the established criteria, and verifying the accuracy of the impairment allowance for such identified individually significant exposures. • Assessing the appropriateness of estimated overlays applied by management for model limitations and independently determining the staging of loans based on the defined criteria for collectively assessed exposures. • Assessing the appropriateness of key parameters and assumptions, particularly those relating to the macroeconomic scenarios used in the expected credit loss model.

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Risk Description	Our Responses
2. Valuation of Investment Property As at 31 March 2026 the Group's Investment Properties carried at fair value amount to LKR 6 billion. Further, the fair value gain recognized in the statement of profit or loss for the year, amounted to LKR 0.5 billion. Management's assessment of fair value of investment property is based on valuations performed by a qualified independent property valuer in accordance with recognized industry standards. We identified fair valuation of Investment properties as a key audit matter due to the use of significant estimates such as per perch price and value per square foot involves judgement in assessing the fair value of the investment property.	**Our audit procedures included;** • Assessing the objectivity, independence, competence and qualifications of the external valuer engaged by the management. • Engaging our own internal experts where applicable to assess the reasonability of the valuation technique, per square-feet value, assumptions and methods used in the valuation by comparing the same with evidence of current market values. • Assessing the adequacy of disclosures made in relation to fair value of investment property in the financial statements, including the description and appropriateness of the inherent degree of subjectivity and key assumptions used.
3. Assessing the Carrying Value of Life Insurance Contract Liabilities Life Insurance Contract Liabilities of the group amounts to LKR18.4 billion as at 31 March 2026 are estimated by management using actuarial methodologies as described in Note 31 to the financial statements. The Life Insurance Contract Liabilities were determined by the management specialist engaged by the group. This was a key audit matters due to: • Materiality of the reported Life Insurance Contract Liabilities; • The degree of management judgements, assumptions and estimation uncertainties associated with the actuarial methodologies used to estimate life insurance contract liabilities and perform the liability adequacy test used to determine the adequacy of the carrying value of Life insurance contract liabilities. Key areas of significant judgements, assumptions and estimates made by management include mortality rate, morbidity rate, lapses ratio and surrenders ratio, loss ratios, bonus, interest rates, discount rates and related claim handling expenses, as disclosed in Note 31 to the financial statements.	**Our audit procedures included;** To assess the reasonableness of the Life Insurance Contract Liabilities, our audit procedures included amongst others the following: • Assessed the competency, capability and objectivity of the management specialist engaged by the company. • Obtained an understanding of the liability valuation process. • Agreed key information used in estimating insurance contract liabilities to source documents and accounting records. • With the support of an expert, we assessed the reasonableness of the key judgements, assumptions and estimates made and actuarial methodology used to estimate the value of life insurance contract liabilities, and the liability adequacy test. Reasonableness was assessed by reference to market data and policyholder experience. We assessed the adequacy of the disclosures in note 31 to the financial statements.

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Risk Description	Our Responses
4. Carrying amount of financial assets As at 31 March 2026, the Group's financial assets portfolio consists listed shares, government securities, debentures and unit trust measured at fair value amounted to LKR 84 billion. Further, these financial assets make up 54% of the Group's total assets. The carrying amounts of financial assets involve significant judgement and estimation uncertainty, including the application of complex valuation techniques, the use of unobservable inputs, and management assumptions. These factors increase the level of subjectivity in the measurement process, giving rise to a risk of material misstatement in the carrying amounts of financial assets as at the reporting date. Based on the above factors, we considered the carrying amount of financial assets as a key audit matter.	**Our audit procedures included:** • Obtaining an understanding of and assessing the design, implementation and operating effectiveness of the management's key internal controls over identification, measurement and management of valuation risk as well as evaluating the methodologies and input parameters used by the Group in determining the carrying amounts. • Comparing observable inputs against independent sources and externally available market data and reperforming independent valuations considering the macroeconomic environment factors. • Making inquiries of the management on the market conditions and reviewing the minutes of the enterprise risk management committee meetings. • Testing mathematical accuracy and verifying the appropriateness and completeness of the data used. • Obtaining and agreeing with the third-party confirmations for outstanding financial instruments. • Assessing the adequacy of the disclosures in the financial statements in accordance with the relevant accounting standards.
5. Assessment of Impairment of Goodwill The Group's Statement of Financial Position includes an amount of LKR 4 billion relating to Goodwill, as further described in Note 14 to the financial statements. Goodwill is tested annually for impairment based on the recoverable amount of the Cash Generating Units (CGUs) to which Goodwill have been allocated. Management determines the recoverable amount by reference to the fair value of the shares of the listed subsidiaries to which the respective CGUs relate. A deficit between the recoverable amount and the carrying amount of the relevant CGUs, including Goodwill would result in an impairment. The impairment assessment of Goodwill was a key audit matter due to: • The magnitude of the carrying amount of Goodwill. The degree of judgement involved determining the recoverable amounts of the relevant CGUs, including the assessment of the fair value of shares of listed subsidiaries and the comparison of such recoverable amounts with the carrying values of the respective CGUs.	**Our audit procedures included:** • We obtained an understanding of Management's process for assessing impairment of Goodwill and determining the recoverable amount of the relevant CGUs. • We evaluated the methodology used by Management to determine the recoverable amounts by reference to the fair value of shares of the relevant listed subsidiaries. • We agreed the number of shares held in the listed subsidiaries to supporting documents and relevant accounting records. • We compared the fair value used by Management with the quoted market prices of the shares of the respective listed subsidiaries at the relevant reporting date and assessed the reasonableness of the resulting recoverable amounts.

Independent Auditor's Report

Other Information

These financial statements do not include other information.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company and the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion

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

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

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

Report on Other Legal and Regulatory Requirements

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

CA Sri Lanka membership number of the engagement partner responsible for signing this independent auditor's report is FCA 3272.



CHARTERED ACCOUNTANTS

Colombo, Sri Lanka

November 16, 2026

Statement of Financial Position

AS AT 31 MARCH	Notes	Group			Company		
		2026	2025	As at 1st April 2024	**2026**	2025	As at 1st April 2024
		LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000
			Restated	Restated		Restated	Restated
Assets							
Property, plant & equipment	10	**1,678,568**	1,502,169	881,598	**95,759**	127,133	115,736
Investment property	11	**6,062,476**	5,629,397	5,648,937	**3,367,040**	2,953,340	2,907,000
Right of use of assets	12	**1,081,843**	994,353	1,009,162	**203,391**	228,240	131,148
Deferred tax assets	13	**594,961**	828,738	497,471	**-**	-	-
Intangible assets	14	**4,457,324**	4,439,971	4,382,678	**-**	-	-
Investment in subsidiaries	15	**-**	-	-	**21,052,308**	22,716,418	22,248,950
Investment in financial assets	16	**102,537,426**	122,443,312	95,985,172	**3,217,041**	379,773	204,497
Loans and receivables from customers	17	**32,805,597**	22,250,761	15,841,739	**-**	-	-
Loans to life policyholders and others	18	**320,067**	275,426	268,737	**-**	-	-
Inventories	19	**17,667**	20,306	12,465	**-**	-	-
Reinsurance receivables	20	**34,613**	19,620	26,815	**-**	-	-
Premium receivables	21	**652,715**	320,075	268,203	**-**	-	-
Amounts due from related parties	22	**67,178**	16,993	1,050,045	**173,251**	991,246	1,446,673
Trade, other receivables and advances	23	**3,717,231**	3,506,147	5,529,764	**242,658**	239,247	272,049
Derivative financial instruments	24	**10,440**	2,820	51,933	**-**	-	-
Assets classified as held for sale	25	**63,916**	42,416	42,416	**21,500**	-	-
Cash and cash equivalents	26	**2,766,472**	4,229,353	1,983,030	**779,351**	1,245,100	769,215
Total assets		**156,868,494**	166,521,857	133,480,165	**29,152,298**	28,880,497	28,095,268
Liabilities and equity							
Liabilities							
Debentures	27	**8,219,237**	3,908,443	3,573,447	**2,027,300**	2,139,115	1,058,299
Retirement benefit obligations	28	**409,923**	322,290	285,543	**67,466**	40,025	26,393
Interest bearing loans & borrowings	29	**39,763,661**	29,585,436	23,522,293	**15,347,176**	14,647,572	17,322,154
Deposits from customers	30	**17,694,649**	15,903,812	13,556,431	**-**	-	-
Insurance liability -life	31	**18,482,315**	16,031,420	14,544,804	**-**	-	-
Reinsurance creditors	32	**101,487**	70,983	276	**-**	-	-
Liabilities related to equity accounted subsidiaries	15	**-**	-	-	**-**	13,054	292,411
Amount due to related parties	33	**24,627**	1,276,331	8,163	**24,673**	1,276,377	6,706
Trade and other payables	34	**9,775,028**	9,052,374	11,749,066	**430,536**	500,718	385,327
IPO proceeds received pending allotment		**519,116**	-		**519,116**	-	-
Derivative financial instruments	35	**1,818**	768	71,742	**-**	-	-
Securities sold under repurchase agreements	36	**44,069,015**	73,109,134	49,643,339	**-**	-	-
Bank overdrafts	26	**2,217,889**	1,391,740	2,082,924	**506,109**	422,960	112,432

AS AT 31 MARCH	Notes	Group			Company		
		2026	2025	As at 1st April 2024	**2026**	2025	As at 1st April 2024
		LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000
			Restated	Restated		Restated	Restated
Total liabilities		**141,278,765**	150,652,731	119,038,028	**18,922,376**	19,039,821	19,203,722
Equity							
Stated capital	37	**4,300,000**	4,300,000	4,300,000	**4,300,000**	4,300,000	4,300,000
Risk reserves	38	**1,384,599**	1,274,685	1,066,516	**1,384,599**	1,274,685	1,066,516
Reserve fund	39.1	**216,760**	213,737	202,891	**216,760**	213,737	202,891
Restricted regulatory reserve	39.2	**1,336,414**	1,336,414	1,336,414	**1,336,414**	1,336,414	1,336,414
Fair valuation reserve	39.3	**(231,433)**	43,157	186,655	**(231,433)**	43,157	186,655
Revaluation reserve	39.4	**47,444**	52,804	26,004	**47,444**	52,804	26,004
Regulatory Loss Allowance reserve	39.5	**-**	181,236	-	**-**	181,236	-
Retained Earnings		**3,176,133**	2,486,177	2,163,742	**3,176,138**	2,438,643	1,773,066
Total equity attributable to equity holders of the company		**10,229,917**	9,888,210	9,282,222	**10,229,922**	9,840,676	8,891,546
Non - controlling interests		**5,359,812**	5,980,916	5,159,915	**-**	-	-
Total equity		**15,589,729**	15,869,126	14,442,137	**10,229,922**	9,840,676	8,891,546
Total liabilities and equity		**156,868,494**	166,521,857	133,480,165	**29,152,298**	28,880,497	28,095,268

Figures in bracket indicate deductions.

The Notes disclosed form an integral part of these Financial Statements.

I certify that the Financial Statements have been prepared in compliance with the requirements of the Companies Act No. 07 of 2007.

Thanushka Jayasundara
Group Chief Financial Officer

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

Approved and signed for and on behalf of the Board by,

Chandana L. de Silva
Chairman

Ramesh Schaffter
Managing Director / Group Chief Executive Officer

16 November 2026
Colombo.

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 March	Note	Group		Company	
		2026	2025	**2026**	2025
		LKR '000	LKR '000	LKR '000	LKR '000
			Restated		Restated
Continuing Operations					
Revenue from contracts with customers		**1,214,379**	1,036,799	**104,937**	-
Revenue from Insurance contracts		**8,610,460**	6,562,912	**-**	-
Trading gains		**4,817,632**	3,786,777	**-**	-
Interest Income		**14,720,468**	13,208,103	**-**	-
Dividend Income		**535,284**	167,658	**16,570**	506
Total Revenue	40	**29,898,223**	24,762,249	**121,507**	506
Revenue	40	**29,898,223**	24,762,249	**121,507**	506
Cost of sales and direct expenses	41	**(19,155,067)**	(16,987,645)	**-**	-
Gross profit		**10,743,156**	7,774,604	**121,507**	506
Other operating income	42	**1,590,161**	2,780,229	**479,195**	79,609
Change in fair value of financial assets- Fair value through profit or loss	43	**(510,750)**	3,525,289	**11,410**	(7,474)
		11,822,567	14,080,122	**612,112**	72,641
Operating expenses					
Selling & distribution expenses		**(418,525)**	(267,867)	**(79,868)**	(77,755)
Administrative & other operating expenses	44	**(7,986,255)**	(6,736,797)	**(713,920)**	(505,124)
Impairment charges	45	**(258,843)**	(17,085)	**18,406**	295,003
Profit / (Loss) from operations		**3,158,944**	7,058,373	**(163,270)**	(215,235)
Finance income	47	**3,017,429**	3,343,594	**21,311**	157,748
Finance cost	48	**(2,089,149)**	(2,248,074)	**(1,894,859)**	(2,500,904)
Net finance income / (cost)		**928,280**	1,095,520	**(1,873,548)**	(2,343,156)
Share of profit/(loss) from equity accounted investee (net of tax)	15.1	**-**	-	**2,930,513**	6,093,304
Profit before Tax		**4,087,224**	8,153,893	**893,695**	3,534,913
Income tax expense	49	**(2,488,339)**	(3,462,640)	**(199,848)**	(516,256)
Net Profit for the year		**1,598,885**	4,691,253	**693,847**	3,018,657

For the year ended 31 March	Note	Group		Company	
		2026	2025	**2026**	2025
		LKR '000	LKR '000	LKR '000	LKR '000
Other comprehensive income					
Gain/(loss) on financial assets measured at fair value through other comprehensive income		**358,551**	426,323	**-**	-
Available for sale financial assets transferred to Income statement		**(725,455)**	(625,380)	**-**	-
Revaluation of Motor Vehicle		**(7,000)**	35,000		
Actuarial gain/(loss) on retirement benefit obligations	28.2	**(39,597)**	29,318	**(5,357)**	812
Actuarial loss transferred to long term fund		**12,622**	418	**-**	-
Reimbursement of actuarial gain		**-**	(32,702)	**-**	-
Tax effect on other comprehensive income / (expense)		**12,448**	(923)	**-**	-
Share of other comprehensive income from equity accounted investee (net of tax)	15.1	**-**	-	**(301,337)**	(130,338)
Other comprehensive (loss) / income for the year net of tax		**(388,431)**	(167,946)	**(306,694)**	(129,526)
Total comprehensive (loss) / income for the year		**1,210,454**	4,523,307	**387,153**	2,889,131
Profit / (Loss) attributable to:					
Equity holders of the company		**648,400**	2,675,515	**693,847**	3,018,657
Non - Controlling Interests		**950,485**	2,015,738	**-**	-
		1,598,885	4,691,253	**693,847**	3,018,657
Total comprehensive (expense)/income attributable to :					
Equity holders of the company		**341,706**	2,545,989	**387,153**	2,889,131
Non - Controlling Interests		**868,748**	1,977,318	**-**	-
		1,210,454	4,523,307	**387,153**	2,889,131
Basic earnings per share	50	**0.70**	4.22	**0.75**	4.76
Diluted earnings per share	50	**0.70**	4.22	**0.75**	4.76

Figures in bracket indicate deductions.

The Notes disclosed form an integral part of these Financial Statements.

Statement of Changes in Equity

Group	Attributable to equity holders of the parent			
	Stated Capital	Reserve Fund	Risk Reserve	Restricted Regulatory Reserve
	LKR '000	LKR '000	LKR '000	LKR '000
Balance as at 31st March 2024 - Reported Balance	4,300,000	202,891	1,066,516	1,336,414
Restatement adjustments made	-	-	-	-
Balance as at 01st April 2024 - Restated	4,300,000	202,891	1,066,516	1,336,414
Total Comprehensive income for the year				
Profit/(Loss) for the year	-	-	-	-
Share of equity investees other comprehensive Income/(Loss) for the year	-	-	-	-
Company's other comprehensive Income/(Loss) for the year	-	-	-	-
Total Comprehensive income for the year	-	-	-	-
Transfers				
Transfer to Risk Reserve	-	10,846	208,169	-
Transfer to Regulatory Loss Reserve	-	-	-	-
Total transfers	-	10,846	208,169	-
Transactions with equity holders of the company				
Loss on sale of FVTOCI Investments	-	-	-	-
Dividends	-	-	-	-
Total transactions with equity holders of the company	-	-	-	-
Balance as at 31st March 2025 - Restated	4,300,000	213,737	1,274,685	1,336,414
Balance as at 01st April 2025 - Restated	4,300,000	213,737	1,274,685	1,336,414
Total Comprehensive income for the year				
Profit/(Loss) for the year	-	-	-	-
Share of equity investees other comprehensive Income/(Loss) for the year	-	-	-	-
Company's other comprehensive Income/(Loss) for the year	-	-	-	-
Total Comprehensive income for the year	-	-	-	-
Transfers				
Transfer to Risk Reserve	-	3,023	109,914	-
Transfer to Regulatory Loss Reserve	-	-	-	-
Total transfers	-	3,023	109,914	-
Transaction with equity holders of the Company				
Gain / (Loss) on sale of FVTOCI Investments	-	-	-	-
Dividends	-	-	-	-
Total transaction with equity holders of the Company	-	-	-	-
Balance as at 31st March 2026	4,300,000	216,760	1,384,599	1,336,414

Figures in bracket indicate deductions.
The Notes disclosed form an integral part of these Financial Statements.

Revaluation reserve	Fair value reserve fund of life policyholders	Fair Value Reserve	Regulatory Loss Allowance reserve	Retained earnings	Total	Non-controlling interest	Total equity
LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000
26,004	-	186,655	-	1,466,554	8,585,034	6,718,104	15,303,138
-	-	-	-	697,188	697,188	(1,558,189)	(861,001)
26,004	-	186,655	-	2,163,742	9,282,222	5,159,915	14,442,137
-	-	-	-	2,675,515	2,675,515	2,015,738	4,691,253
26,800	-	(153,237)	-	(3,901)	(130,338)	(38,420)	(168,758)
-	-	-	-	812	812	-	812
26,800.00	-	(153,237)	-	2,672,426	2,545,989	1,977,318	4,523,307
-	-	-	-	(219,015)	-	-	-
-	-	-	181,236	(181,236)	-	-	-
-	-	-	181,236	(400,251)	-	-	-
-	-	9,740	-	(9,740)	-	-	-
-	-	-	-	(1,940,000)	(1,940,000)	(1,156,317)	(3,096,317)
-	-	9,740	-	(1,949,740)	(1,940,000)	(1,156,317)	(3,096,317)
52,804	-	43,158	181,236	2,486,177	9,888,211	5,980,916	15,869,127
52,804	-	43,158	181,236	2,486,177	9,888,211	5,980,916	15,869,127
-	-	-	-	648,400	648,400	950,485	1,598,885
(5,360)	-	(287,520)	-	(8,457)	(301,337)	(81,737)	(383,074)
-	-	-	-	(5,357)	(5,357)	-	(5,357)
(5,360.00)	**-**	**(287,520)**	**-**	**634,586**	**341,706**	**868,748**	**1,210,454**
-	-	-	-	(112,937)	-	-	-
-	-	-	(181,236)	181,236	-	-	-
-	-	-	(181,236)	68,299	-	-	-
-	-	12,929	-	(12,929)	-	-	-
-	-	-	-	-	-	(1,489,852)	(1,489,852)
-	-	12,929	-	(12,929)	-	(1,489,852)	(1,489,852)
47,444	-	(231,433)	-	3,176,133	10,229,917	5,359,812	15,589,729

Statement of Changes in Equity

Company	Attributable to equity holders of the parent			
	Stated Capital LKR '000	Reserve Fund LKR '000	Risk Reserve LKR '000	Restricted Regulatory Reserve LKR '000
Balance as at 31st March 2024 - Reported Balance	4,300,000	202,891	1,066,516	1,336,414
Restatement adjustments made	-	-	-	-
Balance as at 01st April 2024 - Restated	4,300,000	202,891	1,066,516	1,336,414
Total Comprehensive income for the year				
Profit/(Loss) for the year	-	-	-	-
Share of equity investees other comprehensive Income/(Loss) for the year	-	-	-	-
Company's other comprehensive Income/(Loss) for the year	-	-	-	-
Total Comprehensive income for the year	-	-	-	-
Transfers				
Transfer to Risk Reserve	-	10,846	208,169	-
Transfer to Regulatory Loss Reserve	-	-	-	-
Total transfers	-	10,846	208,169	-
Transactions with equity holders of the company				
Loss on sale of FVTOCI Investments	-	-	-	-
Dividends	-	-	-	-
Total transactions with equity holders of the company	-	-	-	-
Balance as at 31st March 2025 - Restated	**4,300,000**	**213,737**	**1,274,685**	**1,336,414**
Balance as at 1st April 2025 - Restated	4,300,000	213,737	1,274,685	1,336,414
Profit/(Loss) for the year	-	-	-	-
Share of equity investees other comprehensive Income/(Loss) for the year	-	-	-	-
Company's other comprehensive Income/(Loss) for the year	-	-	-	-
Total Comprehensive income for the year	**-**	**-**	**-**	**-**
Transfers				
Transfer to Risk Reserve	-	3,023	109,914	-
Transfer to Regulatory Loss Reserve	-	-	-	-
Total transfers	-	3,023	109,914	-
Transactions with equity holders of the company				
Ordinary share issue (Note 39)				
Loss on sale of FVTOCI Investments	-	-	-	-
Total transactions with equity holders of the company	-	-	-	-
Balance as at 31st March 2026	4,300,000	216,760	1,384,599	1,336,414

The Notes disclosed form an integral part of these Financial Statements.

Revaluation reserve LKR '000	Fair value reserve fund of life policyholders LKR '000	Fair Value Reserve LKR '000	Regulatory Loss Allowance reserve LKR '000	Retained earnings LKR '000	Total equity LKR '000
26,004	-	186,655	-	1,773,066	8,891,546
-	-	-	-	-	-
26,004	-	186,655	-	1,773,066	8,891,546
-	-	-	-	3,018,657	3,018,657
26,800.00	-	(153,237)	-	(3,901)	(130,338)
-	-	-	-	812	812
26,800.00	-	(153,237)	-	3,015,568	2,889,131
-	-	-	-	(219,015)	-
-	-	-	181,236	(181,236)	-
-	-	-	181,236	(400,251)	-
-	-	9,740	-	(9,740)	-
-	-	-	-	(1,940,000)	(1,940,000)
-	-	9,740	-	(1,949,740)	(1,940,000)
52,804	**-**	**43,158**	**181,236**	**2,438,643**	**9,840,677**
52,804	-	43,158	181,236	2,438,643	9,840,677
-	-	-	-	693,847	693,847
(5,360)	-	(287,520)	-	(8,457)	(301,337)
-	-	-	-	(5,357)	(5,357)
(5,360.00)	**-**	**(287,520)**	**-**	**680,033**	**387,153**
-	-	-	-	(110,845)	2,092
-	-	-	(181,236)	181,236	-
-	-	-	(181,236)	70,391	2,092
-	-	12,929	-	(12,929)	-
-	-	12,929	-	(12,929)	-
47,444	-	(231,433)	-	3,176,138	10,229,922

Statement of Cash Flows

For the year ended 31 March,	Note	Group		Company	
		2026	2025	**2026**	2025
		LKR '000	LKR '000	LKR '000	LKR '000
			Restated		Restated
Cash flows from operating activities					
Profit/(Loss) before tax expenses		**4,087,224**	8,153,893	**893,695**	3,534,913
Adjustments for					
Finance income	47	**(3,017,429)**	(3,343,594)	**(21,311)**	(157,748)
Finance cost	48	**2,089,149**	2,248,074	**1,894,859**	2,500,904
IPO related expenses		**308**	-	**308**	-
ROU Adjustment		**(24,620)**	340,574	**15,778**	(18,325)
Depreciation and amortization	46	**663,672**	544,972	**66,727**	47,898
Profit on disposal of property, plant and equipment		**(58)**	(2,233)	**-**	-
Loss on disposal of Investment properties		**8,777**	-	**2,678**	-
Fair value (gain) /loss on financial assets	43	**510,750**	(3,525,289)	**(11,410)**	7,474
Fair value loss on biological assets	42	**-**	-	**-**	-
Fair value (gain) /loss on investment properties	11	**(480,306)**	(32,489)	**(447,327)**	500
Other sundry Income	12	**(32,050)**	-	**(32,050)**	-
Impairment charges	45	**258,843**	17,085	**(18,406)**	(295,003)
Gratuity provision	28	**74,810**	79,589	**11,791**	15,588
Share of profit from equity accounted investee (net of tax)		**-**	-	**(2,930,513)**	(6,093,304)
Operating profit/(loss) before working capital changes		**4,139,070**	4,480,582	**(575,181)**	(457,103)
Change in inventories		**2,639**	(7,841)	**-**	-
Change in loans and advances to customers		**(10,813,679)**	(6,409,022)	**-**	-
Change in financial assets		**19,753,687**	(22,932,850)	**(1,700,841)**	(175,276)
Change in amount due from related parties		**(50,185)**	1,015,967	**53,884**	750,430
Change in premium and other receivables		**(392,274)**	(51,367)	**-**	-
Change in trade, other receivables and advances		**(184,581)**	2,023,616	**2,361**	32,798
Change in deposits from customers		**1,790,837**	2,347,381	**-**	-
Change in trade and other payables		**701,677**	(1,113,127)	**(72,470)**	24,385
Change in amount due to related parties		**(1,251,704)**	1,261,698	**(1,251,704)**	1,269,669
Change in life insurance fund		**2,450,895**	1,486,616	**-**	-
Change in Securities sold under re-purchase agreements		**(29,040,119)**	23,465,795	**-**	-
Cash generated from / (used in) operations		**(12,893,737)**	5,567,448	**(3,543,952)**	1,444,903
Gratuity paid	28	**(28,877)**	(14,272)	**(3,922)**	(1,144)
Income taxes paid		**(2,243,217)**	(4,980,813)	**-**	-
Withholding tax on dividend declared from subsidiary companies		**(737,803)**	(730,793)	**(199,848)**	(516,256)
Finance costs paid		**(1,995,572)**	(677,937)	**(2,299,288)**	(2,490,066)
Net cash flows from / (used in) operating activities		**(17,899,206)**	(836,367)	**(6,047,009)**	(1,562,563)

For the year ended 31 March,	Note	Group		Company	
		2026	2025	**2026**	2025
		LKR '000	LKR '000	LKR '000	LKR '000
Cash flows from investing activities					
Acquisition of property, plant and equipment	10	**(653,275)**	(1,029,070)	**(9,403)**	(32,647)
Acquisition of investment properties	11	**-**	(59,961)	**-**	(46,840)
Acquisition of intangible assets	14	**(57,735)**	(129,367)	**-**	-
Proceeds from disposal of property, plant and equipment		**28,189**	4,114	**-**	121
Proceeds from disposal of investment properties		**16,950**	-	**9,450**	-
Finance income		**3,017,429**	3,343,594	**21,311**	157,748
Proceeds from disposal of subsidiary shares		**-**	52,588	**-**	52,588
Dividend received		**-**	42,101	**-**	-
Dividend income from equity accounted investee	15.1	**-**	-	**4,167,115**	5,163,554
Net cash flows generated from / (used in) investing activities		**2,351,558**	2,223,999	**4,188,473**	5,294,524
Cash flows from financing activities					
Proceeds from interest bearing loans and borrowings		**35,838,647**	43,946,520	**13,959,474**	35,003,732
Repayment of interest bearing loans and borrowings		**(25,606,744)**	(39,312,967)	**(12,838,752)**	(37,678,315)
Payment of lease liability		**(167,015)**	(181,821)	**(16,633)**	(21,998)
Payment of lease Interest		**(146,020)**	(140,534)	**(16,689)**	(10,838)
Debenture Proceeds		**6,000,000**	1,080,816	**-**	1,080,816
Debenture redemption with Interest and net interest		**(1,689,206)**	(745,820)	**(111,815)**	-
IPO Proceeds - Advance		**519,116**	-	**519,116**	-
IPO related expenses		**(308)**	-	**(308)**	-
Dividend paid to equity holders		**-**	(1,940,000)	**-**	(1,940,000)
Dividend paid to minority shareholders		**(1,489,852)**	(1,156,317)	**-**	-
Net cash flows generated from financing activities		**13,258,618**	1,549,876	**1,494,393**	(3,566,603)
Net increase / (decrease) in cash and cash equivalents		**(2,289,030)**	2,937,508	**(364,143)**	165,358
Bank Overdraft Acquired through amalgamation		**-**	-	**(189,268)**	-
Cash and Bank balance acquired through amalgamation		**-**	-	**4,514**	-
Cash and cash equivalents at the beginning of the year		**2,837,613**	(99,895)	**822,140**	656,782
Cash and cash equivalents at the end of the year	26	**548,583**	2,837,613	**273,242**	822,140
Analysis of Cash and Cash Equivalents					
Favorable Balances					
Cash & Bank Balances	26	**2,766,472**	4,229,353	**779,351**	1,245,100
Unfavorable Cash and Cash Equivalents balance					
Bank Overdrafts	26	**(2,217,889)**	(1,391,740)	**(506,109)**	(422,960)
Total Cash and Cash Equivalents		**548,583**	2,837,613	**273,242**	822,140

1. REPORTING ENTITY

Janashakthi PLC ("Company") is a Public limited Company incorporated and domiciled in Sri Lanka on May 1994 under the name of Acland Finance Limited. The registered office and place of business of the Company is No. 2, Deal Place, Colombo 03. The Company was re-registered under the Companies Act No. 07 of 2007.

The Company underwent several changes to its name and listing status since its incorporation. Following two name changes between 1994 and 2002, the Company changed its name to Janashakthi Limited on 9 September 2004.

The Company listed its debentures on the Colombo Stock Exchange (CSE) on 1 December 2014 and, consequent to the listing, changed its name to Janashakthi PLC with effect from 29 January 2015.

Following the subsequent delisting of the debentures from the CSE, the Company changed its name from Janashakthi PLC to Janashakthi Limited with effect from 17 December 2020.

On 9 April 2026, the Company listed its ordinary shares on the CSE and, consequent to the listing, changed its name from Janashakthi Limited to Janashakthi PLC with effect from 10 June 2026.

The Consolidated Financial Statements of the Company as at and for the year ended 31 March 2026 include the Company and its Subsidiaries (together referred to as the "Group" and individually as "Group entities").

The Financial Statements of all companies in the Group have a common financial year which ends on 31 March except for the Janashakthi Insurance PLC which ends on 31 December.

1.1 Principal Activities

1.1.1 Company

The principal activity of the Company is investing in subsidiaries and providing related services.

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

1.1.2 Subsidiaries

Name of subsidiary	Principal activities
Janashakthi Insurance PLC	Engages in providing life insurance solutions for both individual and corporate customers.
Janashakthi Finance PLC	Engages in providing finance leasing, hire purchasing, debt factoring, mobilization of deposits and pawning (gold loans) advances.
First Capital Holdings PLC	Investing in and management of subsidiaries
First Capital Limited	Engages in debt structuring, corporate finance and advisory services and investing in and management of subsidiaries.
First Capital Treasuries PLC	Engages in business operations as a primary dealer in government securities.
First Capital Markets Limited	Engages in general investments (fixed income securities) and fee-based activities.
First Capital Asset Management Limited	Engages in the management of clients' investment portfolios and the management of unit trust.
First Capital Equities (Private) Limited	Engages in stock brokering activities of listed securities.
First Capital Trustees (Private) Limited	Engages in the business of providing trustee services for corporate debt securities.
First Capital Advisory Services (Private) Limited	Engage in corporate finance advisory services
Janashakthi Corporate Services Limited	Engages in providing secretarial services
Janashakthi Capital Limited	Engages in investing activities.
Orient Capital Limited	Engages in investing activities.
Janashakthi Business Services (Pvt) Ltd	Engages in providing shared service function to the group.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

The Consolidated Financial Statements of the Group and the Financial Statements of the Company which comprise the Statement of Financial Position, Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and Notes thereto have been prepared in accordance with the Sri Lanka Accounting Standards (SLFRSs and LKASs) laid down by the Institute of Chartered Accountants of Sri Lanka, and in compliance with the requirements of Companies Act No. 7 of 2007. These Financial Statements, except for information on cash flows have been prepared following the accrual basis of accounting. These SLFRSs and LKASs are available at www.casrilanka.com. The Group did not adopt any inappropriate accounting treatments, which are not in compliance with the requirements of the SLFRSs and LKASs, regulations governing the preparation and presentation of the Financial Statements.

2.2 Responsibility for Financial Statements

The Board of Directors of the Company is responsible for the preparation and presentation of the Financial Statements of the Group and the Company as per the provisions of the Companies Act No. 07 of 2007 and Sri Lanka Accounting Standards (SLFRSs and LKASs).

The Board of Directors acknowledges their responsibility for Financial Statements as set out in these Financial Statements include the following components:

- a Statement of Profit or Loss and Other Comprehensive Income providing the information on the financial performance of the Group and the Company for the year under review.
- a Statement of Financial Position providing the information on the financial position of the Group and the Company as at the year end.
- a Statement of Changes in Equity depicting all changes in shareholders' funds during the year under review of the Group and the Company.
- a Statement of Cash Flows providing the information to the users, on the ability of the Group and the Company to generate cash and cash equivalents and utilization of those cash flows.
- Notes to the Financial Statements comprising significant accounting policies and other explanatory information.

2.3 Approval of Financial Statements by the Board of Directors

The Financial Statements of the Group and the Company for the year ended 31 March 2026 (including comparatives for 2025), were approved and authorized for issue by the Board of Directors in accordance with Resolution of the Directors on 16 November 2026.

2.4 Basis of Measurement

The Financial Statements have been prepared on the historical cost basis and applied consistently with no adjustments being made for inflationary factors affecting the Financial Statements, except for the following,

Category	Basis of measurement	Note
Derivative financial assets/ liabilities	Fair value	7.1.3
Financial assets measured at fair value thorough profit or loss	Fair value	7.1.4.1
Financial assets measured at fair value though other comprehensive income	Fair value	7.1.4.3
Financial assets at amortized cost	Amortized cost	7.1.4.2
Right of use of assets & lease liabilities	Present value of future lease rental payments	7.5
Retirement benefit obligations	Projected unit credit method	7.17.1
Investment property	Fair value	11

2.5 Functional and Presentation Currency

Items included in these Financial Statements of the Group are measured using the currency of the primary economic environment in which the Group operates (the "Functional Currency"). There was no change in the Group's presentation and functional currency during the year under review. These Financial Statements are presented in Sri Lankan Rupees, the Group's functional and presentation currency.

2.6 Presentation of Financial Statements

The assets and liabilities of the Group presented in the Statement of Financial Position are grouped by nature. No adjustments have been made for inflationary factors affecting the Financial Statements.

Notes to the Financial Statements

2.7 Materiality and Aggregation

Each material class of similar items is presented separately in the Financial Statements. Items of dissimilar nature or function are presented separately unless they are immaterial as permitted by the Sri Lanka Accounting Standard - LKAS 01 on "Presentation of Financial Statements" and amendments to the LKAS 01 on "Disclosure initiative", which was effective from 01st January 2016.

Notes to the financial statements are presented in a systematic manner which ensures the understandability and comparability of financial statements of the Group.

2.8 Offsetting

Financial assets and financial liabilities are offset, and the net amount reported in the Statement of Financial Position, only when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

Income and expenses are not offset in the Statement of Profit or Loss and Other Comprehensive income, unless required or permitted by an Accounting Standard or Interpretation (issued by the International Financial Reporting Interpretations Committee and Standard Interpretation Committee) and as specifically disclosed in the significant accounting policies of the Group.

2.9 Rounding

The amounts in the Financial Statements have been rounded-off to the nearest Rupee thousands, except where otherwise indicated as permitted by the Sri Lanka Accounting Standard – LKAS 01 on "Presentation of Financial Statements".

2.10 Comparative Information

Comparative information is disclosed in respect of the previous period in the Financial Statements in order to enhance the understanding of the current period's Financial Statements and to enhance the inter period comparability. The presentation and classification of the Financial Statements of the previous year are amended, where relevant for better presentation and to be comparable with those of the current year.

2.11 Use of Judgements and Estimates

The preparation of Consolidated Financial Statements in conformity with SLFRSs/ LKASs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results which form the basis of making the judgements about the carrying amount of assets and liabilities that are not readily apparent from other sources.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Information about critical judgments, estimates and assumptions in applying accounting policies that have the most significant effect on the amounts recognized in the Consolidated Financial Statements are included in the following Notes to these Financial Statements.

Critical accounting estimate/ judgement	Disclosure Note
Going concern	2.12
Fair value of financial instruments	2.13
Impairment of goodwill	4.1.2
Equity accounted investee	4.1.9
Deferred tax on unutilized tax losses	6.6
Classification of financial assets and liabilities	7.1.2
Impairment losses on financial assets	7.1.7
Useful lives of property, plant and equipment	7.2.3
Non-current assets held for sale	7.4
Useful lives of intangible assets	7.6
Impairment of non-financial assets	7.8
Provisions for liabilities, commitments and contingencies	7.14
Retirement benefit obligation	7.18.1
Insurance contract liability	8.5.3
Liability adequacy test	8.5.3

2.12 Going Concern

The Group'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. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the Financial Statements continue to be prepared on the going concern basis. 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.

2.13 Fair Value Measurement

"Fair value" is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in the absence, in the most advantageous market to which the Group has the access at that date. The fair value of a liability reflects its non-performance risk.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole.

Level 1

Inputs that are quoted (unadjusted) market prices in active markets for identical assets or liabilities.

When available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument.

A market is regarded as active if transactions for asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2

Inputs other than quoted prices included within Level 1 that are observable either directly (i.e., as prices) or indirectly (i.e., derived from prices).

This category includes instruments valued using;

- quoted prices in active markets for similar instruments,
- quoted prices for identical or similar instruments in markets that are considered to be less active, or
- other valuation techniques in which almost all significant inputs are directly or indirectly observable from market data.

Level 3

Inputs that are unobservable.

This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation.

This category includes instruments that are valued based on quoted prices of similar instruments for which significant unobservable adjustments or assumptions are required to reflect difference between the instruments.

Valuation techniques include net present value and discounted cash flow models, comparison with similar instruments for which observable market prices exist. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, risk premiums in estimating discount rates, bond and equity prices, foreign exchange rates, expected price volatilities and corrections.

Observable prices or model inputs such as market interest rates are usually available in the market for listed equity securities and Government Securities such as Treasury Bills and Treasury Bonds. Availability of observable prices and model inputs reduces the need for Management judgment and estimation while reducing uncertainty associated in determining the fair values.

Models are adjusted to reflect the spread for bid and ask prices to reflect costs to close out positions, credit and debit valuation adjustments, liquidity spread and limitations in the models. Also, profit or loss calculated when such financial instruments are first recorded ("Day 1" profit or loss) is deferred and recognized only when the inputs become observable or on derecognition of the instrument.

Further information about the assumptions made in measuring fair values is included in following notes:

- Note 11.3: Investment Property
- Note 17: Financial Assets

2.14 Useful Lifetime of the Property, Plant & Equipment

The Group reviews the residual values, useful lives and methods of depreciation of Property, Plant & Equipment at each reporting date. Judgment of the management is exercised in the estimation of these values, rates, methods and hence they are subject to uncertainty.

2.15 Provisions for Liabilities, Commitments and Contingencies

The Group receives legal claims in the normal course of business. Management has made judgments as to the likelihood of any claim succeeding in making provisions.

The time of concluding legal claims is uncertain, as is the amount of possible outflow of economic benefits. Timing and cost ultimately depend on the due processes in respective legal jurisdictions.

Notes to the Financial Statements

2.16 Revaluation and Fair Valuation of property, plant & equipment and investment properties

The land and buildings are measured at revalued amounts with changes in fair value being recognized in the statement of equity. The investment properties are measured at fair value, with changes in fair value being recognized in the statement of profit or loss.

2.17 Life insurance contract liabilities

The liability for life insurance contracts is based on assumptions established at inception of the contract, reflecting the best estimate at the time. All contracts are subject to a liability adequacy test, which reflect the best current estimates of future cash flows.

The main assumptions used relate to mortality, longevity, and discount rates. The Company bases mortality on standard tables published by the Institute of Actuaries of United Kingdom (A 67/70 and A 49/52). Discounts rates are based on the guidelines provided by the Insurance Regularity Commission of Sri Lanka (IRCSL) and are in line with SLFRS 4 Insurance Contracts.

3. CHANGE IN MATERIAL ACCOUNTING POLICIES

3.1 Deferred tax related to assets and liabilities arising from a single transaction

The Group has adopted Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) from 1 January 2023. The amendments narrow the scope of the initial recognition exemption to exclude transactions that give rise to equal and offsetting temporary differences – e.g. leases and decommissioning liabilities. For leases and decommissioning liabilities, an entity is required to recognise the associated deferred tax assets and liabilities from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. For all other transactions, an entity applies the amendments to transactions that occur on or after the beginning of the earliest period presented.

The Group previously accounted for deferred tax on leases and decommissioning liabilities by applying the 'integrally linked' approach, resulting in a similar outcome as under the amendments, except that the deferred tax asset or liability was recognised on a net basis. Following the amendments, the Group has recognised a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets. However, there was no impact on the statement of financial position because the balances qualify for offset under paragraph 74 of IAS 12. There was also no impact on the opening retained earnings as at 1 January 2022 as a result of the change. The key impact for the Group relates to disclosure of the deferred tax assets and liabilities recognised (see Note 14).

3.2 Global minimum top-up tax

The Group has adopted International Tax Reform – Pillar Two Model Rules (Amendments to IAS 12) upon their release on 23 May 2023. The amendments provide a temporary mandatory exception from deferred tax accounting for the top-up tax, which is effective immediately, and require new disclosures about the Pillar Two exposure (see Note 13). The mandatory exception applies retrospectively. However, because no new legislation to implement the top-up tax was enacted or substantively enacted at 31 December 2022 in any jurisdiction in which the Group operates and no related deferred tax was recognised at that date, the retrospective application has no impact on the Group's consolidated financial statements.

3.3 Material accounting policy information

The Group also adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) from 1 January 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements. The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements. Management reviewed the accounting policies and made updates to the information disclosed in Note 4 Material accounting policies (2022: Significant accounting policies) in certain instances in line with the amendments.

4. MATERIAL ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and have been applied consistently by the Group. Comparative information has where necessary been reclassified to confirm the current year's presentation.

4.1 Basis of Consolidation

4.1.1 General

The Group's financial statements comprise, consolidated Financial Statements of the Group and its subsidiaries in terms of the Sri Lanka Accounting Standard – SLFRS 10 on 'Consolidated Financial Statements.Thus, the consolidation Financial

Statements present financial information about the Group as a single economic entity distinguishing the equity attributable to the parent (controlling interest) and attributable to minority shareholders with Non-Controlling Interests.

4.1.2 Business Combinations

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

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

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

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

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

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognized amount of any Non-Controlling Interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree; less
- the net recognized amount (generally fair value) of the identifiable assets acquired and liabilities assumed.
- When the excess is negative, a bargain purchase gain is recognized immediately in statement of profit or loss.

4.1.3 Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity if it is exposed to or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entities. Details of the Group's Subsidiaries are set out in Notes 1.1 and 15.

The Company accounts for investment in subsidiaries using equity method. The investment is initially recognized at cost. Subsequent to initial recognition share of profit or loss and other comprehensive income of the subsidiaries are capitalized to the investment. The Dividends received from subsidiaries are treated as reduction of investment.

The Financial Statements of subsidiaries are included in the Consolidated Financial Statements from the date that control effectively commences until the date that control effectively ceases.

The Consolidated Financial Statements are prepared to common financial year end of 31st March except for Janashakthi Insurance PLC which has a year-end of 31st December.

Where Subsidiaries have been sold or acquired during the year, their operating results have been included to the date of disposal or from the date of acquisition. Upon the loss of control, the Group derecognizes the assets and liabilities of the subsidiary, any Non-Controlling Interest and the other components of equity related to the subsidiary.

During the financial year, the Company completed the amalgamation of its subsidiaries, Janashakthi Capital Limited and Orient Capital Limited, with the Company on 15 May 2025. Subsequently, Janashakthi Business Services Limited was amalgamated with the Company on 22 October 2025, with the Company continuing as the surviving entity following both amalgamations.

4.1.3.1 Step Acquisitions

Where significant influence over an investee is obtained in stages, the Group accounts for the investment as an associate from the date on which significant influence is obtained and applies the equity method of accounting in accordance with IAS 28 Investments in Associates and Joint Ventures. In determining the initial carrying amount of the investment upon obtaining significant influence, any previously held equity interest in the investee is measured at its fair value at the date significant influence is obtained, together with the fair value of the consideration transferred for the additional interest acquired.

Notes to the Financial Statements

Any resulting gain or loss arising from the measurement of the previously held interest is recognised in accordance with the requirements applicable to that interest immediately before significant influence is obtained.

Amounts previously recognised in other comprehensive income in respect of the previously held interest are accounted for on the same basis as would have been required under the applicable IFRS Accounting Standards had the previously held interest been disposed of directly.

From the date significant influence is obtained, the investment is subsequently accounted for using the equity method in accordance with IAS 28.

4.1.4 Non-Controlling Interests

Non-Controlling Interests are measured at their proportionate share of the acquiree's identifiable net assets at the acquisition date. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

For each business combination, the Group elects to measure any Non-Controlling Interest in the acquiree either:

- at fair value; or
- at their proportionate share of the acquiree's identifiable net assets, which are generally at fair value.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners. Adjustments to non-controlling interests are based on a proportionate amount of the net assets of the subsidiary. No adjustments are made to goodwill and no gain or loss is recognized in statement of profit or loss.

4.1.5 Acquisitions of Non-Controlling Interest

Acquisition of Non-Controlling Interest is accounted for as transactions with equity holders. Therefore, no goodwill is recognized as a result of such transactions. A list of Subsidiaries within the Group is provided.

4.1.6 Goodwill and Gain from a Bargain Purchase arose on the Acquisition of Subsidiaries

Goodwill represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquired. When the excess is negative (bargain purchase), it is recognized immediately in statement of profit or loss.

Goodwill on the acquisition of subsidiaries is presented as intangible assets and stated at cost less accumulated impairment loss. Goodwill is tested for impairment as described in LKAS 36 – Impairment of Assets.

4.1.7 Loss of Control

On the loss of control, the Group de-recognizes the assets and liabilities of the subsidiary, any Non-Controlling Interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognized in statement of profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost.

Subsequently, that retained interest is accounted for as an equity-accounted investee or in accordance with the Group's accounting policy for financial instruments depending on the level of influence retained.

4.1.8 Transactions Eliminated on Consolidation

Intra-Group balances, and income and expenses arising from intra-Group transactions are eliminated in preparing the Consolidated Financial Statements. Unrealized gains arising from transactions with equity accounted investees are eliminated to the extent of the Group's interest in the investee against the investment in the investee. Unrealized losses are eliminated in the same way as unrealized gains except that they are only eliminated to the extent that there is no evidence of impairment.

4.1.9 Interest in Equity Accounted Investees

The Group's interest in equity accounted investee comprises interest in associate. Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. Interests in associates are accounted for using equity method. They are initially recognized at cost.

Subsequent to initial recognition the Consolidated Financial Statements include the Group's share of profit or loss and Other Comprehensive Income of equity accounted investees, until the date on which significant influence ceases.

The Group has no associate as of the reporting date.

4.1.10 Material Gains or Losses, Provisional Values or Error Corrections

There were no material gains or losses, provisional values or error corrections recognized during the year in respect of business combinations that took place in previous periods.

4.1.11 Unconsolidated Structured Entities

The Group manages and administrates assets held in unit trusts on behalf of investors. These are entities which are not consolidated because the Group does not control them through voting rights, contract, funding agreements, or other means.

The extent of the Group's interests to consolidated structured entities will vary depending on the type of structured entities.

The details relating to unconsolidated structured entities are disclosed in Note 51 to the Financial Statements.

5 FOREIGN CURRENCY

5.1 Foreign Currency Transactions

Transactions in foreign currencies are translated into the respective functional currency (Sri Lankan Rupees - LKR) of Group entities at the spot exchange rates at the date of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the spot exchange rate (Closing rate) at that date. The foreign currency gain or loss on monetary items is the difference between the amortized cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortized cost in the foreign currency translated at the spot exchange rate at the end of the year.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the spot exchange rate at the date on which the fair value is determined.

Non-monetary items that are measured based on historical cost in a foreign currency are translated using the spot exchange rate at the date of the transaction.

Foreign currency differences arising on translation are generally recognized in statement of profit or loss.

6. RECOGNITION OF INCOME AND EXPENSES

6.1 Revenue Recognition and Expenses

The revenue is recognized based on the identified performance obligation. The transaction price is determined taking into account of variable considerations. The transaction price is allocated to performance obligations and recognized the revenue either over the time of the contract or point in time upon analysis of each sale of goods under separate divisions.

6.1.1 Gross Premium

Gross recurring premiums on life and investment contracts with Discretionary Participating Feature (DPF) are recognized as revenue when payable by the policyholder. For single premium business, revenue is recognized on the date on which the policy is effective. Any premium received in advance is not recorded as revenue at time of receipt but recorded as a liability until the premium is due and transferred to the revenue.

6.1.2 Reinsurance Premium

Reinsurance Premiums are recognized as an expense on the earlier of the due date or on the date on which the policy is effective.

6.1.3 Interest Income and expense

Interest income and expense are recognized in statement of profit or loss using the effective interest method. The 'effective interest rate' is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or financial liability (or, where appropriate, a shorter period) to the carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Group estimates future cash flows considering all contractual terms of the financial instrument, but not future credit losses.

The calculation of the effective interest rate includes transaction costs and fees and points paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability.

Interest income and expense presented in the statement of profit or loss and Other Comprehensive Income include:

- interest on financial assets and financial liabilities measured at amortized cost calculated on an effective interest basis; and
- interest on financial assets measured at fair value through other comprehensive income are calculated on an effective interest basis.

Interest income and expense on all trading assets and liabilities are considered to be incidental to the Group's trading operations and are presented together with all other changes in the fair value of trading assets and liabilities in net trading income.

Fair value changes on other derivatives held for risk management purposes, and other financial assets and financial liabilities carried at fair value through profit or loss, are presented in net income as gain on fair valuation of other financial instruments at fair value through profit or loss in the statement of profit or loss and other comprehensive income.

6.1.4 Gain on Sale of Financial Investments measured at fair value through profit or loss

Gain on sale of financial instruments held for trading comprises realized trading gains on disposal of government securities, quoted shares and listed debentures, are presented in direct income as sale of financial investments at fair value through profit or loss in the statement of profit or loss and other comprehensive income.

Notes to the Financial Statements

6.1.5 Gain/(Loss) on Redemption of Units

Gain/(loss) on redemption of units comprises realized trading gain/(loss) on disposal of investment in unit trust, is presented in direct income as sale of financial investments at fair value through profit or loss in the statement of profit or loss and other comprehensive income.

6.1.6 Gain/(Loss) on Disposal of Financial Investments – Fair Value through Other Comprehensive Income

Gain/(loss) on disposal of financial investments measured at fair value through other comprehensive income comprises realized capital gain/ (loss) on disposal of investment in equity securities classified as financial assets measured at fair value through other comprehensive income, is presented in other comprehensive income.

6.1.7 Fee and Commission Income

Policy administration services, surrenders and other contract fees, investment management fees and placement fees are recognized as the related services are performed. Fee and commission expenses are recognized on an accrual basis.

Commission income on dealing/ brokering in listed shares is recognized as the related services are performed. Commission expenses are recognized on an accrual basis.

Other fees and commission expense relate mainly to transaction and service fees, which are expensed as the services are received.

6.1.8 Dividend Income

Dividend income from financial investments held for trading is recognized in statement of profit or loss on an accrual basis when the Company's right to receive the dividend is established. This is usually on the ex-dividend date for equity securities. Dividends are presented in net trading income or net gain/(loss) from financial investments based on the underlying classification of the equity investment.

6.1.9 Sale of Land

Revenue from sale of land is recognized only when 100% sales proceeds are collected, and the control is transferred to the customers upon the transfer of property deed.

6.1.10 Rental Income and Expenses

Rental income and expense are recognized in statement of profit or loss and other comprehensive income on an accrual basis.

6.1.11 Interest on overdue rentals

Overdue interest is charged on loans and advances which are not paid on the due date and accounted for on the cash basis.

6.1.12 Recovery of bad and doubtful debts written off

Recovery of amounts written off as bad and doubtful debts is recognized on a cash basis.

6.1.13 Other income and expenses

Other income and expenses are recognized on an accrual basis.

6.2 Expenses Recognition

Expenses are recognized in the statement of profit or loss and other comprehensive income on the basis of a direct association between the cost incurred and the earning of specific items of income. All expenditure incurred in the running of the business and in maintaining the property, plant & equipment in a state of efficiency has been charged to income in arriving at the profit for the year.

For the presentation of the statement of profit or loss the Directors are of the opinion that the nature of the expenses method present fairly the element of the Group's performance, and hence such presentation method is adopted.

6.3 Benefits, claims & Insurance expenses recognition

Claims of Life insurance include claims on death or maturity and are charged against revenue on notification of death or on expiry of the term. Claims on participating business include bonus payable and interest. Survival benefit payments are recognized on the due date or on notification and surrenders are accounted for only at the time of settlement.

6.3.1 Reinsurance claims

Reinsurance claims are recognized when the related gross insurance claim is recognized according to the terms of the relevant contract.

6.4 Borrowing Costs

All Borrowing Costs are expensed as and when they are incurred except where they are directly attributable to the acquisition or construction of a qualified asset as required by LKAS 23 - Borrowing Costs.

6.5 Income Tax Expense

6.5.1 Income Tax

Income tax expense comprises current and deferred tax. It is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or in statement of other comprehensive income (OCI).

Current tax assets and liabilities and deferred tax assets and liabilities are offset only to the extent that they relate to income taxes imposed by the same taxation authority, there is a legal right and intentions to settle on a net basis and it is allowed under the tax law of the relevant jurisdiction.

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

6.5.2 Current Tax

Current tax assets and liabilities consists of amounts expected to be recovered from or paid to the Commissioner General of Inland Revenue in respect of the current as well as prior years. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted by the reporting date.

Accordingly, provision for taxation is made on the basis of the profit for the year as adjusted for taxation purpose in accordance with the provision of the Inland Revenue Act No. 24 of 2017 and the amendment thereto, at the rates specified in the Financial Statements.

6.6 Deferred Tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill; and
- taxable temporary differences arising on subsidiaries, associates or joint ventures who have not distributed their entire profits to the parent or investor.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used.

Future taxable profits are determined based on business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves. Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of investment property measured at fair value is presumed to be recovered through sale, and the Group has not rebutted this presumption.

Deferred tax assets and liabilities are offset only if certain criteria are met.

6.7 Tax Exposures

In determining the amount of current and deferred tax, the Group considers the impact of tax exposures, including whether additional taxes and interest may be due. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Group to change its judgment regarding the adequacy of existing tax liabilities. Such changes to tax liabilities would impact tax expense in the period in which such a determination is made.

6.8 Uncertainty Over Income Tax Treatments

The Group has accounted for the uncertainty over tax treatments under IFRIC 23. An 'uncertain tax treatment' is a tax treatment for which there is uncertainty over whether the relevant taxation authority will accept the tax treatment under tax law. If it is not probable that the taxation authority will accept an uncertain tax treatment, effect of uncertainty shall be reflected in determining the related taxable profit (tax loss), tax bases, unused tax losses, unused tax credits or tax rates. The effect of uncertainty for each uncertain tax treatment shall be reflected by using either of the most likely amount or the expected value methods, depending on which method the Group expects to better predict the resolution of the uncertainty.

6.9 Withholding Tax on Dividends Distributed by the Company, Subsidiaries

6.9.1 Withholding Tax on Dividends Distributed by the Company

Withholding tax that arises from the distribution of dividends by the Company is recognized at the time the liability to pay the related dividend is recognized.

Notes to the Financial Statements

6.9.2 Withholding Tax on Dividends Distributed by the Subsidiaries

Dividends received by the Company from its Subsidiaries, have attracted a 15% deduction at source.

6.10 Value Added Tax on Financial Services (VAT on FS)

VAT on Financial Services is calculated in accordance with the amended VAT Act No. 7 of 2003 and subsequent amendments thereto. VAT on financial services is computed on the prescribed rate

6.11 Crop Insurance Levy (CIL)

As per the provisions of the Section 14 of the Finance Act No. 12 of 2013, the CIL was introduced with effect from April 01, 2013, and is payable to the National Insurance Trust Fund. Currently, the CIL is payable at 1% of the profit after tax.

7. RECOGNITION OF ASSETS & LIABILITIES

7.1 Financial Instruments

7.1.1 Initial Recognition, Classification and Subsequent Measurement

7.1.1.1 Date of recognition

All financial assets and liabilities are initially recognized on the trade date, i.e., the date that the Group becomes a party to the contractual provisions of the instrument. This includes "regular way trades": purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

7.1.1.2 Initial measurement of Financial Instruments

The classification of financial instruments at initial recognition depends on the purpose and the management's intention for which the financial instruments were acquired and their characteristics. All financial instruments are measured initially at their fair value plus transaction costs, except in the case of financial assets and financial liabilities recorded at fair value through profit or loss.

7.1.2 Classification and Subsequent Measurement of Financial Instruments

On initial recognition, a financial asset is classified as measured at: amortized cost, Fair value through other comprehensive income or Fair value through profit or loss.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at Fair value through profit or loss:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are assessment of whether contractual cash flows are Solely Payments of Principal and Interest ("SPPI").

A debt instrument is measured at Fair value through other comprehensive income only if it meets both of the following condition and is not designated as at Fair value through profit or loss:

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

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in other comprehensive income. This election is made on an investment by investment basis. All other financial assets are classified as measured at Fair value through profit or loss.

In addition, on initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at as at Fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

7.1.2.1 Business Model Assessment

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

The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether Management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realizing cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's Management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and its strategy for how those risks are managed;
- how managers of the business are compensated (e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected); and

- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Company's stated objective for managing the financial assets is achieved and how cash flows are realized.

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at Fair value through profit and loss because they are neither held to collect contractual cashflows nor held both to collect contractual cash flows and to sell financial assets.

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

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

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

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

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

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

7.1.3 Derivatives recorded at fair value through profit or loss

7.1.3.1 Derivatives held for risk management purposes

Derivatives held for risk management purposes include all derivative assets and liabilities that are not classified as trading assets or liabilities. Derivatives held for risk management purposes are measured at fair value in the statement of financial position.

7.1.3.2 Other Derivatives

If a derivative is not held for trading, and is not designated in a qualifying hedge relationship, then all changes in its fair value are recognized immediately in statement of profit or loss as a component of net income from other financial instruments at Fair value through profit or loss.

7.1.4 Financial Assets

Financial assets are classified appropriately as financial assets recognized through profit or loss, financial assets measured at fair value through other comprehensive income and financial assets at amortized cost.

All the financial assets are recognized at fair value at its initial recognition.

Notes to the Financial Statements

7.1.4.1 Financial assets measured at - fair value through profit or loss

A financial asset is classified at fair value through profit or loss if it is classified as held for trading or is designated as such upon initial recognition. Financial assets are designated at fair value through profit or loss if the Group manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Group's documented risk management or investment strategy. Upon initial recognition, transaction costs are recognized in statement of profit or loss as incurred.

Financial assets at fair value through profit or loss are measured at fair value, and subsequent therein are recognized in statement of profit or loss.

Following assets represent financial assets at fair value though profit or loss,

- Investment in government securities
- Investment in listed debentures
- Investment in listed equity securities
- Investment in unit trusts

7.1.4.2 Financial assets at amortized cost

A financial asset shall be measured at amortized cost if both of the following conditions are met:

(a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and

(b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost of the Group comprise of the followings,

- Lending
- Investment in corporate debt securities
- Fixed deposits
- Staff loans
- Reverse repurchase agreements

7.1.4.3 Financial assets measured at fair value through other comprehensive income

Financial assets measured at fair value through other comprehensive income (FVTOCI) are non-derivative financial assets that are designated FVTOCI and that are not classified in any of the previous categories of financial assets. FVTOCI are recognized initially at fair value plus any directly attributable transaction costs.

Subsequent to initial recognition, these are measured at fair value and changes therein, other than impairment losses are recognized in other comprehensive income and presented within equity in the fair value reserve. When an investment in debt instrument is derecognized, the cumulative gain or loss in other comprehensive income is transferred to statement of profit or loss.

Financial assets measured at FVTOCI comprise, government securities and unquoted equities.

7.1.4.4 Cash and Cash Equivalents

Cash and cash equivalents comprise of cash in hand, cash at banks and other highly liquid financial assets which are held for the purpose of meeting short-term cash commitments with original maturities of less than three months which are subject to insignificant risk of changes in their fair value.

Bank overdrafts that are repayable on demand and form an integral part of the Company cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

7.1.5 Financial Liabilities

The Group initially recognizes debt securities and borrowings on the date that they are originated. All other financial liabilities are recognized at initially on the trade date, which is the date that the Group becomes party to the contractual provisions of the instruments.

The Group derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired.

The Group classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognized initially at fair value plus any directly attributable transaction cost. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using effective interest rate method.

Financial liabilities comprise;

- Bank overdrafts
- Securities sold under re-purchase agreements
- Short term borrowings
- Long term borrowings
- Borrowing on listed debentures

7.1.5.1 Recognition and measurement of financial liabilities

Group classifies financial liabilities, other than financial guarantees and loan commitments, into one of the following categories:

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

A financial liability is measured initially at fair value plus, transaction costs that are directly attributable to its acquisition or issue. Subsequent measurement of financial liability is at fair value or amortized cost. The amortized cost of a financial liability is the amount at which the financial liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount.

7.1.5.1.1 Classification and subsequent measurement of financial liabilities

The subsequent measurement of financial liabilities depends on their classification.

7.1.5.2 Financial liabilities at amortized cost

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

The effective interest rate amortization is included in "Interest expense" in the statement of profit or loss. Gains and losses are recognized in the statement of profit or loss when the liabilities are derecognized as well as through the effective interest rate amortization process.

7.1.5.3 Financial liabilities at fair value through profit or loss

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

7.1.6 Reclassification of Financial Assets and Liabilities

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

7.1.7 Impairment of Financial Assets

7.1.7.1 Recognition of ECL

The Group recognizes allowances for Expected Credit Losses (ECL) on the following financial instruments that are not measured at FVTPL:

- financial assets that are debt instruments;
- loan and receivable to customers
- other lending
- financial guarantee contracts issued; and
- undrawn credit commitments.

The Group measures loss allowances at an amount equal to lifetime ECL, except for the following, for which are measured as 12-month ECL:

- debt investment securities that are determined to have low credit risk at the reporting date; and
- other financial instruments on which credit risk has not increased significantly since their initial recognition.

The Group considers a debt investment security to have low credit risk when its credit risk rating is equivalent to the definition of "investment grade". The Group does not apply the low credit risk exemption to any other financial instruments. 12-month ECL are the portion of ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Group assesses financial assets under three stages in determining ECL.

- **Stage 1 :** financial instruments that have not had a significant increase in credit risk since initial recognition. For these assets, a 12-months ECL is recognized.
- **Stage 2 :** financial instruments that have experienced a significant increase in credit risk since initial recognition but for which the exposure is not yet defaulted. For these assets, lifetime ECLs are recognized, representing the expected credit losses that result from all possible default events over the expected life of the financial asset.
- **Stage 3 :** financial instruments which are deemed to be credit impaired. This is where a credit loss has already been suffered on the assets. For these assets, lifetime ECLs are recognized, representing the expected credit losses that result from all possible default events over the expected life of the financial asset.

Notes to the Financial Statements

ECL are a probability-weighted estimate of credit losses. They are measured as follows:

- financial assets that are not credit impaired at the reporting date: as the present value of all cash shortfalls (i.e., the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive);
- financial assets that are credit impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows;
- undrawn loan commitments: as the present value of the difference between the contractual cash flows that are due to the Company if the commitment is drawn down and the cash flows that the Company expects to receive; and
- financial guarantee contracts: the expected payments to reimburse the holder less any amounts that the Company expects to recover.

7.1.7.2 Significant increase in credit risk

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information analysis, based on the Group's historical experience and expert credit assessment including forward looking information. The Group considers an exposure to have significantly increased credit risk when contractual payments of a customer are more than 30 days past due in accordance with the rebuttable presumption in SLFRS 9.

The Group individually reviews at each reporting date, loans and advances above a predefined threshold to identify whether the credit risk has increased significantly since origination, before an exposure is in default. Such indicators include, inter alia:

- When reasonable and supportable forecasts of future economic conditions directly affect the performance of a customer/group of customers, portfolios or instruments
- When there is a significant change in the geographical locations or natural catastrophes that directly impact the performance of a customer/ group of customers or instruments
- When the value of collateral is significantly reduced and/or realizability of collateral is doubtful
- When a customer is subject to litigation that significantly affects the performance of the credit facility
- Modification of terms resulting in concessions, including extensions, deferment of payments, waiver of covenants
- When the customer is deceased/insolvent
- When the Group is unable to contact or find the customer

Credit facilities/exposures which have one or more of the above indicators are treated as facilities with significant increase in credit risk and assessed accordingly in ECL computations. The Group regularly monitors the effectiveness of the criteria used to identify significant increase in credit risk to confirm that the criteria is capable of identifying significant increase in credit risk before an exposure is in default.

For debt instruments having an external credit rating, which are measured at amortized cost or at FVOCI, the Group determines significant increase in credit risk based on the generally accepted investment/ non-investment grade definitions published by international rating agencies. Debt instruments are moved to stage 2 if their credit risk increases to the extent that they are no longer considered investment grade.

7.1.7.3 Credit-Impaired Financial Assets

At each reporting date, the Group assesses whether financial assets carried at amortized cost and debt financial assets carried at FVTOCI are credit-impaired (referred to as "Stage 3 financial assets"). A financial asset is "credit-impaired" when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

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

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

7.1.7.4 Movement between the stages

Financial assets can be transferred between the different categories (other than POCI) depending on their relative change in credit risk since initial recognition. Financial instruments are transferred out of stage 2 if their credit risk is no longer considered

to be significantly increased since initial recognition based on the assessments. Financial instruments are transferred out of stage 3 when they no longer exhibit any evidence of credit impairment as described above.

7.1.7.5 Grouping financial assets measured on collective basis

The Group calculates ECLs either on a collective or an individual basis. Asset classes where the Group calculates ECL on individual basis include credit impaired facilities of individually significant customers.

Those financial assets for which, the company determines that no provision is required under individual impairment are then collectively assessed for ECL. For the purpose of ECL calculation on a collective basis, financial assets are grouped on the basis of similar risk characteristics. Loans and advances to customers are grouped into homogeneous portfolios, based on a combination of product and customer characteristics.

7.1.7.6 The calculation of Expected Credit Loss Principle (ECL)

The Group calculates ECL based on 3 probability weighted scenarios to measure expected cash shortfalls, discounted at an approximation to the EIR.

A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

The mechanics of the ECL calculation are outlined below and the key elements are as follows:

- PD: The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognized and is still in the portfolio.

- EAD: Exposure At Default is the estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of the principle and interest, whether scheduled by contract or otherwise, expected draw down on committed facilities and accrued financing income from missed payments.

- LGD: Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lenders would expect to receive, including realization of any collateral.

7.1.7.7 Forward-looking information

The Group incorporates forward-looking information into both its assessments as to whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL.

7.1.7.8 Presentation of Allowance for ECL in the Statement of Financial Position

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

For debt securities at FVTOCI, the loss allowance is charged to statement of profit or loss and is recognized in other comprehensive income.

7.1.7.9 Write-off

Loans and debt securities are written off (either partially or in full) when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. This assessment is carried out at the individual asset level.

Recoveries of amounts previously written off are included in "provision for impairment of financial assets at amortized cost" in the statement of profit or loss.

Financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

7.1.8 Derecognition of Financial Assets and Financial Liabilities

7.1.8.1 Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized when:

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

  The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

- The Group has transferred substantially all the risks and rewards of the asset, or

- The Group has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Group's continuing involvement in the asset. In that case, the Group also recognizes an associated liability.

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The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

7.1.8.2 Financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognized in statement of profit or loss and other comprehensive income.

7.1.9 Offsetting financial instruments

Financial assets and financial liabilities are offset, and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

7.1.10 Amortized cost measurement

The amortized cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount recognized and the maturity amount, minus any reduction for impairment.

7.1.11 Temporary Exemption from SLFRS 9 – Janashakthi Insurance PLC

SLFRS 9 – Financial Instruments replaced LKAS 39 – Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018. However, the Group's subsidiary, Janashakthi Insurance PLC, elected under the amendments to SLFRS 4 – Insurance Contracts to apply the temporary exemption from SLFRS 9. It deferred the initial application date of SLFRS 9 to align with the initial application of SLFRS 17 – Insurance Contracts. Accordingly, the financial assets of Janashakthi Insurance PLC continue to be accounted for in accordance with LKAS 39 for the year ended 31 December 2025

7.2 Property, Plant and Equipment

The Group applies the requirements of the Sri Lanka Accounting Standard– LKAS 16 on 'Property, Plant & Equipment' in accounting for assets which are held for use in the provision of services, for rental to others or for administrative purposes and are expected to be used for more than one year.

7.2.1 Recognition and Measurement

Property, Plant & Equipment are recognized if it is probable that future economic benefits associated with the asset will flow to the Group and cost of the asset can be reliably measured. The Group applies the cost model to all property, plant & equipment except for freehold land and buildings and records at cost of purchase together with any incidental expenses thereon, less accumulated depreciation and any accumulated impairment losses.

An item of property, plant & equipment that qualifies for recognition as an asset is initially measured at its cost. Cost includes expenditure that is directly attributable to the acquisition of the asset and subsequent costs (excluding the costs of day-to-day servicing).

The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the asset to a working condition for its intended use and the costs of dismantling and removing the items and restoring the site on which they are located and capitalized borrowing costs. Purchased software which is integral to the functionality of the related equipment is capitalized as part of computer equipment.

When parts of an item of property or equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

7.2.1.1 Cost Model

The Group applies the cost model to property, plant and equipment except for freehold land and buildings and records them at cost of purchase or construction together with any incidental expenses thereon less accumulated depreciation and any accumulated impairment losses.

7.2.1.2 Revaluation Model

The Group applies the revaluation model to the entire class of freehold land and buildings. Such properties are carried at a revalued amount, being their fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Freehold land and buildings of the Group are revalued every three years on a roll over basis to ensure that the carrying amounts do not differ materially from the fair values at the reporting date.

7.2.2 Subsequent Costs

Subsequent expenditure is capitalized only when it is probable that the future economic benefits of the expenditure will flow to the Group. Ongoing repairs and maintenance are expensed as incurred.

7.2.3 Depreciation

Depreciation is calculated to write off the cost of items of property and equipment less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognized in the statement of profit or loss. Land is not depreciated.

The estimated useful lives of significant items of property and equipment are as follows:

Asset Type	Lifetime (Years)
Building	20 - 50
Improvements on buildings under lease	5 - 10
Office equipment	3 - 6
Computer hardware	3 - 5
Motor vehicles	3 - 5
Plant and machinery	2 - 20
Furniture, fixtures & fittings	3 - 8

The depreciation rates are determined separately for each significant part of an item of property, plant & equipment depreciation of asset begins when it is available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the manner intended by the management. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or the date that the asset is de- recognized.

7.2.4 Change in depreciation rate

Depreciation methods, useful lives and residual values are reassessed at each reporting date and adjusted, if required.

7.2.5 De-recognition

An item of property, plant & equipment is de-recognized upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset), is recognized in 'Other Income' in statement of profit or loss in the year the asset is de-recognized. When replacement costs are recognized in the carrying amount of an item of property, plant & equipment, the remaining carrying amount of the replaced part is derecognized as required by Sri Lanka Accounting Standard – LKAS 16 on 'property, plant & equipment'.

7.3 Investment Property

Investment properties are properties held either to earn rental income or for capital appreciation or for both. They are not properties held for sale in the ordinary course of business, used in the production or supply of goods or service or for administrative services.

7.3.1 Basis of recognition

Investment property is recognized as an asset if it is probable that future economic benefits that are associated with the investment property will flow to the Group and if the cost of the investment property can be measured reliably.

7.3.2 Measurement

An investment property is measured initially at its cost. The cost of a purchased investment property comprises its purchase price and any directly attributable expenditure. The carrying amount includes the cost of replacing part of an existing investment property at the time that the cost is incurred if the recognition criteria are met and excludes the cost of day-to-day servicing of an investment property.

Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in the statement of profit or loss in the year in which they arise. The Group fair value the investment property at least once in three years.

7.3.3 Derecognition

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. Any gains or losses arising on the retirement or disposal of an investment property are recognized in the statement of profit and loss in the year of retirement or disposal.

7.4 Non-current Assets held for Sale

Non-current assets that are expected to be recovered primarily through sale rather than through continuing use are classified as "Held for Sale" once identified that the carrying amount will be recovered principally through a sale transaction rather than through continuing use. These are assets which are available for immediate sale in their present condition, subject to only the terms that are usual and customary for sale of such assets and their sale is highly probable.

Non-current assets held for sale are presented separately on the face of the statement of financial position at the lower of its carrying amount and fair value less costs to sell.

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Assets classified as Non-Current Assets held for Sale are neither amortized nor depreciated.

Impairment loss on initial classification as held for sale and subsequent gains and losses on re-measurement are recognized in statement of profit or loss.

7.5. Securities purchased under resale agreements (Reverse Repo)

When the group companies purchases a financial asset and simultaneously enters into an agreement to resale the asset (or a similar asset)at a fixed price on a future date (reverse repo), the arrangement is accounted for as a financial asset in the SFP reflecting the transaction's economic substance as a loan granted by the Company. Subsequent to initial recognition, these securities issued are measured at amortized cost using the EIR with the corresponding interest income/ receivable being recognized as interest income in the income statement.

7.6 SLFRS 16 – Right of use assets and Lease Liabilities

At the inception of a contract, the Group assess whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for a consideration.

To assess whether a contract conveys the right to control the use of an identified asset, the Group use the definition of a lease in SLFRS 16.

7.6.1 Group acting as a lessee

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate plus remaining value of lease rentals paid in advance if any.

The Group determines its incremental borrowing rate by analyzing its borrowings from various external sources and makes certain adjustments to reflect the terms of the lease and type of the lease asset.

Lease payments included in the measurement of lease liability includes:

- Fixed payments
- Variable lease payments that depend on an index or rate
- Amount expected to be payable under residual value guarantee
- The exercise price under a purchase option that the Group is reasonably certain to exercise

Lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable or if there is a fixed in substance lease payment.

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

The Group presents the Right of use of assets and the lease liabilities in Note 12 and Note 34 respectively.

Short term leases and leases of low value assets

The Group elected not to recognize right-of-use assets and lease liabilities for lease of low value assets and short-term leases. The Group recognizes the lease payments associated with these leases as an expense on the straight-line basis when practical expedients applied.

7.6.2 Finance Leases – As a lessee

Finance leases that transfer substantially all risks and benefits incidental to ownership of the leased item to the Group, are classified as finance leases and capitalized at the commencement of the lease at the fair value of the leased property or, if lower at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance cost in the statement of profit or loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

7.7 Intangible assets and goodwill

7.7.1 Goodwill

Goodwill that arises on the acquisition of subsidiaries is presented with intangible assets. For the measurement of goodwill at initial recognition refer to Note 4.1 Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill is assessed for impairment annually.

7.7.2 Software

Software acquired by the Group is measured at cost less accumulated amortization and any accumulated impairment losses.

Subsequent expenditure on software assets is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

Software's are amortized on a straight-line basis in statement of profit or loss over its estimated useful life, from the date on which it is available for use. The estimated useful life of software for the current and comparative periods is three to five years.

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

7.7.3 Business License

Business license that arose upon the acquisition of subsidiaries is included in intangible assets. An intangible asset with an indefinite useful life is not amortized. In accordance with LKAS 36, the Group tests the intangible assets with an indefinite useful life for impairment by comparing its recoverable amount with its carrying amount

(a) annually, and

(b) whenever there is an indication that the intangible asset may be impaired

Business license that arose upon the acquisition of subsidiaries is included in intangible assets. Business license is measured at cost.

7.8 Inventories

Inventories are valued at the lower of cost and net realizable value, after making due allowances for obsolete and slow-moving items. Net realizable value is the estimated selling price at which inventories can be sold in the ordinary course of business less the estimated cost of completion and the estimated cost necessary to make the sale.

The costs incurred in bringing inventories to its present location and condition, are accounted for as follows:

7.9 Impairment of Non-Financial Assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than investment properties, Consumer biological assets and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest Group of assets that generates cash inflows from continuing use that is largely independent of the cash inflows of other assets or (Cash generating units). Goodwill arising from a business combination is allocated to CGUs or Groups of CGUs that are expected to benefit from the synergies of the combination.

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

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

The Group's corporate assets do not generate separate cash inflows and are used by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGUs to which the corporate assets are allocated.

Impairment losses are recognized in statement of profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

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

7.10 Debt Securities issued & subordinated term debt

Repo borrowings, borrowing on debentures, commercial papers, securitized papers and long and short-term borrowing are the Group's sources of debt funding. When the Group sells a financial asset and simultaneously enters into an agreement to repurchase the asset (or a similar asset) at a fixed price on a future date (sale and repurchase agreement), the

Notes to the Financial Statements

arrangement is accounted for as a borrowing, and the underlying asset continues to be recognized in the Group's financial statements.

The Group classifies capital instruments as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments.

The borrowing on debentures, commercial papers, securitized papers and short-term borrowing are initially measured at fair value minus incremental direct transaction costs, and subsequently measured at their amortized cost using the effective interest method.

7.11 Dividends Payable

Dividends on ordinary shares are recognized as a liability and deducted from equity when they are recommended and declared by the Board of Directors.

7.12 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity, net of any tax effects.

7.13 Other Liabilities

Other liabilities are recorded at amounts expected to be payable at the reporting date.

7.14 Provision

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

7.15 Deposits due to customers

These include term deposits and certificates of deposits. Subsequent to initial recognition, deposits are measured at their amortized cost using the effective interest method, except where the Group designates liabilities at fair value through profit or loss. They are stated in the statement of financial position at amount payable. Interest paid / payable on these deposits based on the effective interest rate is charged to the statement of profit or loss.

7.16 Financial Guarantees

Financial guarantees are contracts that require the Group to make specified payments to reimburse the holder for a loss it incurs because a specified debtor guarantee fails to make payment when due in accordance with the terms of a debt instrument. Financial guarantee liabilities are recognized initially at their fair value, and the initial fair value is amortized over the life of the financial guarantee. The financial guarantee liability is subsequently carried at the higher of this amortized amount and the present value of any expected payment when a payment under the guarantee has become probable.

7.17 Commitments and Contingencies

All discernible risks are accounted for in determining the amount of all known liabilities. The Group's share of any contingencies and capital commitments of a Subsidiary or Associate for which the Group is also liable severally or otherwise are also included with appropriate disclosures.

Contingent liabilities are possible obligations whose existence will be confirmed only by uncertain future events or present obligations where the transfer of economic benefit is not probable or cannot be reliably measured. Contingent liabilities are not recognized in the Statement of Financial Position but are disclosed unless they are remote.

7.18 Employee Benefits

7.18.1 Defined Benefit Plan - Gratuity

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

The liability recognized in the Statement of Financial Position in respect of a defined benefit plan is the present value of the defined benefit obligation at the reporting date. Benefit falling due more than 12 months after the reporting date are discounted to present value.

The defined benefits obligation is calculated annually using Projected Unit Credit Method (PUC) as recommended by LKAS-19, "Employee Benefits".

Actuarial gains and losses in the period in which they occur have been recognized in the statement of profit or loss and other Comprehensive income (OCI).

The assumptions based on which the results of actuarial valuation were determined, are included in notes to the financial statements.

Gratuity liability was computed from the first year of service for all employees in conformity with LKAS 19- "Employee Benefits". However, under the payment of Gratuity Act No. 12 of 1983, the liability to an employee arises only on completion of five years of continual service. The Group is liable to pay gratuity in terms of the relevant statute. The gratuity liability is not externally funded.

The Gratuity liability is not externally funded. These items are grouped under Defined Benefit Liability in the Statement of Financial Position.

7.18.2 Defined Contribution Plans (DCPs)

A Defined contribution plan is a post-employment plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligations to pay further amounts. Obligations for contributions to Defined Contribution plans are recognized as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

7.18.3 Employees' Provident Fund

The Group and employee contribute 12% - 15% and 8% - 10% respectively on the salary of each employee to an approved Provident Fund managed by the Central Bank of Sri Lanka.

7.18.4 Employees' Trust Fund

The Group contributes 3% of the salary of each employee to the Employees' Trust Fund maintained by the Employees Trust Fund managed by the Central Bank of Sri Lanka.

7.18.5 Short-term Employee Benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

The gain or loss arising on initial recognition of consumable biological assets at fair value less cost to sell and from a change in fair value less cost to sell of consumable biological assets are included in statement of profit or loss for the period in which it arises.

8. OTHER POLICIES

8.1 Earnings per Share (EPS)

The Group presents Basic and Diluted Earnings per Share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period.

8.2 Subsequent Events

Events after the reporting period are those events, favorable and unfavorable, that occur between the reporting date and the date the Financial Statements are authorized for issue.

All material and important events that occurred after the reporting date have been considered and appropriate disclosures are made in Note 59 to the Financial Statements.

8.3 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, whose operating results are reviewed regularly by the Group's Management to make decisions about resources allocated to each segment and assess its performance, and for which discrete financial information is available.

For each of the strategic divisions, the Group's management monitors the operating results separately for the purpose of making decisions about resource allocation and performance assessment.

Segment performance is evaluated based on operating profits or losses which, in certain respects, are measured differently from operating profits or losses in the Financial Statements. Income taxes are managed on a Group basis and are not allocated to operating segments. Detailed information on the results of each reportable segment as required by the Sri Lanka Accounting Standard – SLFRS 8 "Operating Segments" is provided in Notes 64 to the Financial Statements.

8.4 Statement of Cash Flows

The Statement of Cash Flows has been prepared using the "Indirect Method" of preparing Cash Flows in accordance with the Sri Lanka Accounting Standard LKAS – 07 "Cash Flow Statements". Cash and cash equivalents comprise short term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. The cash and cash equivalent include cash in hand and favorable balances with banks.

8.5 Policies Related Specific Business Units

8.5.1 Stock Brokering

8.5.1.1 Brokerage Income

Brokerage income is recognized at the point of completion (T+1) of each transaction and is accounted for on an accrual basis.

8.5.1.2 Interest Income

Group is recognizing interest income on delayed payments on cash basis. If a customer does not settle this outstanding balance within (T+3) days this additional interest is charged, from the customer. Income other than the above is however accounted for on an accrual basis.

Notes to the Financial Statements

8.5.2 Life insurance - Product Classification

8.5.2.1 Insurance contracts

According to Sri Lanka Accounting Standards SLFRS 4, Insurance contracts are those contracts where the Group (the insurer) has accepted significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholders if a specified uncertain future event (the insured event) adversely affects the policyholder. The Group determines whether it has significant insurance risk, by comparing benefits paid against benefits payable if the insured event did not occur.

Investment contracts are those contracts that transfer significant financial risk. Financial risk is the risk of a possible future change in one or more of specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of price or rates, credit rating or credit index or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract.

8.5.2.2 Investment contract

Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its lifetime, even if the insurance risk reduces significantly during this period, unless all rights and obligations are extinguished or expired. Investment contracts can however be reclassified as insurance contracts after inception if the insurance risk becomes significant. All of the insurance policies issued by the Group transfer significant insurance risk and have been classified as insurance contracts in accordance with SLFRS 4, Insurance Contracts. The Group does not have any investment contracts as the reporting date.

8.5.2.3 Insurance contracts with Discretionary Participating Features (DPF)

Certain insurance and investment contracts contain a Discretionary Participation Feature (DPF). This feature entitles the holder to receive, as a supplement to guaranteed benefits, additional benefits or bonuses:

that are likely to be a significant portion of the total contractual benefits;

whose amount or timing is contractually at the discretion of the Group; and

that are contractually based on:

the performance of a specified pool of contracts or a specified type of contract;

realized and/or unrealized investment returns on a specified pool of assets held by the Group; or

the profit or loss of the company, fund or other entity that issues the contract.

Local statutory regulations and the terms and conditions of these contracts set out the bases for the determination of the amounts on which the additional discretionary benefits are based (the DPF eligible surplus) and within which the Group may exercise its discretion as to the quantum and timing of payment to contract holders. At least 90% of the eligible surplus must be attributed to contract holders as a Group (which can include future contract holders). The amount and timing of the distribution to individual contract holders is at the discretion of the Group, subject to the advice of the relevant appointed actuary.

8.5.3 Insurance Contract Liabilities

Life insurance contract liabilities

Life insurance liabilities are recognized when contracts are entered into and premiums are charged. These liabilities are measured by using the gross premium method. The liability is determined as the sum of the discounted value of the expected future benefits, claims handling and policy administration expenses, policyholder options and guarantees and investment income from assets backing such liabilities, which are directly related to the contract, less the discounted value of the expected theoretical premiums that would be required to meet the future cash outflows based on the valuation assumptions used.

The liability is either based on current assumptions or calculated using the assumptions established at the time the contract was issued, in which case a margin for risk and adverse deviation is generally included.

Furthermore, the liability for life insurance contracts comprises the provision for unearned premiums and unexpired risks, as well as for claims outstanding, which includes an estimate of the incurred claims that have not yet being reported to the Company. Adjustments to the liabilities at each reporting date are recorded in the Income Statement. Profits originating from margins of adverse deviations on run-off contracts are recognized in the Income Statement over the life of the contract, whereas losses are fully recognized in the Income Statement during the first year of run-off. The liability is derecognized when the contract expires, is discharged or is cancelled.

Liability Adequacy Test - Life Insurance Contract Liabilities

At each reporting date, an assessment is made of whether the recognized long-term business provisions are adequate using current estimates of future cash flows. If that assessment shows that the carrying amount of the liabilities (less related assets) is insufficient in light of the estimated future cash flows, the deficiency is recognized in the Income Statement

by creating an additional provision in the Statement of Financial Position as required by SLFRS 4: Insurance Contracts.

According to the Section 67(2) of new Inland Revenue Act No.24 of 2017 which is effective from 1st April 2018, the surplus distributed to a life insurance policyholder who shares the profit of a person engaged in the business of a life insurance, as provided in the Regulation of Insurance Industry Act No. 43 of 2000, shall be deemed as gains and profits of the business and shall be taxed at a concessionary rate of 14% for three years of assessment after the commencement of the Act.

8.5.4 Statutory reserve fund

The statutory reserve fund is maintained in terms of a licensed finance Group (Capital Funds) Direction No.01 of 2003. Accordingly, the company should transfer funds out of net profits of each year in the following manner, after due provision has been made for taxation and bad and doubtful debts.

If capital funds are not less than twenty five percent of total deposit liabilities a sum equal to not less than five percent of the net profits;

If capital funds are less than twenty five percent of total deposit liabilities but not less than ten percent thereof, a sum equal to not less than twenty percent of the net profits;

If capital funds are less than ten percent of total deposit liabilities a sum equal to not less than fifty percent of the net profits.

9. ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

The following standards and amendments have been issued but are not yet effective as at 31 March 2026. Based on the assessment performed to date, the Group does not expect these standards and amendments to have a material impact on its financial statements.

- Amendment to SLFRS 9 and SLFRS 7: Classification and Measurement of Financial Instruments
- SLFRS 19: Subsidiaries without Public Accountability: Disclosures
- SLFRS 17: Insurance Contracts Scope
- SLFRS 18: Presentation and Disclosure in Financial Statements

Notes to the Financial Statements

10 PROPERTY, PLANT AND EQUIPMENT

10.1 Group

	Land & Building	Improvements to Building under Lease	Motor Vehicles	Other Equipment	Furniture, Fixtures & Fittings
	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000
Cost					
Balance at the beginning of the year	257,864	343,056	98,581	617,600	638,364
Additions during the year	-	152,409	11,632	278,149	194,682
Restatment Impact	-	-	-	-	-
Transfers during the year	-	(106,840)	-	-	-
Disposals during the year	-	-	(42,357)	-	(8,491)
Written-off during the year	-	-	-	-	-
On disposal of subsidiary	-	-	-	-	-
Transfers	-	-		(5,342)	-
Balance at the end of the year	257,864	388,625	67,856	890,407	824,555
Accumulated Depreciation					
Balance at the beginning of the year	1,938	212,046	24,463	145,358	284,833
Restatment Impact	-	-	-	-	-
Charge for the year	498	28,116	18,423	106,307	128,324
Disposals/ transfers during the year	-	(72,929)	(10,710)	-	(8,303)
On disposal of subsidiary	-	-	-	-	-
Balance at the end of the year	2,436	167,233	32,176	251,665	404,854
Carrying values as at 31 March 2026	255,428	221,392	35,680	638,742	419,701
Carrying values as at 31 March 2025	255,925	131,009	77,494	327,061	361,575

10.2 Company

	Motor Vehicles	Other Equipment	Furniture & Fittings	Office Equipment
	LKR '000	LKR '000	LKR '000	LKR '000
Cost				
Balance at the beginning of the year	42,918	26,305	117,867	4,172
Addition on amalgamation	-	669	-	-
Additions during the year	-	6,187	3,216	-
Transfers	-	(5,342)	-	5,342
Disposals during the year	(10,504)	-	-	-
Balance at the end of the year	32,414	27,819	121,083	9,514
Accumulated Depreciation				
Balance at the beginning of the year	23,747	9,741	27,609	3,032
Addition on amalgamation	-	669	-	-
Charge for the year	10,418	4,086	24,887	1,386
Disposals during the year	-	-	-	-
Balance at the end of the year	(10,504)	-	-	-
Carrying value as at 31 March 2026	8,753	13,323	68,587	5,096
Carrying value as at 31 March 2025	19,171	16,564	90,258	1,140

Office Equipment	Plant and Machinery	Gym Equipment	Name Board	Electrical Equipment	**Total 2026**	Total 2025
LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000
638,805	-	-	-	-	**2,594,270**	1,731,043
16,403	-	-	-	-	**653,275**	1,020,891
-	-	-	-	-	**-**	8,179
-	-	-	-	-	**(106,840)**	(52,474)
(13,023)	-	-		-	**(63,871)**	(14,218)
-	-	-	-	-	**-**	(22,376)
-	-	-	-	-	**-**	(76,775)
5,342		-		-	**-**	-
647,527	-	-	-	-	**3,076,834**	2,594,270
427,208	-	-	-	-	**1,092,101**	850,799
-	-	-	-	-	**-**	2,045
129,313	-	-	-	-	**410,981**	299,487
(12,874)	-	-	-	-	**(104,816)**	(34,237)
-	-	-	-	-	**-**	(25,993)
543,647	-	-	-	-	**1,398,266**	1,092,101
103,880	-	-	-	-	**1,678,568**	-
342,968	-	-	-	-	**-**	1,502,169

Total 2026	Total 2025
LKR '000	LKR '000
191,262	158,867
669	-
9,403	32,647
-	-
(10,504)	(252)
190,830	191,262
64,129	43,131
669	-
40,777	21,129
(10,504)	(131)
95,071	64,129
95,759	
	127,133

Notes to the Financial Statements

10.3 Valuation of land and building

The Land & Building refer to Note 10.1 above are at revalued prices.

10.4 Fully depreciated property, plant and equipment in use

The original cost of fully depreciated property, plant and equipment of the Group & Company that is still in use amounts to LKR 339 Mn & LKR 23 Mn respectively (2023/24LKR 286.1 Mn & LKR 37 Mn).

10.5 Impairment

Based on the assessment of potential impairment carried out by the Group as at 31 March 2026, no provision was required to be made in the Financial Statements.

10.6 Title restriction on property, plant and equipment

There were no restrictions on the title of the property, plant and equipment as at 31st March 2026.

10.7 Temporarily idle property, plant and equipment

There were no temporary idle items of property, plant and equipment as at 31st March 2026.

10.8 Assets pledged as collateral for banking facilities

There were no items of property, plant and equipment pledged as security as at 31 March 2026.

10.9 Capitalisation of borrowing costs

There were no capitalised borrowing costs related to the acquisition of property, plant & equipment during the year.

11 INVESTMENT PROPERTY

	Group		Company	
AS AT 31 MARCH	**2026**	2025	**2026**	2025
	LKR '000	LKR '000	LKR '000	LKR '000
Balance at the beginning of the year	**5,629,397**	5,648,938	**2,953,340**	2,907,000
Additions during the year	**-**	59,961	**-**	46,840
Transfer to Assets held for Sale	**(21,500)**	20,009	**(21,500)**	-
Disposals during the year	**(25,727)**	(132,000)	**(12,127)**	-
Fair value gain/(loss) on investment properties	**480,306**	32,489	**447,327**	(500)
Balance at the end of the year	**6,062,476**	5,629,397	**3,367,040**	2,953,340

11.1 Location of Land & Buildings

Location	Address	Building Area (Sq.Ft)	Land Extent	Type	Fair value 2026 LKR '000	Fair value 2025 LKR '000	Per perch value - correlation to fair value
Janashakthi PLC							
Wattala	No. 58/09, Kanthi Mawatha & No.566/5, Negombo Road, Hunupitiya Village, Wattala	-	1,537 perches	Freehold	**3,247,200**	2,800,000	Positive
Hiripitiya	Urban Gateway Residencies	Unit B/F0/ U6	1,856.73 sq.ft	Freehold	**-**	21,500	Positive
Makuludoowa Land	No. 583 Makuludoowa, Kesbewa		43.85 perches	Freehold	**73,000**	85,000	Positive
Rajagiriya Land	No.70/5, Welikada Road		A0-R0-P14.40	Freehold	**46,840**	46,840	Positive
Sub total					**3,367,040**	2,953,340	
Janashakthi Insurance PLC							
Galle	No. 143, Colombo Road, Galle		10.40 perches	Freehold	**80,500**	79,500	Positive
Badulla	No. 13 1/1, Bailey Road, Badulla		12.50 perches	Freehold	**29,177**	28,880	Positive
Matale	No. 83, Kings Street, Matale		15.00 perches	Freehold	**40,828**	39,921	Positive
Kandy	No. 302 , D.S.Senanayake Mawatha, Kandy		13.50 perches	Freehold	**-**	-	Positive
Dematagoda	No. 675, Dr. Danister De Silva Mawatha, Colombo 09		37.06 perches	Freehold	**1,692,000**	1,685,000	Positive
Kilinochchi	No. 24-133, Main Street, Kilinochchi		22.03 perches	Freehold	**46,500**	48,500	Positive
Trincomalee	No. 233/1, Ehambaram Road, Trincomalee		40.70 perches	Freehold	**77,431**	76,806	Positive
Sub total					**1,966,436**	1,958,607	
Janashakthi Finance PLC							
Matara	No 38, Station Road, Matara		37.8 Perches	Freehold	**158,000**	150,000	Positive
Kalutara	No 197/4 Galle Road, Kalutara		39.87 Perches	Freehold	**308,000**	305,500	Positive
Panadura	Eluwila, Panadura		A1-R3-P22	Freehold	**91,000**	88,000	Positive
Malabe	3rd Lane, Pubudu Kreedangana Mawatha, Halbarawa, Malabe		R1-P11	Freehold	**81,000**	76,350	Positive
Peellewa	Homagama, Kuruduwaththe wala kumbure peellewa		1A-R3-P32	Freehold	**55,000**	51,000	Positive
Dambulla	No. 5675, Naigalawatta, Ibbankatuwa, Dambulla		1A-2R 32.4 P	Freehold	**36,000**	33,000	Positive
Habaraduwa	"Beligahawatta, Gunasekara Mawatha, Habaraduwa"		R1-P6.5	Freehold	**-**	13,600	Positive
Sub total					**729,000**	717,450	
Grand total					**6,062,476**	5,629,397	

Notes to the Financial Statements

11.2 Fair valuation of investment properties

11.2.1 Janashakthi PLC

The fair value hierarchy of the Company's investment properties as at 31 March 2026 is based on the subsequent market value of the respective properties.

Investment properties have been revalued to fair value based on a valuation performed by Lochana I. Silva, FRICS (UK), as at 31 March 2025.

	Level 1	Level 2	Level 3	Total fair value
Freehold land	-	-	3,367,040	3,367,040
	-	-	3,367,040	3,367,040

Investment properties pledged as security as at 31st March 2026 are disclosed in institutional borrowing note 29.2

11.2.2 Janashakthi Insurance PLC

Investment Properties re-stated at fair value which have been determined based on a valuation performed by Deshamanya, H.B. Manjula Basnayaka AIV (SL), JP (WI), using the Income Approach Method of valuation except for Kilinochchi land which was valued on Market approach as of 31st December 2025.

11.2.2.1 The rental income earned from the above properties during the year 2025/26 is LKR 134.8 Mn (2024/25-LKR 92.7 Mn).

11.2.2.2 The Fair value hierarchy of the investment properties for the Company as at 31st December 2025 is as follows.

	Level 1	Level 2	Level 3	Total fair value
Freehold land	-	-	1,166,366	1,166,366
Freehold Building	-	-	800,070	800,070
	-	-	1,966,436	1,966,436

11.2.3 Janashakthi Finance PLC

11.2.3.1 The rental income earned from the below properties during the year is LKR 10.34 million. (2024/25 LKR.9.49 million).

11.2.3.2 The Fair value hierarchy of the investment properties for the Company 31st March, 2026 is as follows.Valuation of investment properties of the Company was carried out by H.B. Manjula Basnayaka. AIV (Sri Lanka), N.C.T., QS, (COT),incorporated valuer. The comparison method, market approach, contractor's test method and residual method of valuation have been used by the independent valuer for this valuation.

	Level 1 LKR '000	Level 2 LKR '000	Level 3 LKR '000	Total fair value LKR '000
Freehold land & buildings	-	-	729,000	729,000
	-	-	729,000	729,000

11.2.3.3 Investment properties are stated at fair value which has been determined based market approach.

12 RIGHT OF USE OF ASSETS

AS AT 31 MARCH,	Group		Company	
	2026	2025	**2026**	2025
	LKR '000	LKR '000	LKR '000	LKR '000
		Restated		
Cost				
Balance at the beginning of the year	**1,386,187**	1,465,476	**259,581**	135,720
Effect of restatement	**-**	221,664	**-**	-
Balance at beginning of the year – restated	**1,386,187**	1,687,140	**-**	-
Opening balance of advance payments for right of use assets	**21,487**	24,464	**-**	-
Additions during the year (Note 12.1)	**348,917**	329,646	**1,101**	123,861
Disposal of ROU	**(156,178)**	(100,662)	**-**	-
Disposal of subsidiary during the year (Note 12.2)	**-**	(565,321)	**-**	-
Exchange Gain/ (Loss)	**-**	-	**-**	-
Advance paid for right to use of land during the year	**483**	10,920	**-**	-
Balance at the end of the year	**1,600,896**	1,386,187	**260,682**	259,581
Accumulated depreciation				
Balance at the beginning of the year	**391,834**	456,315	**31,341**	4,572
Effect of restatement	**-**	44,971	**-**	-
Balance at beginning of the year – restated	**391,834**	501,286	**-**	-
Depreciation charge for the year	**212,309**	191,363	**25,950**	26,769
Disposal of ROU	**(85,090)**	(5,007)	**-**	-
Disposal of subsidiary during the year (Note 12.2)	**-**	(295,808)	**-**	-
Balance at the end of the year	**519,053**	391,834	**57,291**	31,341
Carrying value as at 31 March	**1,081,843**	994,353	**203,391**	228,240

12.1 During the year, the Group leased land and buildings and recognised a right to use asset of LKR 347.8 Mn (2024/25 Restated- LKR.331.94 Mn).

12.2 Janashakthi PLC being the parent company of Beckett Capital Pvt Ltd sold its entire stake of 100% on 31st January 2025. This resulted in derecognising the ROU assets.

13 NET DEFERRED TAX ASSETS

AS AT 31 MARCH	Group		Company	
	2026	2025	**2026**	2025
	LKR '000	LKR '000	LKR '000	LKR '000
Balance at the beginning of the year	**828,738**	497,471	**-**	-
Origination during the year - Profit or Loss	**(246,225)**	332,190	**-**	-
Deferred tax effect on Fair value changes Treasury bonds	**5,963**	(2,016)	**-**	-
Recognised in other comprehensive income	**284**	1,270	**-**	-
Deferred tax effect on actuarial gain on retirement benefits obligation	**6,201**	(177)	**-**	-
Balance at the end of the year	**594,961**	828,738	**-**	-

Notes to the Financial Statements

13.1 Temporary difference

AS AT 31 MARCH	Group		Company	
	2026	2025	**2026**	2025
	LKR '000	LKR '000	LKR '000	LKR '000
Property, plant & equipment	**(71,930)**	(91,695)	**(14,075)**	(10,712)
Right of use of land and lease liabilities	**100,545**	(32,646)	**31,161**	7
Retirement benefit obligation	**308,691**	192,535	**67,465**	7,719
Investment property	**(896,477)**	(427,033)	**(733,827)**	(284,500)
Qualifying payment on purchase consideration of amalgamation	**607,438**	907,440	**-**	-
Unclaimed impairment provision	**394,423**	-	**-**	-
Revaluation Reserve	**(32,032)**	(32,033)	**-**	-
Provision for impairment of financial assets	**68,860**	58,706	**-**	-
Fair value changes in treasury bonds	**19,878**	-	**-**	-
On Accumulated tax losses	**473,116**	-	**-**	-
Brought forward tax losses	**649,276**	287,486	**649,276**	287,486
Unclaimed impairment provision	**-**	244,297	**-**	
On Leasehold assets	**(58,808)**	6,025	**-**	-
On deferred bonus	**420,224**	1,649,378	**-**	-
Total deductible temporary differences	**1,983,204**	2,762,459	**-**	-
Applicable tax rate	**30%**	30%	**30%**	30%
Tax effect				
Property, plant & equipment	**(21,579)**	(27,508)	**(4,222)**	(3,214)
Right of use of land and lease liabilities	**30,164**	(9,794)	**9,348**	2
Retirement benefit obligation	**92,607**	57,760	**20,240**	2,316
Investment property	**(268,943)**	(128,110)	**(220,148)**	(85,350)
Qualifying payment on purchase consideration of amalgamation	**182,231**	272,232	**-**	-
Unclaimed impairment provision	**118,327**	-	**-**	-
Revaluation Reserve	**(9,610)**	(9,610)	**-**	-
Provision for impairment of financial assets	**20,658**	17,612	**-**	-
Fair value changes in treasury bonds	**5,963**	-	**-**	-
On Accumulated tax losses	**141,935**	-	**-**	-
Brought forward tax losses	**194,783**	86,246	**194,783**	86,246
Revaluation Reserve	**-**	73,289	**-**	-
On Leasehold assets	**(17,642)**	1,808	**-**	-
On deferred bonus	**126,067**	494,813	**-**	-
Total deductible temporary differences	**594,961**	828,738	**-**	-

13.2 Movement in Deffered tax balances

	Net balances as at 01st April	Recognised in Profit or loss	Recognised in OCI	Net	Deffered tax assets	Deffered tax liabilities
Property, plant & equipment	**(27,508)**	5,929	-	**(21,579)**	-	21,579
Right of use of land and lease liabilities	**(9,794)**	39,957	-	**30,164**	30,164	-
Retirement benefit obligation	**57,760**	28,362	6,485	**92,607**	92,607	-
Investment property	**(128,110)**	(140,833)	-	**(268,943)**	-	268,943
Qualifying payment on purchase consideration of amalgamation	**272,232**	(90,001)	-	**182,231**	182,231	-
Unclaimed impairment provision	**-**	118,327	-	**118,327**	118,327	-
Revaluation Reserve	**(9,610)**	-	-	**(9,610)**		9,610
Provision for impairment of financial assets	**17,612**	3,046	-	**20,658**	20,658	-
Fair value changes in treasury bonds	**-**	-	5,963	**5,963**	5,963	-
On Accumulated tax losses	**-**	141,935	-	**141,935**	141,935	-
Brought forward tax losses	**86,246**	108,537	-	**194,783**	194,783	-
Revaluation Reserve	**73,289**	(73,289)	-	**-**	-	-
On Leasehold assets	**1,808**	(19,450)	-	**(17,642)**	-	17,642
On deferred bonus	**494,813**	(368,746)	-	**126,067**	126,067	-
	828,738	(246,224)	12,448	**594,961**	912,735	317,774

13.3 Deferred tax assets are recognised in respect of brought-forward tax losses to the extent that, in the opinion of the Directors, it is probable that future taxable profits will be available against which such tax losses can be utilised, in accordance with LKAS 12, Income Taxes, and the provisions of the Inland Revenue Act No. 24 of 2017 and amendments thereto.

However, no deferred tax asset has been recognised in respect of the Company's tax losses, as it is not probable that sufficient future taxable profits will be available against which the Company can utilise these losses.

	Group		Company	
	2026	2025	**2026**	2025
	LKR '000	LKR '000	LKR '000	LKR '000
Tax loss	**15,413,129**	15,280,215	**15,413,129**	15,280,215
Unrecognized deferred tax asset	**4,623,939**	4,584,064	**4,623,939**	4,584,064

13.4 Deferred tax has been computed at 30% for all group of companies for the reporting date, 31st March 2026.

Notes to the Financial Statements

14 INTANGIBLE ASSETS

AS AT 31 MARCH,	Software	Business License	Goodwill	Group 2026	Group 2025	Company 2026	Company 2025
	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000
Cost							
Balance at the beginning of the year	432,765	28,800	4,255,564	**4,717,129**	4,609,220	-	-
Restatement Impact	-	-	-	-	46,704	-	-
Additions during the year	57,735	-	-	**57,735**	82,663	-	-
Disposal of subsidiary	(353)	-	-	**(353)**	(21,458)	-	-
Balance at the end of the year	490,147	28,800	4,255,564	**4,774,511**	4,717,129	-	-
					-		
Accumulated amortization							
Balance at the beginning of the year	277,158	-	-	**277,158**	226,542	-	-
Restatement Impact					8,062		-
Amortization charge for the year	40,382	-	-	**40,382**	42,661	-	
Disposal of subsidiary	(353)	-	-	**(353)**	(107)		-
Balance at the end of the year	317,187	-	-	**317,187**	277,158	-	-
Carrying value as at 31 March 2026	172,960	28,800	4,255,564	**4,457,324**		-	-
Carrying value as at 31 March 2025	155,607	28,800	4,255,564	-	4,439,971	-	-

14.1 Nature of intangible assets

Intangible assets consist of goodwill on business combinations, business license & computer software which are in use for normal business activities.

14.2 Intangible assets - Goodwill on acquisition

As at 31 March	Carrying Value	
	2026	2025
	LKR	LKR
Janashakthi Insurance PLC	**982,500**	982,500
Janashakthi Finance PLC	**482,593**	482,593
First Capital Holdings PLC (Dunamis Capital PLC - Amalgamated entity)	**2,790,471**	2,790,471
	4,255,564	4,255,564

14.3 Title restrictions on intangible assets

There were no restrictions on title of intangible assets as at the reporting date.

14.4 Assessment of impairment of intangible assets

The Board of Directors has assessed the potential impairment indicators of Intangible Assets including as at 31 March 2026. Based on the assessment, no impairment indicators were identified.

14.5.1 During the year the recoverable amount of this CGU was based on fair value less costs to disposal , estimated uisng quoted share price. The fair value measurement was catergorised as level 1 .(See Note 2.12).

	2025/26		**2026**			**2025**
	Goodwill	**Fair value**	**Level 1**	**Level 2**	**Level 3**	**Fair value**
Janashakthi Insurance PLC	982,500	21,480,459	**21,480,459**	-	-	18,495,839
Janashakthi Finance PLC	482,593	7,801,218	**7,801,218**	-	-	3,763,401
First Capital Holdings PLC (Dunamis Capital PLC - Amalgamated entity)	2,790,471	12,454,608	**12,454,608**	-	-	8,201,242
	4,255,564	41,736,285	**41,736,285**	-	-	30,460,482

15 INVESTMENTS IN SUBSIDIARIES

Janashakthi PLC's principal activity is investing in subsidiaries and providing related services to the subsidiaries. As such, the return on the fund invested by the shareholders of Janashakthi PLC is generated through the subsidiaries. Janashakthi PLC accounts for investment in subsidiaires using equity method.

AS AT 31 MARCH	Effective Holding (%)		Number of Shares		Equity method	Cost	Equity method	Cost
	2026	2025	**2026**	2025	**2026**	**2026**	2025	2025
					LKR '000	LKR '000	LKR '000	LKR '000
Direct Subsidiaries								
Janashakthi Insurance PLC	**77.58%**	77.58%	**168,144,497**	168,144,497	**13,502,974**	**2,002,642**	13,944,739	2,002,642
Janashakthi Finance PLC	**93.44%**	93.44%	**196,010,494**	196,010,494	**3,105,264**	**2,752,714**	2,922,401	2,752,714
First Capital Holdings PLC	**76.57%**	76.57%	**234,992,601**	234,992,601	**4,444,070**	**1,397,626**	5,772,976	1,397,626
Janashakthi Capital Limited	**0.00%**	99.99%	**-**	99,991	**233,163**	**44,302**	46,801	44,302
Beckett Capital Pvt Limited	**0.00%**	100.00%	**-**	30,000,001	**-**	**-**	52,588	300,000
Sub Subsidiary								
First Capital Limited	**76.57%**	76.57%	**-**	-	**-**	**-**	-	-
First Capital Treasuries PLC	**68.48%**	68.48%	**-**	-	**-**	**-**	-	-
First Capital Asset Management Limited	**75.57%**	75.57%	**-**	-	**-**	**-**	-	-
First Capital Markets Limited	**76.57%**	76.57%	**-**	-	**-**	**-**	-	-
First Capital Equities (Pvt) Limited	**76.57%**	76.57%	**-**	-	**-**	**-**	-	-
First Capital Trustee Services (Pvt) Limited	**76.57%**	76.57%	**-**	-	**-**	**-**	-	-
First Capital Advisory Services (Pvt) Limited	**76.57%**	76.57%	**-**	-	**-**	**-**	-	-
Orient Capital Limited	**0.00%**	99.99%	**-**	34,999,998	**29,583**	**-**	29,501	-
Disposal of Subsidiary (Note 15.1.1)								
Beckett Capital Pvt Limited	**0.00%**	100.00%	**-**	(30,000,001)	**-**	**-**	(52,588)	(300,000)
Amalgamation of Subsidiaries (Note 15.2)								
Orient Capital Limited	**0.00%**	99.99%	**-**	-	**(29,583)**	**-**	-	-
Janashakthi Capital Limited	**0.00%**	99.99%	**-**	-	**(233,163)**	**(44,302)**	-	-
Sub total					**21,052,308**	**6,152,982**	22,716,418	6,197,284

Liabilities related to Equity Accounted Subsidiaries

AS AT 31 MARCH	Effective Holding (%)		Number of Shares		Equity method	Cost	Equity method	Cost
	2026	2025	**2026**	2025	**2026**	**2026**	2025	2025
					LKR '000	LKR '000	LKR '000	LKR '000
Janashakthi Business Services Limited	**100.00%**	100.00%	**2**	2	**(701)**	**-**	(8)	-
Janashakthi Corporate Services Limited	**100.00%**	100.00%	**3,763,107**	3,763,107	**-**	**10,000**	(13,046)	10,000
Amalgamation of Subsidiaries (Note 15.2.2)								
Janashakthi Business Services Limited	**100.00%**	-	**(2)**	-	**701**	**-**	-	-
					-	**10,000**	(13,054)	10,000
Total of Equity Accounted Subsidiaries					**21,052,308**	**6,162,982**	22,703,364	6,207,284

15.1 Reconciliation of the carrying amount of Group interest of the subsidiaries

	2026 LKR 000	2025 LKR 000
		Restated
Opening balance at the beginning of the year	**22,703,363**	21,956,539
Share of profit during the year	**2,930,513**	6,093,304
Share of other comprehensive income during the year	**(301,337)**	(130,338)
Disposal of Subsidiary	**-**	(52,588)
Amalgamation of Subsidiaries	**(113,115)**	-
Dividend earned during the year	**(4,167,115)**	(5,163,554)
Closing balance at the end of the year	**21,052,309**	22,703,363

15.1.1 Sales proceeds on disposal of Subsidiary Shares

	2026 LKR '000	2025 LKR '000
Company		
Proceeds from disposal	**-**	52,588
Net Invested value of disposal	**-**	52,588
Gain/(Loss) on disposal	**-**	-
Group		
Proceeds from disposal	**-**	52,588
Value of reduction in investment	**-**	52,588
Gain/(Loss) on disposal	**-**	-

15.2 AMALGAMATION OF SUBSIDIARIES

15.2.1 Background

During the year, the following fully owned subsidiaries of Janashakthi PLC were amalgamated with and into the Company in terms of Section 242(1) of Part VIII of the Companies Act No. 7 of 2007, with the Company continuing as the surviving entity:

Amalgamated entity	Effective Date
Janashakthi Capital Limited ("JCAP")	15-May-25
Orient Capital Limited ("OCAP")	15-May-25
Janashakthi Business Services (Private) Limited ("JBSL")	22-Oct-25

The amalgamations became effective on the dates stated in the respective Certificates of Amalgamation issued by the Registrar-General of Companies (each an ""Effective Date"").
From the respective Effective Dates, JCAP, OCAP and JBSL ceased to exist as separate legal entities, and all their assets, liabilities, rights and obligations vested in the Company. The stated capital of the amalgamated companies was cancelled, and no new shares were issued by the Company.

Notes to the Financial Statements

15.2.2 Rationale for the amalgamation

The amalgamation was carried out to simplify the Group structure, eliminate duplication of administrative and compliance costs, and consolidate the Group's investment and shared-service activities within the Company.

15.2.3 Accounting treatment

The Company controlled the amalgamated entities both before and after the amalgamation, and that control was not transitory. The transaction therefore constitutes a business combination under common control, which is outside the scope of SLFRS 3 – Business Combinations.

Accordingly, in developing an appropriate accounting policy in terms of paragraphs 10–12 of LKAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, the Directors have applied the principles of the Statement of Recommended Practice for Merger Accounting for Common Control Combinations issued by The Institute of Chartered Accountants of Sri Lanka. Under this method, the assets and liabilities of the amalgamated entities have been recognized on the following basis:

- Assets and liabilities were recognized at their carrying amounts as at the Effective Date, after aligning their accounting policies with those of the Company.
- No adjustments were made to reflect fair values, and no goodwill or bargain purchase gain was recognized.
- Intra-group balances between the Company and the amalgamated entities were eliminated.
- The Company's investment in the amalgamated subsidiaries was derecognized.
- The results of the amalgamated companies are included in the Company's statement of profit or loss from the Effective Date, and comparative figures have not been restated.

15.2.4 Assets and liabilities taken over

The carrying amounts of the assets and liabilities of the amalgamated companies taken over as at the Effective Date were as follows:

As at the Effective Date	JCAP	OCAP	JBSL	Total
	LKR '000	LKR '000	LKR '000	LKR '000
Assets				
Property, plant and equipment	-	-	326	326
Investment in subsidiaries	33,000	-	-	33,000
Investment in quoted equity securities	1,203,370	-	-	1,203,370
Financial investments at fair value through OCI	-	-	-	12
Other financial assets and receivables	-	27,527	96	27,623
Amounts due from related parties	-	-	15,039	15,039
Income tax recoverable	-	523	-	523
Cash and cash equivalents	-	2,431	2,083	4,514
Total assets	1,236,370	30,481	17,544	1,284,407
Liabilities				
Retirement benefit obligation	-	-	13,187	13,187
Amounts due to related parties	814,256	-	28	814,284
Margin trading borrowings	188,381	-	-	188,381
Accruals, other payables and other financial liabilities	570	911	2,937	4,418
Total liabilities	1,003,207	911	16,152	1,020,270
Net assets taken over	233,163	29,570	1,392	264,137

15.2.5 Effect on the equity of the Company

Net assets taken over (Note 15.2.4)	264,137
Less: Carrying amount of investment in amalgamated subsidiaries derecognized	(264,137)
	-

15.2.6 Impact on the consolidated financial statements

JCAP, OCAP and JBSL were consolidated as subsidiaries of the Group prior to the Effective Date. Accordingly, the amalgamation had no impact on the consolidated net assets or results of the Group.

15.2.7 Taxation

Consequent to the amalgamation, the unused tax losses of the amalgamated entities have been considered in the income tax computation of the Company from the Effective Date. The deferred tax asset arising on these tax losses has been recognized to the extent that it is probable that future taxable profits will be available against which the unused tax losses can be utilized, in accordance with LKAS 12 – Income Taxes, as set out in Note 13

15.2.3 During the year 2024/25, Janashakthi PLC divested its entire 100% equity stake in Beckett Capital at the company's net asset value of LKR 52.58Mn

15.3 Shares pledged details are disclosed in Note 55

15.3.1 The management has formed judgment that its subsidiaries which have negative net assets, are supportetd with 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.

Notes to the Financial Statements

15.4 The following table summarizes the financial information of Company's subsidiaries with the Company's interest in the subsidiaries and the profits/(loss) and net assets allocated to NCI.

	Janashakthi Insurance PLC		Janashakthi Finance PLC	
For the year ended /As at 31 March,	2025	2024	**2025/26**	2024/25
	LKR '000	LKR '000	LKR '000	LKR '000
Summarized Profit or Loss and other Comprehensive Income				
Revenue	8,899,658	6,690,149	**6,135,359**	4,465,309
Profit / (loss) after tax	3,364,940	4,512,163	**64,700**	232,141
Other Comprehensive Income (OCI)	(275,940)	(91,390)	**(28,383)**	5,117
Total Comprehensive Income	3,089,000	4,420,773	**36,317**	237,258
Profit/loss allocated to NCI	543,846	723,780	**4,244**	15,228
OCI allocated to NCI	(72,206)	(54,045)	**(1,862)**	336
Summarized Statement of Financial Position				
Current assets	13,357,912	15,514,685	**24,194,138**	16,603,739
Non-current assets	27,008,438	22,382,146	**14,151,734**	10,758,536
Total assets	40,366,349	37,896,831	**38,345,872**	27,362,275
Current liabilities	3,519,493	2,726,796	**23,001,986**	17,167,290
Non-current liabilities	20,202,894	18,267,470	**11,736,665**	6,624,078
Total liabilities	23,722,387	20,994,266	**34,738,651**	23,791,368
Net Assets	16,643,962	16,902,565	**3,607,221**	3,570,907
Subsidiary NCI	-	-	**-**	-
Goodwill	-	-	**(800,426)**	(800,426)
Intercompany indirect holding removal	-	-	**-**	-
Inter Company Adjustments	(2,323,755)	(1,287,921)	**-**	-
Adjusted Net Asset	14,320,207	15,614,644	**2,806,795**	2,770,481
Net assets attributable to NCI	3,210,590	3,500,803	**184,126**	181,744
NCI adjustment due to inter company share sales	(841,779)	(841,779)	**-**	-
NCI adjustment due to inter company dividend	508,675	326,029	**-**	-
Net NCI for the period	2,877,487	2,985,053	**184,126**	181,744
Summarized Statement of Cash Flow				
Cash flows from / (used in) operating activities	4,603,420	4,478,029	**(6,247,360)**	(3,283,792)
Cash flows from / (used in) investing activities	(637,227)	271,950	**(315,727)**	(450,526)
Cash flows from / (used in) financing activities	(4,140,520)	(4,486,893)	**6,618,272**	3,340,998
Net Increase / (decrease) in cash & cash Equivalents	(174,327)	263,086	**55,185**	(393,320)

15.4.1 The Group's year end is 31st March except for Janashakthi Insurance PLC which has a year end of 31st December.

First Capital Holdings PLC (Group)		Janashakthi Corporate Service Limited		Total	
2025/26	2024/25	**2025/26**	2024/25	**2025/26**	2024/25
LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000
15,065,019	14,011,457	**14,545**	11,858	**30,114,581**	25,178,773
2,105,169	5,016,635	**(8,223)**	(10,778)	**5,526,586**	9,750,161
(32,629)	19,668	**(3)**	(137)	**(336,955)**	(66,742)
2,072,540	5,036,303	**(8,226)**	(10,915)	**5,189,631**	9,683,418
402,395	1,276,730	**-**	-	**950,485**	2,015,738
(7,669)	(17,482)	**-**	-	**(81,737)**	(71,191)
23,148,853	19,479,933	**25,465**	13,756	**60,726,367**	51,612,113
51,066,355	79,855,113	**88**	232	**92,226,615**	112,996,027
74,215,208	99,335,046	**25,553**	13,988	**152,952,982**	164,608,140
57,518,100	88,804,562	**42,902**	23,592	**84,082,481**	108,722,240
8,019,581	761,516	**3,165**	2,683	**39,962,305**	25,655,747
65,537,681	89,566,078	**46,067**	26,275	**124,044,786**	134,377,987
8,677,527	9,768,968	**(20,514)**	(12,287)	**28,908,196**	30,230,153
(819,279)	(976,277)	**-**	-	**(819,279)**	(976,277)
(80,872)	(80,872)	**-**	-	**(881,298)**	(881,298)
(357,379)	(357,379)	**-**	-	**-**	-
(1,771,158)	(821,280)	**-**	-	**(4,094,912)**	(2,109,200)
5,648,840	7,533,159	**(20,514)**	(12,287)	**23,112,707**	26,263,378
2,142,802	2,741,296	**-**	-	**5,537,518**	6,423,843
-	-	**-**	-	**(841,779)**	(841,779)
155,398	72,823	**-**	-	**664,073**	398,852
2,298,200	2,814,119	**-**	-	**5,359,812**	5,980,916
(2,496,309)	8,949,382	**10,338**	(431)	**(4,129,911)**	10,143,188
459,855	(88,721)	**-**	-	**(493,099)**	(267,297)
896,975	(6,588,631)	**-**	-	**3,374,727**	(7,734,526)
(1,139,479)	2,272,030	**10,338**	(431)	**(1,248,283)**	2,141,365

Notes to the Financial Statements

16 INVESTMENT IN FINANCIAL ASSETS

AS AT 31 MARCH,		Group		Company	
		2026	2025	**2026**	2025
		LKR '000	LKR '000	LKR '000	LKR '000
Financial assets measured at fair value through profit or loss	16.1	**81,136,772**	107,765,828	**2,216,768**	248,462
Financial Assets measured at amortized cost	16.2	**17,991,178**	11,191,334	**1,000,273**	131,311
Financial assets measured fair value through other comprehensive income	16.3	**3,409,476**	3,486,150	**-**	-
		102,537,426	122,443,312	**3,217,041**	379,773

16.1 Financial assets at fair value through profit or loss

AS AT 31 MARCH,		Group		Company	
		2026	2025	**2026**	2025
		LKR '000	LKR '000	LKR '000	LKR '000
Fair value					
Investment in quoted equity securities	16.1.1	**12,719,452**	10,395,389	**1,424,611**	45,693
Investment in unit trust		**3,578,859**	3,744,598	**792,157**	202,769
Investment in government securities	16.1.2	**60,938,700**	91,959,320	**-**	-
Investment in debentures	16.1.3	**3,899,761**	1,666,521	**-**	-
		81,136,772	107,765,828	**2,216,768**	248,462

16.1.1 Investment in quoted equity securities

Banks, finance and insurance	**12,499,905**	9,693,408	**1,424,611**	45,693
Diversified holdings	**219,547**	701,981	**-**	-
	12,719,452	10,395,389	**1,424,611**	45,693

16.1.1.1 Equity shares classified as financial assets measured at fair value through profit or loss pledged as collateral for borrowings are disclosed in Note 29.2

16.1.2 Investment in government securities

AS AT 31 MARCH,	Group		Company	
	2026	2025	**2026**	2025
	LKR '000	LKR '000	LKR '000	LKR '000
Treasury bills	**58,825**	729,308	**-**	-
Treasury bonds	**47,479,492**	77,378,212	**-**	-
Investment in government securities	**13,400,383**	13,851,800	**-**	-
	60,938,700	91,959,320	**-**	-

16.1.2.1 Securities pledged as collateral

Out of the government securities classified as FVTPL, the following amounts had been pledged as collateral for re-purchase and Bank guarantee entered into by the Group.

AS AT 31 MARCH,	Group		Company	
	2026	2025	**2026**	2025
	LKR '000	LKR '000	LKR '000	LKR '000
Treasury bills	**34,919**	695,792	**-**	-
Treasury bonds	**43,725,503**	76,676,775	**-**	-
	43,760,422	77,372,567	**-**	-

16.1.3 Investment in quoted debentures

Banks, finance and insurance	**3,899,761**	1,666,521	**-**	-
	3,899,761	1,666,521	**-**	-

16.2 Financial assets measured at amortized cost

AS AT 31 MARCH,	Group		Company	
	2026	2025	**2026**	2025
	LKR '000	LKR '000	LKR '000	LKR '000
Reverse repurchase agreements	**8,161,982**	5,159,508	**66**	63
Short term lending	**874,664**	1,208,554	**-**	-
Corporate debts	**5,725,471**	2,440,672	**-**	-
Unlisted debentures	**285,361**	-	**-**	-
Securitised papers	**755,983**	-	**-**	-
Fixed deposits	**445,478**	672,411	**189,547**	131,248
Commercial papers	**1,762,049**	1,769,936	**807,247**	-
Staff receivables	**94,489**	53,956	**-**	-
Placement with banks and financial institutions	**3,413**	-	**3,413**	-
Less: Provision for impairment (Note 16.2.3)	**(117,712)**	(113,703)	**-**	-
	17,991,178	11,191,334	**1,000,273**	131,311

16.2.4 Securities pledged as Collateral

16.2.4.1 Investments in fixed deposits amounting to LKR. 262Mn have been pledged as collateral for banking facilities (As at 31 March 2025 - Group LKR. 74Mn).

16.2.4.2 No investments in commercial papers classified as financial assets at amortised cost have been pledged as collateral for repurchase agreements and margin facilities entered into by the Group as at 31 March 2026 (31 March 2025 - LKR 228 Mn).

16.2.4.3 Investment in Trust Certificates classified as financial assets at amortised cost, included under Corporate Debt Securities, amounting to LKR 520 million, have been pledged as collateral for repurchase agreements and margin facilities entered into by the Group as at 31 March 2026 (31 March 2025: LKR 810 million).

16.2.4.4 Investment in Securitised Papers classified as financial assets at amortised cost amounting to LKR 168Mn have been pledged as collateral for re-purchase agreements and margin facility entered into by the Group as of 31 March 2026 (31 March 2025 - 199Mn).

Notes to the Financial Statements

16.2.3 Movement in provision for expected credit loss on financial assets measured at amortized cost

AS AT 31 MARCH,	Group		Company	
	2026	2025	**2026**	2025
	LKR '000	LKR '000	LKR '000	LKR '000
Balance as at the beginning of the year	**113,703**	168,690	**-**	-
(Reversal)/charge for the year	**4,009**	(54,987)	**-**	-
Balance as at the end of the year	**117,712**	113,703	**-**	-

16.2.4 Expected loss on corporate debt securities classified as "Stage 1" amounting to LKR 1,673,109 (2025 - "Stage 1" - LKR 307,018) in accordance with SLFRS 9.

16.2.5 Expected loss on investment in fixed deposits classified as"Stage 1" and "Stage 3" amounting to LKR 1,247 and LKR 5,000,000 (2025 - "Stage 1" - LKR 77 and "Stage 3" - LKR 5,000,000) respectively in accordance with SLFRS 9.

16.2.6 Expected loss on short term lending classified as "Stage 1", and Stage 3" amounting to LKR 7,916,835, and LKR 103,119,677 respectively (2025 - "Stage 1" - LKR 5,274,642 and "Stage 3" - LKR 103,119,677) in accordance with SLFRS 9.

16.3 Financial assets at fair value through other comprehensive income

AS AT 31 MARCH,		Group		Company	
		2026	2025	**2026**	2025
		LKR '000	LKR '000	LKR '000	LKR '000
Equity securities	16.3.1	**7,731**	848,432	**-**	-
Venture capital investments		**-**	12	**-**	-
Investment in government securities	16.3.6	**1,560,651**	1,144,033	**-**	-
Corporate debt		**1,841,094**	1,493,673	**-**	-
		3,409,476	3,486,150	**-**	-

16.3.1 Equity securities

AS AT 31 MARCH,	Group		Company	
	2026	2025	**2026**	2025
	LKR '000	LKR '000	LKR '000	LKR '000
Banks, finance and insurance	**7,731**	776,654	**-**	-
Land and property	**-**	71,778	**-**	-
	7,731	848,432	**-**	-

16.3.2 The Group designated the investment shown above as equity securities measured at Fair value through other comprehensive income because these equities represent investment that the Group intends to hold for medium to long term for strategic purpose.

16.3.3 Janashakthi PLC (JPLC) holds 5,000,000 preference shares (12%, non-cumulative, convertible) acquired at LKR 20 per share in Kanrich Finance Limited on account of amalgamation with Dunamis Capital PLC. Nation Lanka Finance PLC (NLF) amalgamated on the 31st July 2023 with KFL and the Shares held by JPLC were converted to 228,466,987 number of Share Exchange Ratio adopted in the Business Amalgamation For 10,000 share of KFL, 456,933.973 shares of NLFL.

16.3.4 First Capital Limited (FCL) held 8,270,077 ordinary shares acquired at LKR 40 per share in KFL which was equivalent to 10% stake and the said investment is classified under Financial assets measured at fair value through other comprehensive income. On 31 July 2023, Nation Lanka Finance PLC (NLF) amalgamated with KFL and the Shares held by FCL were converted to 266,770,806 number of Shares of NLF adopting a Share Exchange Ratio of 10,000 shares of KFL, 322,573.5456 shares of NLF in the business amalgamation. The shares were listed on Colombo Stock Exchange on 31 August 2023. As of 31 March 2026, FCL holds 99,836,063 (31 March 2025 - 149,836,063) ordinary shares of NLF.

16.3.5 The Directors' valuation of non-quoted securities of Janashakthi Finance PLC, based on cost of investment less impairment amounts to LKR 230,600/- (2024 - LKR 230,600/-).

16.3.6 Investment in Government Securities includes Investements in Treasury Bills By Janashakthi Finance PLC and First Capital Holdings PLC.

17 LOANS AND RECEIVABLES FROM CUSTOMERS

AS AT 31 MARCH,		Group		Company	
		2026	2025	**2026**	2025
		LKR '000	LKR '000	LKR '000	LKR '000
Loans and receivables		**41,829,095**	29,555,284	**-**	-
Less: Unearned income		**(7,732,658)**	(6,192,749)	**-**	-
Net loans and receivables		**34,096,437**	23,362,535	**-**	-
Less: impairment for expected credit loss (Note 17.7)		**(1,290,840)**	(1,111,774)	**-**	-
Net loans and receivables		**32,805,597**	22,250,761	**-**	-
Product wise analysis of net loans and receivables to customers					
Financial lease receivables	17.1	**13,999,554**	12,155,635	**-**	-
Hire purchase receivables	17.2	**8,400**	11,560	**-**	-
Factoring receivables	17.3	**9,491**	39,088	**-**	-
Gold loan receivables	17.4	**12,746,868**	7,720,279	**-**	-
Other loans receivables	17.5	**4,650,500**	799,752	**-**	-
Alternative finance receivables	17.6	**1,390,784**	1,524,447	**-**	-
		32,805,597	22,250,761	**-**	-

Notes to the Financial Statements

17.1 Financial lease receivables

AS AT 31 MARCH,	Group		Company	
	2026	2025	**2026**	2025
	LKR '000	LKR '000	LKR '000	LKR '000
		Restated		
Gross lease rentals receivables	**21,276,741**	18,720,492	**-**	-
Less: Unearned lease income	**(6,224,937)**	(5,577,983)	**-**	-
Net lease rentals receivables	**15,051,804**	13,142,509	**-**	-
Less: impairment for expected credit loss (Note 17.7)	**(1,052,250)**	(986,874)	**-**	-
Net financial lease receivable	**13,999,554**	12,155,635	**-**	-
Lease rentals receivables within one year				
Gross lease rentals receivables	**8,564,468**	7,691,321	**-**	-
Less : Unearned lease income	**(3,125,155)**	(2,752,915)	**-**	-
Net lease rentals receivables	**5,439,313**	4,938,406	**-**	-
Impairment for expected credit loss	**(380,262)**	(370,827)	**-**	-
Net finance lease receivables within one year	**5,059,051**	**4,567,579**	**-**	**-**
Lease rentals receivables one to five years				
Gross lease rentals receivables	**12,658,401**	11,029,171	**-**	-
Less : Unearned lease income	**(3,099,754)**	(2,825,067)	**-**	-
Net lease rentals receivables	**9,558,647**	8,204,104	**-**	-
Impairment for expected credit loss	**(668,224)**	**(616,048)**	**-**	**-**
Net finance lease receivables within one to five years	**8,890,423**	7,588,056	**-**	-
Lease rentals receivables later than five years				
Gross lease rentals receivable later than five years	**53,873**	-	**-**	-
Less : Unearned lease income	**(28)**	-	**-**	-
Net lease rentals receivable	**53,845**	-	**-**	-
Impairment for expected credit loss	**(3,764)**	-	**-**	-
Net finance lease receivables within one to five years	**50,081**	-	**-**	-
Total	**13,999,555**	12,155,635	**-**	-

17.2 Hire purchase rentals receivables

AS AT 31 MARCH,	Group		Company	
	2026	2025	**2026**	2025
	LKR '000	LKR '000 Restated	LKR '000	LKR '000
Gross hire purchase rentals receivables	**22,206**	22,206	**-**	-
Impairment for expected credit losses (Note 17.7)	**(13,806)**	(10,646)	**-**	-
Hire purchase rentals receivable within one year	**8,400**	11,560	**-**	-
Hire purchase rentals receivables within one year				
Gross hire purchase rentals receivables within one year	**22,206**	22,206	**-**	-
Less : Unearned income	**-**	(10,646)	**-**	-
Impairment for expected credit losses (Note 17.7)	**(13,806)**	-	**-**	-
Net Hire purchase rentals receivables within one year	**8,400**	11,560	**-**	-

17.3 Factoring receivables

Factoring receivables	**20,011**	49,530	**-**	-
Impairment for expected credit losses (Note 17.7)	**(10,520)**	(10,442)	**-**	-
Net Factoring Receivables	**9,491**	39,088	**-**	-

17.4 Gold loans receivables

Gold Loan receivables	**12,752,059**	7,723,282	**-**	-
Impairment for expected credit losses (Note 17.7)	**(5,191)**	(3,003)	**-**	-
Net Gold Loan receivable	**12,746,868**	7,720,279	**-**	-

17.5 Other loans receivables

Gross other loans rentals receivables	**5,847,390**	987,534	**-**	-
Unearned income	**(1,057,088)**	(104,266)	**-**	-
Net other loans rentals receivables	**4,790,302**	883,268	**-**	-
Impairment for expected credit losses	**(139,802)**	(83,516)	**-**	-
Net other loans rentals receivables	**4,650,500**	799,752	**-**	-
Other loans receivables within one year				
Gross other loans rentals receivable within one year	**3,226,960**	803,265	**-**	-
Unearned income	**(487,438)**	(71,333)	**-**	-
Net other loans rentals receivable within one year	**2,739,522**	731,932	**-**	-
Impairment for expected credit losses (Note 17.7)	**(74,002)**	(71,154)	**-**	-
Net other loans receivables within one year	**2,665,520**	660,778	**-**	-
Other loans receivables one to five years				
Gross other loans rentals receivable within one to five years	**2,620,430**	184,269	**-**	-
Unearned income	**(569,650)**	(32,933)	**-**	-
Net other loans rentals receivable within one to five years	**2,050,780**	151,336		
Impairment for expected credit losses (Note 17.7)	**(65,799)**	(12,362)	**-**	-
Net other loans receivables within one to five years	**1,984,981**	138,974	**-**	-
Total	**4,650,501**	799,752	**-**	-

Notes to the Financial Statements

17.6 Alternative finance receivable

AS AT 31 MARCH,	Group		Company	
	2026	2025	**2026**	2025
	LKR '000	LKR '000 Restated	LKR '000	LKR '000
Gross Alternative finance receivable	**1,910,690**	2,049,968	**-**	-
Less: Unearned income	**(450,634)**	(508,228)	**-**	-
Net Alternative finance receivable	**1,460,056**	1,541,740	**-**	-
Less: Impairment for expected credit losses (Note 17.7)	**(69,272)**	(17,293)	**-**	-
Net Alternative finance receivable	**1,390,784**	1,524,447	**-**	-
Alternative finance receivables within one year				
Gross Alternative finance receivable within one year	**947,421**	1,104,420	**-**	-
Less: Unearned income	**(229,998)**	(272,372)	**-**	-
Net Alternative finance receivable within one year	**717,423**	832,048	**-**	-
Less: Impairment for expected credit losses	**(34,038)**	(9,332)	**-**	-
Net Alternative finance receivable within one year	**683,385**	822,716	**-**	-
Alternative finance receivables within one to five years				
Gross Alternative finance receivable within one to five years	**958,825**	943,945	**-**	-
Less: Unearned income	**(220,636)**	(235,730)	**-**	-
Net Alternative finance receivable within one to five years	**738,189**	708,215	**-**	-
Less: Impairment for expected credit losses	**(35,023)**	(7,944)	**-**	-
Net Alternative finance receivable within one to five years	**703,166**	700,271	**-**	-
Alternative finance receivables after five years				
Gross Alternative finance receivable after five years	**4,444**	1,603	**-**	-
Less: Unearned income	**-**	(126)	**-**	-
Net Alternative finance receivable after five years	**4,444**	1,477	**-**	-
Less: Impairment for expected credit losses	**(211)**	(17)	**-**	-
Net Alternative finance receivable after five years	**4,233**	1,460	**-**	-
Total	**1,390,784**	1,524,447	**-**	-

17.7 Product - wise analysis of net loans and receivables from customers

	As at 31 March 2026			As at 31 March 2025		
	Gross Receivable	ECL Allowance	Net Receivable	Gross Receivable	ECL Allowance	Net Receivable
	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000
Finance lease receivable						
Stage 01	11,001,097	(140,961)	10,860,136	9,804,099	(108,237)	9,695,862
Stage 02	2,817,622	(170,223)	2,647,399	2,013,478	(115,362)	1,898,116
Stage 03	1,233,162	(741,066)	492,096	1,324,932	(763,275)	561,657
	15,051,881	(1,052,250)	13,999,631	13,142,509	(986,874)	12,155,635
Hire purchase receivable						
Stage 03	22,206	(13,806)	8,400	22,206	(10,646)	11,560
	22,206	(13,806)	8,400	22,206	(10,646)	11,560
Factoring receivable						
Stage 03	20,011	(10,520)	9,491	49,531	(10,442)	39,088
	20,011	(10,520)	9,491	49,531	(10,442)	39,088
Gold loans receivable						
Stage 01	12,224,533	(4,854)	12,219,679	6,974,117	(2,942)	6,971,175
Stage 02	527,256	(337)	526,919	744,394	(61)	744,333
Stage 03	270	-	270	4,771	-	4,771
	12,752,059	(5,191)	12,746,868	7,723,282	(3,003)	7,720,279
Other loans receivable						
Stage 01	3,662,154	(30,755)	3,631,400	621,759	(1,705)	620,054
Stage 02	887,438	(22,862)	864,575	32,377	(1,676)	30,701
Stage 03	240,638	(86,185)	154,453	229,132	(80,135)	148,997
	4,790,230	(139,802)	4,650,428	883,268	(83,516)	799,752
Altenative finance receivable						
Stage 01	997,979	(12,818)	985,161	1,450,392	(9,276)	1,441,116
Stage 02	322,370	(11,619)	310,752	84,499	(3,115)	81,384
Stage 03	139,703	(44,835)	94,868	6,850	(4,902)	1,948
	1,460,052	(69,272)	1,390,781	1,541,741	(17,293)	1,524,448
Total	34,096,439	(1,290,841)	32,805,599	23,362,537	(1,111,774)	22,250,762

Notes to the Financial Statements

17.8 Movement in specific and collective impairment charges of loans and receivables from customers for the year ended 31 March 2026

	Finance lease	Hire purchase	Other loans receivables	Factoring	Alternative finance	Gold loan	Provision for specific item	Total
	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000
Balance as at 01st April 2025	986,874	10,647	83,515	10,442	17,293	3,003	6,608	1,118,382
Charge/(reversal) for the year	191,200	3,160	57,789	78	55,316	2,188	-	309,731
Provision for specific item	-	-	-	-	-	-	(6,658)	(6,658)
Written off during the year	(125,775)	-	(1,503)	-	(3,337)	-	-	(130,615)
Balance as at 31st March 2026	**1,052,299**	**13,807**	**139,801**	**10,520**	**69,272**	**5,191**	**(50)**	**1,290,840**

Movement in specific and collective impairment charges of loans and receivables from customers for the year ended 31 March 2025

	Finance lease	Hire purchase	Other loans receivables	Factoring	Alternative finance	Gold loan	Provision for specific item	Total
	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000
Balance as at 01st April 2024	926,289	11,575	167,138	10,442	7,680	5,603	-	1,128,728
Charge/(reversal) for the year	76,985	2,569	(2,435)		9,613	(2,600)	6,608	90,740
Written off during the year	(16,400)	(3,499)	(81,188)	-	-	-	-	(101,087)
Balance as at 31st March 2025	**986,874**	**10,647**	**83,515**	**10,442**	**17,293**	**3,003**	**6,608**	**1,118,381**

18 LOANS TO LIFE POLICYHOLDERS AND OTHERS

	Group		Company	
AS AT 31 MARCH,	**2026**	2025	**2026**	2025
	LKR '000	LKR '000	LKR '000	LKR '000
Loans recoverable from policy holders	**296,228**	257,702	**-**	-
Loans given to employees	**23,839**	17,724	**-**	-
	320,067	275,426	**-**	-

19 INVENTORIES

Real estate stock	**17,667**	20,306	**-**	-
Total	**17,667**	20,306	**-**	-

19.1 Janashakthi Finance PLC

AS AT 31 MARCH,	Group	
	2026	2025
	LKR '000	LKR '000
Naranwala Project	**1,767**	1,767
Matale Project	**13,046**	13,046
Dambulla Project	**2,854**	6,601
Intercompany Adjustments	**-**	(1,108)
	17,667	20,306

19.2 There were no items of inventory pledged as security as of 31 March 2026, except for disclosed in 29.2

20 REINSURANCE RECEIVABLES

AS AT 31 MARCH,	Group		Company	
	2026	2025	**2026**	2025
	LKR '000	LKR '000	LKR '000	LKR '000
Reinsurance receivables on outstanding claims	**34,613**	19,620	**-**	-
	34,613	19,620	**-**	-

20.1 Reinsurance receivables arising from outstanding claims are recognised when the amounts recoverable from reinsurers become due and are derecognised when the contractual rights to the related cash flows expire or are transferred.

21 PREMIUM RECEIVABLES

AS AT 31 MARCH,	Group		Company	
	2026	2025	**2026**	2025
	LKR '000	LKR '000	LKR '000	LKR '000
Premium receivables	**652,715**	320,075	**-**	-
	652,715	320,075	**-**	-

21.1 Premium Receivables as disclosed above include amounts that are over due at the end of the reporting period. The allowance has been recognised for impairment loss where the receivables are beyond the extended credit period.

Notes to the Financial Statements

22 AMOUNTS DUE FROM RELATED PARTIES

	Group		Company	
AS AT 31 MARCH,	**2026**	2025	**2026**	2025
	LKR '000	LKR '000	LKR '000	LKR '000
Janashakthi Insurance PLC	**-**	-	**12,987**	85,135
Janashakthi PLC	**7**	-	**-**	-
Janashakthi Corporate Services Ltd	**-**	-	**28,181**	14,121
First Capital Holdings PLC	**-**	-	**4,907**	32,539
Janashakthi Finance PLC	**-**	-	**71,400**	68,235
Orient Capital Limited	**-**	-	**-**	162
Janashakthi Capital Limited	**-**	-	**-**	814,285
Janashakthi Business Services	**-**	-	**-**	6,438
Beckett Capital (Pvt) Ltd	**2,801**	132	**2,801**	132
Gratuity Receivable from RPT	**12,661**	16,861	**12,661**	-
Schaffters (Pvt) Ltd	**51,709**	-	**51,709**	-
Less: Provision for impairment (Note 22.1)	**-**	-	**(11,395)**	(29,800)
	67,178	16,993	**173,251**	991,246

22.1 Movement in provision for expected credit loss on Amount due from related parties

Balance as at the beginning of the year	**-**	179,468	**29,800**	452,798
Charge for the year	**-**	(179,468)	**(18,406)**	(422,998)
Balance as at the end of the year	**-**	-	**11,394**	29,800

22.1.1 This represents the expected credit loss on amounts due from related parties classified under Stage 3, with a Nil balance for the Group and LKR. 11.39 Mn for the Company as at 31st March 2026 (2025 –Nil for the Group and LKR. 29.8 Mn for the Company).

23 TRADE, OTHER RECEIVABLES AND ADVANCES

		Group		Company	
AS AT 31 MARCH,		**2026**	2025	**2026**	2025
		LKR '000	LKR '000	LKR '000	LKR '000
Trade receivables		**1,157,383**	979,194	**-**	-
Other receivables	23.1	**2,559,848**	2,526,953	**242,658**	239,249
		3,717,231	3,506,147	**242,658**	239,249

23.1 Other receivables

	Group		Company	
AS AT 31 MARCH,	**2026**	2025	**2026**	2025
	LKR '000	LKR '000	LKR '000	LKR '000
Advances, deposits and prepayments	**1,368,986**	639,566	**37,766**	56,489
Taxation recoverable	**497,561**	463,438	**15,689**	-
Other receivables	**693,302**	1,423,949	**189,203**	182,760
	2,559,849	2,526,953	**242,658**	239,249

24 DERIVATIVE FINANCIAL INSTRUMENTS

	Group		Company	
AS AT 31 MARCH,	**2026**	2025	**2026**	2025
	LKR '000	LKR '000	LKR '000	LKR '000
Forward sale contracts	**8,138**	2,814	**-**	-
Forward purchase contracts	**2,302**	6	**-**	-
	10,440	2,820	**-**	-

25 ASSETS CLASSIFIED AS HELD FOR SALE

		Group		Company	
AS AT 31 MARCH,		**2026**	2025	**2026**	2025
		LKR '000	LKR '000	LKR '000	LKR '000
Investment in equities	25.1	**42,416**	42,416	**-**	-
Non Current assets Held for sale		**21,500**	-	**21,500**	-
		63,916	42,416	**21,500**	-

25.1 Investment in Equities

		Group		Company	
AS AT 31 MARCH,		**2026**	2025	**2026**	2025
	No of Shares	LKR '000	LKR '000	LKR '000	LKR '000
Ceyspence (Pvt) Ltd	2,861,856	**12,488**	12,488	**-**	-
Ceyaki Shipping (Pvt) Ltd	3,116,600	**29,928**	29,928	**-**	-
		42,416	42,416	**-**	-

Notes to the Financial Statements

26 CASH AND CASH EQUIVALENTS

	Group		Company	
AS AT 31 MARCH,	**2026**	2025	**2026**	2025
	LKR '000	LKR '000	LKR '000	LKR '000
Cash in hand and at bank	**2,766,472**	4,229,353	**779,351**	1,245,100
Bank overdrafts	**(2,217,889)**	(1,391,740)	**(506,109)**	(422,960)
	548,583	2,837,613	**273,242**	822,140

27 DEBENTURES

	Group		Company	
AS AT 31 MARCH,	**2026**	2025	**2026**	2025
	LKR '000	LKR '000	LKR '000	LKR '000
Balance at the beginning of the year	**3,908,443**	3,573,447	**2,139,115**	1,058,299
Issued during the year	**6,000,000**	1,080,816	**-**	1,080,816
Redemption with interest	**(2,359,338)**	(1,033,729)	**(111,815)**	-
Net effect on amortised interest payable	**670,132**	287,909	**-**	-
	8,219,237	3,908,443	**2,027,300**	2,139,115

27.1 During the financial year 2025/26, Janashakthi PLC settled 2-year Senior, unlisted, unsecured redeemable debentures with a face value amounting to LKR. 101.56 million. The remaining balance of LKR. 1.4 million was subsequently settled in April 2026.

27.2 During the Financial year 2023/24, Janashakthi PLC issued 10,570,000 Senior, unlisted, unsecured redeemable debentures at the value of LKR. 100/- each, accumulated to LKR. 1,057,000,000/- with maturity of two years and three years.

Type	No. of Debentures		Face Value	Carrying Value	Carrying Value	Allotment Date	Maturity Date	Rate of Interest	Frequency on Interest
	2026	2025		**2026**	2025				
			LKR '000	LKR '000	LKR '000				
2 years	100	1,080,000	1,000	**1,440**	107,675	28-Mar-24	28-Mar-26	15.00%	Annually
3 years	9,500,000	9,490,000	950,000	**952,314**	961,695	28-Mar-24	28-Mar-27	16.00%	Annually
	9,500,100	10,570,000	951,000	**953,754**	1,069,370				

During the Financial year 2024/25, Janashakthi PLC issued 9,430,000 Senior, unlisted, unsecured redeemable debentures at the value of LKR. 100/- each, accumulated to LKR. 943,000,000/- with maturity of two years and three years.

Tenure	No. of Debentures		Face Value	Carrying Value	Carrying Value	Allotment Date	Maturity Date	Rate of Interest	Frequency on Interest
	2026	2025		**2026**	2025				
			LKR '000	LKR '000	LKR '000				
2 years	6,460,000	6,460,000	646,000	**734,163**	788,124	30-Apr-24	30-Apr-26	15.00%	Annually
3 years	2,970,000	2,970,000	297,000	**339,383**	281,621	30-Apr-24	30-Apr-27	16.00%	Annually
	9,430,000	9,430,000	943,000	**1,073,546**	1,069,745				
Total Company	18,930,100	20,000,000	1,894,000	**2,027,300**	2,139,115				

27.4 First Capital Holdings PLC debentures represent 30,000,000 rated, senior, unsecured, redeemable five-year (2025–2030) debentures with a face value of LKR 100 each, with interest payable in accordance with the terms of each tranche. These consist of 28,272,000 debentures bearing interest at 11% per annum, 1,727,900 debentures at 10.71% per annum (payable semi-annually), and 100 debentures at a rate equal to the 364-day Treasury Bill rate plus 2% per annum.

Type	No. of Debentures	Face Value	Carrying Value	Carrying Value	Allotment Date	Maturity Date	Rate of Interest	Frequency on Interest
			2026	2025				
		LKR '000	LKR '000	LKR '000				
5 years	28,272,000	2,827,200	**2,960,112**	-	29-Sep-25	29-Sep-30	11.00% p.a. payable annually (AER11.00%)	Annually
5 years	1,727,900	172,790	**171,656**	-	29-Sep-25	29-Sep-30	10.71% p.a. payable semi-annually (AER11.00%)	Semi Annually
5 years	100	10	**10**	-	29-Sep-25	29-Sep-30	364 Days Treasury Bill +2.00% p.a. payable and repriced annually	Annually
	30,000,000	3,000,000	**3,131,778**	-				

27.5 First Capital Treasuries PLC debentures represent 30,000,000 rated, senior, unsecured, redeemable five-year (2025–2030) debentures with a face value of LKR 100 each, with interest payable in accordance with the terms of each tranche. These consist of 24,503,100 debentures bearing interest at 12% per annum, 5,456,700 debentures at 11.66% per annum (payable semi-annually), and 40,200 debentures at a rate equal to the 364-day Treasury Bill rate plus 2% per annum.

Type	No. of Debentures	Face Value	Carrying Value	Carrying Value	Allotment Date	Maturity Date	Rate of Interest	Frequency on Interest
			2026	2025				
		LKR '000	LKR '000	LKR '000				
5 years	24,503,100	2,450,310	**2,731,106**	-	25-Apr-25	24-Apr-30	12% (AER - 12.00%)	Annually
5 years	5,456,700	545,670	**574,478**	-	25-Apr-25	24-Apr-30	11.66% (AER - 12.00%)	Semi Annually
5 years	40,200	4,020	**4,575**	-	25-Apr-25	24-Apr-30	364 Days Treasury Bill + 2.25%	Annually
	30,000,000	3,000,000	**3,310,159**					

Type	No. of Debentures	Face Value	Face Value	Carrying Value	Carrying Value	Allotment Date	Maturity Date	Rate of Interest	Frequency on Interest
		2026	2025	**2026**	2025				
		LKR '000	LKR '000	LKR '000	LKR '000				
Type A	13,247,500	**-**	1,340,494		1,340,494	08-Feb-21	07-Feb-26	10.00%	Annually
Type B	6,752,500	-	688,834		688,834	08-Feb-21	07-Feb-26	Weekly AWPLR + 2% (Cap of 12% & Floor of 9%)	Annually
	20,000,000	-	2,029,328	-	2,029,328				
Inter company eliminations	-	-	-	**(250,000)**	(260,000)				
Total Group	78,930,100	**7,894,000**	7,894,000	**8,219,237**	3,908,443				

Notes to the Financial Statements

28 RETIREMENT BENEFIT OBLIGATION

AS AT 31 MARCH,	Group		Company	
	2026	2025	**2026**	2025
	LKR '000	LKR '000	LKR '000	LKR '000
Balance at the beginning of the year	**322,290**	285,543	**40,025**	26,394
Transfer in and / Out	**2,103**	748	**14,215**	-
Expense recognized in the statement of profit or loss (Note 28.1)	**74,810**	79,589	**11,791**	15,588
Benefits paid during the year	**(28,877)**	(14,272)	**(3,922)**	(1,145)
Actuarial loss / (gain) (Note 28.2)	**39,597**	(29,318)	**5,357**	(812)
Balance at the end of the year	**409,923**	322,290	**67,466**	40,025

28.1 Expense recognized in the statement of profit or loss

For the year ended,	Group		Company	
	2026	2025	**2026**	2025
	LKR '000	LKR '000	LKR '000	LKR '000
Net interest cost	**34,622**	32,512	**5,041**	4,162
Current service cost	**40,188**	47,078	**6,750**	11,427
	74,810	79,590	**11,791**	15,589

28.2 Recognized in the statement of other comprehensive income

For the year ended,	Group		Company	
	2026	2025	**2026**	2025
	LKR '000	LKR '000	LKR '000	LKR '000
Actuarial loss / (gain) recognized for the year	**39,597**	29,318	**5,357**	(812)
	39,597	29,318	**5,357**	(812)

28.3 Actuarial assumptions made

The Gratuity liability of the Group was computed in accordance with LKAS 19.

For the year ended,	Group		Company	
	2026	2025	**2026**	2025
Discount rate	**10%-10.5%**	10%-18.5%	**12.50%**	11.5%
Salary increment	**8%-9%**	10%-18%	**10.00%**	10.0%
Staff Turnover factor	**10%-30%**	10%-26%	**15.00%**	15%
Retirement age	**60 Years**	60 Years	**60 Years**	60 Years

Sensitivity Analysis of the assumptions used

The following table demonstrates the sensitivity to a reasonably possible change in the key assumptions employed with all other variables held constant in the defined benefit obligation measurement.

	2026		2025	
	Increase	Decrease	Increase	Decrease
	LKR '000	LKR '000	LKR '000	LKR '000
Group				
Discount rate (1% movement)	**(20,065)**	22,207	**(16,525)**	18,145
Salary increment rate (1% movement)	**23,816**	(21,881)	**19,107**	(17,687)
Company				
Discount rate (1% movement)	**(2,551)**	2,725	**(2,455)**	2,732
Salary increment rate (1% movement)	**2,980**	(2,833)	**2,922**	(2,663)

29 INTEREST BEARING LOANS AND BORROWINGS

	Group		Company	
AS AT 31 MARCH,	**2026**	2025	**2026**	2025
	LKR '000	LKR '000	LKR '000	LKR '000
Term loans (Note 29.2)	**27,066,362**	17,179,122	**12,117,439**	7,912,926
Borrowings on corporate debt securities(Note 29.3)	**6,696,028**	8,768,332	**3,229,737**	6,734,646
Other short term borrowings	**6,001,271**	3,637,982	**-**	-
	39,763,661	29,585,436	**15,347,176**	14,647,572

29.1 Interest bearing borrowings - Current and non - current

	Group		Company	
AS AT 31 MARCH,	**2026**	2025	**2026**	2025
	LKR '000	LKR '000	LKR '000	LKR '000
Current Portion	**22,992,161**	24,070,224	**6,785,865**	13,544,455
Non-Current Portion	**16,771,501**	5,515,212	**8,561,311**	1,103,117
	39,763,661	29,585,436	**15,347,176**	14,647,572

29.2 Institutional borrowings

	Balance as at 01.04.2025	Facility obtained	Settlement	Accrued interest payable	Amortized cost as at 31 March 2026	Tenure of loan	Security offered
	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000		
Company							
Term Loans							
Commercial Bank of Ceylon PLC	294,205	-	(148,605)	7,117	152,716.90	03 Years	Quoted Shares
Commercial Bank of Ceylon PLC	1,000,000	-	(300,000)	-	700,000.00	03 Years	Quoted Shares
Commercial Bank of Ceylon PLC	-	2,000,000	-	-	2,000,000.00	05 Years	Quoted Shares
Seylan Bank PLC	450,000	-	(450,000)	-	-	03 Years	Quoted Shares & Joint & Several guarantee of two directors
Seylan Bank PLC	250,000	-	-	-	250,000.00	Revolving	Quoted Shares & Joint & Several guarantee of two directors
Sanasa Development Bank	-	1,000,000	(78,889)		921,111.00	03 Years	Quoted Shares
Bank of Ceylon	700,000	-	(350,000)	-	350,000.00	02 Years	Land located at Wattala
Bank of Ceylon	10,914	-	(10,914)	-	(0.00)	03 Years	Land located at Wattala
Bank of Ceylon	1,000,000	-	(166,800)	-	833,200	06 Years	Land located at Wattala

Notes to the Financial Statements

	Balance as at 01.04.2025	Facility obtained	Settlement	Accrued interest payable	Amortized cost as at 31 March 2026	Tenure of loan	Security offered
	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000		
People's Bank	-	-	-	-	-	05 Years	Joint & Several guarantee of two directors
People's Bank	6	2,000,000	-	-	2,000,006	05 Years	Quoted Shares & Corporate Gurantee
Cargills Bank PLC	176,075	-	(89,820)	-	86,255	05 Years	Joint & Several guarantee of two directors
Cargills Bank PLC	412	-	-	-	412	05 Years	Joint & Several guarantee of two directors
National Development Bank PLC	435,000		(435,000)	-	-	05 Years	Quoted Shares & Joint & Several guarantee of two directors
National Development Bank PLC	350,000	-	-	-	350,000	Revolving	Quoted Shares
Hatton National Bank	2,400,000	-	(600,000)	-	1,800,000	03 years	Quoted Shares & Joint & Several guarantee of two directors
Hatton National Bank	-	2,000,000	(400,000)	-	1,600,000	05 Years	Quoted Shares & Joint & Several guarantee of two directors
Pan Asia Bank PLC	146,314	-	(72,577)	-	73,738	05 years	Quoted Shares & Joint & Several guarantee of two directors
Pan Asia Bank PLC	500,000	-	(100,000)	-	400,000	05 years	Quoted Shares & Joint & Several guarantee of two directors
Union Bank	-	500,000	-	-	500,000	05 years	Quoted Shares
Nations Trust Bank	200,000	-	(100,000)	-	100,000	05 Years	Quoted shares / Personal guarantees of Directors
Sub Total	7,912,926	7,500,000	(3,302,605)	7,117	12,117,439		
Group							
Janashakthi PLC (post inter-company elimination)	7,912,926	7,500,000	(3,302,605)	7,117	12,117,439		
Janashakthi Finance PLC							
Term Loans							
Union Bank PLC	301,325	750,000	(509,381)	173	542,117	48 Months	Lease receivables
Sampath Bank PLC	634,248	1,600,000	(959,248)	1,879	1,276,879	48 Months	Lease receivables
Hatton National Bank PLC	414,488	1,750,000	(931,087)	792	1,234,192	60 Months	Lease receivables/ Property backed
Bank of Ceylon	559,487	2,200,000	(827,870)	3,516	1,935,134	48 Months	Lease receivables
Cargills Bank PLC	244,051	300,000	(375,301)	224	168,974	48 Months	Lease receivables
National Development Bank PLC	525,124	1,200,000	(1,050,064)	815	675,875	48 Months	Lease receivables
Commercial Term Loan	-	300,000	(35,000)	491	265,491	60 Months	Lease receivables/ Property backed
Sanasa Developmnent Bank	444,972	500,000	(667,194)	533	278,311	36 Months	Lease receivables
DFCC	-	300,000	(18,750)	2,890	284,140	48 Months	Lease receivables
PABC - New Term Loan	352,364	350,000	(439,964)	1,716	264,116	48 Months	Lease receivables
NDB Trust 01 (Capital One)	914,496	930,700	(1,745,196)	21,172	121,172	24 Months	Gold Loan
NDB Trust 02	-	1,500,000	(275,144)	107,382	1,332,238	24 Months	Gold Loan
NDB Trust 03	-	1,000,000	(139,907)	55,016	915,109	24 Months	Gold Loan
Sub Debt Type A - 13% p.a.	149,951	147,000	(149,951)	2,761	149,761	60 Months	Unsecured
Sub Debt Type B - 12.28% (payable monthly)	119,054	117,000	(119,054)	39	117,039	60 Months	Unsecured
Sub Debt Type C - T.Bill WAYR + 4.5%	741,425	150,000	(741,425)	3,201	153,201	60 Months	Unsecured
Sub Debt Type C - T.Bill WAYR + 4.5%	-	584,000	-	4,341	588,341	60 Months	Unsecured

	Balance as at 01.04.2025 LKR '000	Facility obtained LKR '000	Settlement LKR '000	Accrued interest payable LKR '000	Amortized cost as at 31 March 2026 LKR '000	Tenure of loan	Security offered
Sub Debt Type D- T.Bill WAYR + 3.75% (floor 12.25%)	-	2,000	-	-	2,000	60 Months	Unsecured
Short-term loans - Revolving							
Union Bank PLC	400,253	400,000	(400,253)	202	400,202	Revolving	Unsecured
Sampath Bank PLC	100,151	100,000	(100,151)	141	100,141	Revolving	Lease receivables
Hatton National Bank PLC	-	750,000	(300,000)	1,217	451,217	Revolving	Lease receivables
Commercial Term Loan	-	150,000	-	210	150,210	Revolving	Lease receivables
DFCC	-	100,000	-	1,043	101,043	Revolving	Lease receivables
NTB	-	100,000	-	390	100,390	Revolving	Unsecured
Sub Total	5,901,389	15,280,700	(9,784,940)	210,144	11,607,293		
Janashakthi Insurance PLC							
Seylan Bank PLC	2,163,566	-	(742,097)	201,043	1,622,512	05 Years	Shares of the Associate Company (First Capital Holdings PLC)
Sub Total	2,163,566	-	(742,097)	201,043	1,622,512		
First Capital Holdings PLC							
Hatton National Bank PLC	500,385	-	(200,000)	255	300,255	05 Years	Corporate Guarantee of Janashakthi PLC
Seylan Bank PLC	700,856	-	(200,000)	630	500,630	05 Years	Corporate guarantee of First Capital Limited
Sampath Bank PLC	-	1,000,000	(83,250)	1,484	918,234	03 Years	Corporate guarantee of First Capital Limited
Sub Total	1,201,241	1,000,000	(483,250)	2,369	1,719,119		
Total	17,179,122	23,780,700	(14,312,892)	420,673	27,066,362		

2025	Balance as at 01.04.2024 LKR '000	Facility obtained LKR '000	Settlement LKR '000	Accrued interest payable LKR '000	Amortized cost as at 31 March 2025 LKR '000	Tenure of loan	Security offered
Company							
Term Loans							
Commercial Bank of Ceylon PLC	404,926	-	(113,328)	2,607	294,205	03 Years	Quoted Shares
Commercial Bank of Ceylon PLC	-	1,000,000	-		1,000,000	03 Years	Quoted Shares
Seylan Bank PLC	1,475,000	-	(1,025,000)	-	450,000	03 Years	Quoted Shares & Joint & Several guarantee of two directors
Seylan Bank PLC	250,000	-	-	-	250,000	Revolving	Quoted Shares & Joint & Several guarantee of two directors
Bank of Ceylon	500,000	500,000	(300,000)	-	700,000	02 Years	Land located at Wattala
Bank of Ceylon	43,569	-	(32,655)	-	10,914	Revolving	Land located at Wattala
Bank of Ceylon	-	1,000,000	-	-	1,000,000	Revolving	Land located at Wattala
People's Bank	260,000	-	(259,994)	-	6	05 Years	Joint & Several guarantee of two directors
Cargills Bank PLC	304,804	-	(128,730)	-	176,075	05 Years	Joint & Several guarantee of two directors
Cargills Bank PLC	33,838	-	(33,426)	-	412	05 Years	Joint & Several guarantee of two directors

Notes to the Financial Statements

2025	Balance as at 01.04.2024 LKR '000	Facility obtained LKR '000	Settlement LKR '000	Accrued interest payable LKR '000	Amortized cost as at 31 March 2025 LKR '000	Tenure of loan	Security offered
Cargills Bank PLC	403,057	-	(403,057)	-	-	05 Years	Joint & Several guarantee of two directors
National Development Bank PLC	1,219,199	-	(784,199)	-	435,000	05 Years	Quoted Shares & Joint & Several guarantee of two directors
National Development Bank PLC	-	350,000	-	-	350,000	05 Years	Quoted Shares
DFCC Bank PLC	89,870	-	(89,870)	-	-	03 years	Quoted Shares
Hatton National Bank	-	3,000,000	(600,000)	-	2,400,000	03 years	Quoted Shares & Joint & Several guarantee of two directors
Pan Asia Bank PLC	208,779	-	(62,465)	-	146,314	05 years	Quoted Shares & Joint & Several guarantee of two directors
Pan Asia Bank PLC	-	500,000	-	-	500,000	05 years	Quoted Shares & Joint & Several guarantee of two directors
Nations Trust Bank	300,000	-	(100,000)	-	200,000	05 Years	Quoted shares / Personal guarantees of Directors
First Capital Limited	3,640,883	400,000	(4,040,883)	-	-	Revolving	
Sub Total	9,133,925	6,750,000	(7,973,606)	2,607	7,912,926		

2025	Balance as at 01.04.2024 LKR '000	Facility obtained LKR '000	Settlement LKR '000	Accrued interest payable LKR '000	Amortized cost as at 31 March 2025 LKR '000	Tenure of loan	Security offered
Group							
Janashakthi Limited (Janashakthi PLC) - post inter-company elimination	5,493,031	6,350,000	(3,932,723)	2,607	7,912,926		
Orient Finance PLC (Janashakthi Finance PLC)							
Term Loans							
Union Bank PLC	216,003	700,000	(614,961)	283	301,325	48 Months	Lease/HP Portfolio
Sampath Bank PLC	208,692	1,100,000	(675,492)	1,048	634,248	48 Months	Lease/HP Portfolio
Hatton National Bank PLC	273,298	500,000	(359,298)	487	414,487	60 Months	Lease/HP Portfolio
Bank of Ceylon	634,029	-	(77,224)	2,682	559,487	36 Months	Lease/HP Portfolio
Cargills Bank PLC	6,958	300,000	(63,208)	301	244,051	48 Months	Lease/HP Portfolio
National Development Bank PLC	300,113	800,000	(575,153)	164	525,124	48 Months	Lease/HP Portfolio
Sanasa Developmnent Bank	-	500,000	(55,556)	527	444,972	36 Months	Lease/HP Portfolio
NDB Trust 01 (Capital One)	-	930,700	(100,000)	83,796	914,496	24 Months	Lease/HP Portfolio
PABC - New Term Loan	-	350,000	-	2,364	352,364	48 Months	Lease/HP Portfolio
Sub Debt Type A - 13% p.a.	-	147,000	-	2,951	149,951	60 Months	Lease/HP Portfolio
Sub Debt Type B - 12.28% (payable monthly)	-	119,000	-	54	119,054	60 Months	Lease/HP Portfolio
Sub Debt Type C - T.Bill WAYR + 4.5%	-	734,000	-	7,425	741,425	60 Months	Lease/HP Portfolio
Short-term loans - Revolving							
Sampath Bank PLC	100,219	100,000	(100,219)	151	100,151	Revolving	Lease/HP Portfolio
Union Bank PLC	200,546	400,000	(200,546)	253	400,253	Revolving	Lease/HP Portfolio
Pan Asia Bank PLC	175,264		(175,264)			Revolving	Lease/HP Portfolio
Sub Total	2,115,120	6,680,700	(2,996,919)	102,487	5,901,388		

2025	Balance as at 01.04.2024 LKR '000	Facility obtained LKR '000	Settlement LKR '000	Accrued interest payable LKR '000	Amortized cost as at 31 March 2025 LKR '000	Tenure of loan	Security offered
Janashkathi Insurance PLC							
Seylan Bank PLC	2,705,411	-	(8,511,75)	309,330	2,163,566	05 Years	Shares of the Associate Company (First Capital Holdings PLC)
Sub Total	2,705,411	-	(851,175)	309,330	2,163,566		
First Capital Holdings PLC							
Hatton National Bank PLC	700,577	-	(200,000)	385	500,385	05 Years	Corporate Guarantee of Janashakthi Limited
Seylan Bank PLC	901,424	-	(200,000)	856	700,856	05 Years	Corporate Guarantee of Janashakthi Limited
Sub Total	1,602,001	1,000,000	(483,250)	1,241	1,201,241		
Total	11,915,564	13,030,700	(8,180,817)	415,665	17,179,122		

29.3 Borrowings on corporate debt securities & other Short term Borrowings

2026	Balance as at 01.04.2025 LKR '000	Corporate debt issued LKR '000	Settlement LKR '000	Accrued interest payable LKR '000	**Amortized cost as at 31 March 2026 LKR '000**
Janashakthi PLC	6,734,645	6,459,474	(10,523,169)	558,787	**3,229,737**
Janashakthi Finance PLC	-	3,100,408	(1,210,000)	16,065	**1,906,473**
First Capital Holdings PLC	8,009,985	2,498,065	(2,440,188)	300,474	**8,368,336**
Janashakthi Capital Limited	134,776	-	(134,776)	-	**-**
Inter company eliminations	(2,473,092)	-	1,665,845	-	**(807,247)**
	12,406,314	12,057,947	(12,642,288)	875,326	**12,697,299**

Notes to the Financial Statements

2025	Balance as at 01.04.2024	Corporate debt issued	Settlement	Accrued interest payable	Amortized cost as at 31 March 2025
	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000
Janashakthi PLC	8,188,228	28,334,131	(30,772,130)	984,415	6,734,644
Janashakthi Insurance PLC	624,716	-	(624,716)	-	-
First Capital Holdings PLC	5,488,529	2,503,278	-	18,177	8,009,985
Janashakthi Capital Limited	81,715	80,399	(38,684)	11,346	134,776
Inter company eliminations	(2,776,471)	-	303,379	-	(2,473,092)
	11,606,716	30,917,809	(31,132,151)	1,013,938	12,406,312
Interest Bearing & Borrowing total movement March 2026	**29,585,436**	**35,838,647**	**(26,955,179)**	**1,295,999**	**39,763,661**
Interest Bearing & Borrowing total movement March 2025	23,522,280	43,946,520	(39,312,968)	1,429,603	29,585,436

30 DEPOSITS FROM CUSTOMERS

AS AT 31 MARCH,	Group		Company	
	2026	2025	**2026**	2025
	LKR '000	LKR '000	LKR '000	LKR '000
Public deposits at amortized cost (Note 30.1)	**17,613,672**	15,839,034	**-**	-
Savings deposit	**80,977**	64,778	**-**	-
	17,694,649	15,903,812	**-**	-

30.1 Public deposits at amortized cost

Public deposits	**17,011,835**	15,284,712	**-**	-
Interest accrued	**601,837**	554,322	**-**	-
Public deposits at amortized cost	**17,613,672**	15,839,034	**-**	-

30.2 LKR. 13,048,897,926/- (31st March 2025 - LKR.12,569,286,102/-) of deposits from customers are expected to mature within a 12 month period from the reporting date, 31st March 2026.

31 INSURANCE LIABILITY - LIFE

AS AT 31 MARCH,	Group		Company	
	2026	2025	**2026**	2025
	LKR '000	LKR '000	LKR '000	LKR '000
Insurance fund - Life	**18,482,315**	16,031,420	**-**	-
Claims Outstanding (Note 34)	**874,709**	589,640	**-**	-
	19,357,024	16,621,060	**-**	-

AS AT 31 MARCH,	Group		Company	
	2026	2025	**2026**	2025
	LKR '000	LKR '000	LKR '000	LKR '000
The movement of the insurance fund - Life				
Balance as at beginning of the year	**16,072,758**	14,696,263	**-**	-
Increase in life fund before surplus distribution to shareholders	**2,889,176**	3,170,640	**-**	-
Surplus distributed (from)/to Shareholders	**(476,571)**	(1,793,727)	**-**	-
Change in contract liabilities -Life during the year	**2,412,605**	1,376,913	**-**	-
Actuarial gains	**(12,622)**	(418)	**-**	-
Balance as at end of the year	**18,472,741**	16,072,758	**-**	-
Available For Sale Reserve - Life Policy Holders				
Balance as at 1 January	**(41,338)**	(151,459)	**-**	-
Changes in Fair Value of Available For Sale Assets	**50,912**	110,121	**-**	-
Balance as at 31 December	**9,574**	(41,338)	**-**	-
Insurance Fund balance as at period end including AFS Reserve	**18,482,315**	16,031,420	**-**	-

31.1 Insurance liability - Life

Long duration contracts included in the Life Insurance Fund result primarily from traditional participating and non-participating Life Insurance products. Short duration contract liabilities are primarily accident and health insurance products. The insurance provision has been established based on the following criteria.

- Interest rates which vary by product and year of assurance.
- Mortality rates based on published mortality tables adjusted for actual experience by geographic area and modified to allow the variations in policy form.
- Surrender rates based upon actual experience by geographic area and modified to allow for variation in policy form. The amount of policyholder bonus to be paid is determined annually by the Group on the recommendation of the Actuary. The bonus includes Life policyholders' share of net income that is required to be allocated by the Insurance Contract or by Insurance Regulations.

The amount of policyholder bonus to be paid is determined annually by the Group on the recommendation of the Actuary. The bonus includes Life policyholders' share of net income that is required to be allocated by the Insurance Contract or by Insurance Regulations.

Janashakthi Insurance PLC - Insurance Liability - Life

The valuation of the Insurance Liability of Life Insurance Business as at 31 December 2025 was done by M/S K. A. Pandit Consultants & Actuaries, India, for and on behalf of Janashakthi Insurance PLC. In accordance with the Consultant Actuary's report, the total liabilities of the Life Insurance business of the Company as at 31 December, 2025 was LKR 16,960 million after taking credit for reinsurance. In the opinion of the Consultant Actuary, the provision is adequate to cover the liabilities pertaining to Life Insurance business.

As recommended by the Consultant Actuary, the Board of Directors have resolved that a sum of LKR 477 million has been transferred to the Life Shareholders' Fund from Life Insurance Fund (Non participating) as for the year 2025.

Notes to the Financial Statements

Fully Owned Subsidiary of Janashakthi Insurance PLC – Insurance Liability - Life (former National Insurance Corporation Ltd)

The valuation of the Insurance Liability of Life Insurance Business as at 31 December 2025 was done by M/S K. A. Pandit Consultants & Actuaries, India, for and on behalf of former National Insurance Corporation Ltd. In accordance with the Consultant Actuary's report, the total liabilities of the Life Insurance business of the Company as at 31 December, 2025 was LKR 12.91 million.

31.2 An internal assessment has been carried out to assess the Adequacy of the provision of Life Insurance Liabilities in keeping with SLFRS 4 requirement and has determined that existing provision levels are adequate as at 31 December, 2025. Accordingly, no further provision or adjustment was deemed as being necessary to be effected.

32 REINSURANCE CREDITORS

	Group		Company	
AS AT 31 MARCH,	**2026**	2025	**2026**	2025
	LKR '000	LKR '000	LKR '000	LKR '000
Reinsurance creditors	**101,487**	70,983	**-**	-
	101,487	70,983	**-**	-

33 AMOUNTS DUE TO RELATED PARTIES

	Group		Company	
AS AT 31 MARCH,	**2026**	2025	**2026**	2025
	LKR '000	LKR '000	LKR '000	LKR '000
Nextventures Ltd	**-**	1,222,780	**-**	1,222,780
Janashakthi Insurance PLC	**-**	-	**46**	46
Espalier Futures PVT Ltd	**24,627**	7,368	**24,627**	7,368
Payable to Directors	**-**	1,667	**-**	1,667
Payable to Schaffters (Pvt) Ltd	**-**	44,516	**-**	44,516
	24,627	1,276,331	**24,673**	1,276,377

34 TRADE AND OTHER PAYABLES

		Group		Company	
AS AT 31 MARCH,		**2026**	2025	**2026**	2025
		LKR '000	LKR '000	LKR '000	LKR '000
Trade payables		**1,370,543**	408,372	**41,979**	-
Advance received	34.1	**372,719**	303,700	**20,500**	11,000
Agency commission payable		**15,010**	7,897	**-**	-
Lease liabilities	34.2	**1,227,933**	1,134,869	**234,551**	235,406
Other creditors including accrued expenses		**3,098,642**	3,829,300	**7,315**	58,176
Dividend payable		**192,219**	333,878	**1,419**	121,164
Provision for statutory liabilities		**1,970,383**	2,013,912	**-**	14,786
Outstanding claims - Life insurance		**874,709**	589,640	**-**	-
Other payables		**652,870**	430,806	**124,772**	60,186
		9,775,028	9,052,374	**430,536**	500,718

34.1 Advance received

AS AT 31 MARCH,	Group		Company	
	2026	2025	**2026**	2025
	LKR '000	LKR '000	LKR '000	LKR '000
Policyholder Advance payables	**271,694**	188,521	**-**	-
Real estates advances	**-**	34,899	**-**	-
Advances against non-current assets held for sale	**100,718**	80,218	**20,500**	-
Other Advances	**307**	62	**-**	11,000
	372,719	303,700	**20,500**	11,000

34.2 Lease liabilities

AS AT 31 MARCH,	Group		Company	
	2026	2025	**2026**	2025
	LKR '000	LKR '000 Restated	LKR '000	LKR '000
Balance as at 1st April	**1,134,869**	978,425	**235,407**	132,170
Less: Disposal of subsidiary	**-**	(258,158)	**-**	-
Addition to the lease creditor during the year	**320,091**	610,609	**-**	126,161
Transfers (SLFRS 16 - modifications)	**-**	(13,260)	**-**	-
Interest charge on lease liabilities	**146,020**	140,534	**16,689**	10,838
Exchange gain / (loss)	**15,778**	(926)	**15,778**	(926)
Pre-mature Derecognition Lease Creditor	**(76,273)**	-	**-**	-
Lease payments made during the period	**(312,552)**	(322,355)	**(33,322)**	(32,836)
Balance as at 31st March	**1,227,933**	1,134,869	**234,552**	235,407

For the year ended 31st March,	Group		Company	
	2026	2025	**2026**	2025
	LKR '000	LKR '000	LKR '000	LKR '000
Amount recognized in Statement of profit or loss				
Leases under SLFRS 16				
Interest on lease liabilities	**(146,020)**	(130,639)	**(16,689)**	(10,838)
Depreciation on right of use assets	**(212,309)**	(191,363)	**(25,950)**	(26,769)
Income from sub-leasing right-of-use assets presented in "other income"	**-**	-	**-**	-
	(358,329)	(322,002)	**(42,639)**	(37,607)
Amount recognized in statement of cash flows				
Total cash outflow for leases	**(312,552)**	(322,355)	**(33,322)**	(32,836)

Notes to the Financial Statements

35 DERIVATIVE FINANCIAL INSTRUMENTS

AS AT 31 MARCH,	Group		Company	
	2026	2025	**2026**	2025
	LKR '000	LKR '000	LKR '000	LKR '000
Forward purchase contacts	**-**	768	**-**	-
Forward sale contacts	**1,818**	-	**-**	-
	1,818	768	**-**	-

36 SECURITIES SOLD UNDER REPURCHASE AGREEMENTS

Against government securities	**43,213,054**	71,475,370	**-**	-
Against corporate debt securities	**855,961**	1,633,764	**-**	-
	44,069,015	73,109,134	**-**	-

37 STATED CAPITAL

Opening balance	**4,300,000**	4,300,000	**4,300,000**	4,300,000
Ordinary share issue (1,800,000,000 nos)	**4,300,000**	4,300,000	**4,300,000**	4,300,000

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

37.2 As at 31 December 2025, the Company effected a subdivision of its ordinary shares in the ratio of 2.84 shares for each existing ordinary share. Accordingly, the number of issued ordinary shares increased from 633,551,428 to 1,800,000,000 shares following the subdivision.

37.3 The holders of ordinary shares are entitled to receive dividends declared from time to time and are entitled to one vote per share at General Meetings of the Company.

38 RISK RESERVE

Opening balance	**1,274,685**	1,066,516	**1,274,685**	1,066,516
Transfers made during the year	**109,914**	208,169	**109,914**	208,169
Closing balance	**1,384,599**	1,274,685	**1,384,599**	1,274,685

38.1 A sum equivalent to 10% of the profit after tax of First Capital Treasuries PLC (subsidiary company) has been transferred to the risk reserve in accordance with the Directions issued by the Central Bank of Sri Lanka.

39 STATUTORY RESERVES

39.1 Reserve fund

AS AT 31 MARCH,	Group		Company	
	2026	2025	**2026**	2025
	LKR '000	LKR '000	LKR '000	LKR '000
At the beginning of the year	**213,737**	202,891	**213,737**	202,891
Transferred during the year	**3,023**	10,846	**3,023**	10,846
At the end of the year	**216,760**	213,737	**216,760**	213,737

39.1.1 Janashakthi Finance PLC

Statutory reserve fund is a capital reserve which contains profits transferred as required by Section 3 (b) (i) of Finance Companies Capital Funds Direction No. 01 of 2003 issued by the Central Bank of Sri Lanka.

39.2 Restricted regulatory reserve

Janashakthi Insurance PLC

	Group		Company	
AS AT 31 MARCH,	**2026**	2025	**2026**	2025
	LKR '000	LKR '000	LKR '000	LKR '000
Change in contract liability due to transfer of one-off surplus				
Parent	**1,336,414**	1,336,414	**1,336,414**	1,336,414
NCI	**459,415**	459,415	**-**	-
	1,795,829	1,795,829	**1,336,414**	1,336,414

39.2.1 The one-off Surplus is defined as the excess of total policy liabilities under the NPV regime as at 31 December 2015 over the total policy liabilities under the RBC regime as at 01.01.2016 where, the total policy liabilities under NPV regime is computed as per the solvency basis, which is the same as minimum regulatory basis. The total policy liabilities under RBC regime is computed as per distribution basis. Under the distribution basis, we have used the risk free rate for discounting of liabilities, zeroised liabilities at a product level and valued the Universal life portfolio and the Optional Rider portfolio using GPV methodology. Further, we have reported Total Benefits Liability for the Participating portfolio under the Distribution basis. The distribution basis is more prudent compared to the Solvency basis (defined in the Solvency Margin Risk Based Capital Rules 2015 RBC guide lines).

39.2.2 Composition of investments supporting the Restricted Regulatory Reserve

Subsequent to the transfer of One-off Surplus from Policyholder Fund other than Participating business to Shareholder Fund the Company will maintain investments in "Government Debt Securities" and "Deposits with Banks & Financial Institutions" to fully support the amount of One-off Surplus at any given time on a market value basis. The composition of those investments are represented below.

Security Category

As at 31 March,	**2026**	2025
	Market Value*	
	LKR '000	LKR '000
Government debt securities	**1,795,829**	1,795,829
	1,795,829	1,795,829

** From Janashakthi Insurance PLC's perspective*

Notes to the Financial Statements

39.3 Fair value reserve

AS AT 31 MARCH,	Group		Company	
	2026	2025	**2026**	2025
	LKR '000	LKR '000	LKR '000	LKR '000
Balance at the beginning of the year	**43,158**	186,654	**43,158**	186,654
Change in fair value	**12,929**	(143,496)	**12,929**	(143,496)
Share Of Other Comprehensive Income From Equity Accounted Investee	**(287,520)**	-	**(287,520)**	-
At the end of the year	**(231,433)**	43,158	**(231,433)**	43,158

39.4 Revaluation reserve

Balance at the beginning of the year	**52,804**	26,004	**52,804**	26,004
Revaluation charge for the year	**(5,360)**	26,800	**(5,360)**	26,800
	47,444	52,804	**47,444**	52,804

39.4.1 Revaluation reserve is a capital reserve which contains gains/losses from valuation of Land and buildings.

39.5 Regulatory Loss Allowance reserve

Balance at the beginning of the year	**181,236**	-	**181,236**	-
Transfer made during the year	**(181,236)**	181,236	**(181,236)**	181,236
	-	181,236	**-**	181,236

40 REVENUE

For the year ended 31 March	Group		Company	
	2026	2025	**2026**	2025
	LKR '000	LKR '000	LKR '000	LKR '000
Business Segment Analysis				
Life insurance	**8,610,460**	6,562,912	**-**	-
Financial services	**20,742,534**	17,796,193	**-**	-
Shared services	**-**	-	**104,937**	-
Secretarial services	**9,945**	6,561	**-**	-
Investment holding	**535,284**	182,779	**16,570**	506
Fitness service	**-**	213,804	**-**	-
	29,898,223	24,762,249	**121,507**	506

40.1 Timing of revenue recognition

Revenue generated at the point in time - SLFRS 15	**6,551,809**	4,991,234	**121,507**	506
Revenue generated over the period - SLFRS 15	**15,139**	-	**-**	-
	6,566,948	4,991,234	**121,507**	506
Revenue generated from Insurance Contract - SLFRS 04	**8,610,460**	6,562,912	**-**	-
Revenue from Interest Income - SLFRS 09	**14,720,815**	13,208,103	**-**	-
	23,331,275	19,771,015	**-**	-
	29,898,223	24,762,249	**-**	-

41 COST OF SALES AND DIRECT EXPENSES

For the year ended 31 March	Group		Company	
	2026	2025	**2026**	2025
	LKR '000	LKR '000 Restated	LKR '000	LKR '000
Insurance claims and benefits (net) (Note 41.1)	**(3,633,692)**	(3,938,349)	**-**	**-**
Underwriting and net acquisition costs(Note 41.2)	**(2,527,250)**	(1,662,727)	**-**	**-**
Change in contract liabilities -Life (Note 31)	**(2,412,605)**	(1,376,912)	**-**	**-**
Premium Ceded to Reinsurers	**(276,242)**	(249,286)	**-**	**-**
Interest expense	**(10,212,313)**	(9,751,443)	**-**	**-**
Brokerage and Other direct expenses	**(92,965)**	(8,928)	**-**	**-**
	(19,155,067)	(16,987,645)	**-**	**-**

41.1 Insurance claims and benefits (net)

For the year ended 31 March	Group		Company	
	2026	2025	**2026**	2025
	LKR '000	LKR '000 Restated	LKR '000	LKR '000
Gross benefits and claims paid				
Life insurance contracts	**(3,862,736)**	(4,209,150)	**-**	-
Claims ceded to reinsurers				
Life Insurance contracts	**215,633**	162,130	**-**	-
Gross change in claims liabilities				
Change in life insurance contract liabilities	**(1,581)**	115,864	**-**	-
Change in contract liabilities ceded to reinsurers				
Change in life insurance contract liabilities	**14,992**	(7,193)	**-**	-
Net benefits and claims	**(3,633,692)**	(3,938,349)	**-**	-

41.2 Underwriting and net acquisition costs

Life insurance				
Commission expenses for insurance contracts	**(1,619,403)**	(1,017,900)	**-**	-
Staff cost - Marketing	**(907,847)**	(644,827)	**-**	-
	(2,527,250)	(1,662,727)	**-**	-

Notes to the Financial Statements

42 OTHER OPERATING INCOME

For the year ended 31 March		Group		Company	
		2026	2025	**2026**	2025
		LKR '000	LKR '000 Restated	LKR '000	LKR '000
Fee and commission income		**188,289**	182,928	**-**	13,721
Net realized gains/(losses)	42.1	**641,835**	2,090,856	**17,374**	(1,374)
Collections from written off contracts	42.3	**59,766**	43,225	**-**	-
Rental income		**139,661**	99,136	**-**	-
Late fee recovery		**4,677**	3,600	**-**	-
Claims & commissions		**10,829**	14,739	**10,829**	14,739
Fair value gains on investment properties		**478,706**	32,490	**447,328**	(500)
Sundry income		**66,398**	313,255	**3,664**	53,023
		1,590,161	2,780,229	**479,195**	79,609

42.1 Net realized gains / (losses)

For the year ended 31 March		Group		Company	
		2026	2025	**2026**	2025
		LKR '000	LKR '000	LKR '000	LKR '000
Gain on disposal of property, plant and equipment		**58**	2,233	**-**	-
Capital gain / (loss) on disposal of financial assets	42.1.1	**656,457**	2,072,193	**-**	-
Gain on disposal of quoted shares		**-**	17,806	**-**	-
Exchange Gain / (Loss)		**17,370**	(1,376)	**17,374**	(1,374)
Sundry and other gains		**(32,050)**	-	**-**	-
		641,835	2,090,856	**17,374**	(1,374)

42.1.1 Capital gain / (loss) on disposal of financial assets

Government securities		**(20,900)**	1,286,084	**-**	-
Equity securities		**607,287**	786,109	**-**	-
Investment in debentures		**70,070**	-	**-**	-
		656,457	2,072,193	**-**	-

42.3 Collections from written off contracts relates to Janashakthi Finance PLC amounting to LKR. 59.76Mn (2023/24 - LKR. 43.23Mn).

43 CHANGE IN FAIR VALUE OF FINANCIAL ASSETS - FAIR VALUE THROUGH PROFIT OR LOSS

	Group		Company	
For the year ended 31 March	**2026**	2025	**2026**	2025
	LKR '000	LKR '000	LKR '000	LKR '000
Government securities	**(1,528,976)**	593,346	**1,740**	22,495
Listed debentures	**(43,994)**	113,694	**-**	-
Listed equity securities	**1,007,779**	2,755,217	**(19,140)**	(45,693)
Unit trusts	**47,872**	41,170	**28,810**	15,724
Derivative financial instruments - Government securities	**6,569**	21,862	**-**	-
	(510,750)	3,525,289	**11,410**	(7,474)

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

44 ADMINISTRATIVE & OTHER OPERATING EXPENSES

	Group		Company	
For the year ended 31 March	**2026**	2025	**2026**	2025
	LKR '000	LKR '000 Restated	LKR '000	LKR '000
Staff Expenses	**3,129,032**	3,466,141	**438,817**	283,417
Administration & Establishment Expenses	**1,903,199**	1,658,044	**178,363**	164,738
Government Levies	**1,528,638**	579,266	**11,600**	-
Depreciation & Amortisation	**663,672**	570,867	**67,396**	33,456
IPO related expenses	**308**	-	**308**	-
Others	**761,406**	462,479	**17,436**	23,513
	7,986,255	6,736,797	**713,920**	505,124

Notes to the Financial Statements

45 IMPAIRMENT CHARGES/ (REVERSALS) OF LOANS AND RECEIVABLES FROM CUSTOMERS AND INVESTMENT IN FINANCIAL ASSETS AT AMORTISED COST

AS AT 31 MARCH,		Group		Company	
		2026	2025	**2026**	2025
		LKR '000	LKR '000	LKR '000	LKR '000
Finance lease receivables	45.1	**191,200**	76,986	**-**	-
Hire purchase receivables	45.2	**3,160**	2,569	**-**	-
Other loans receivable	45.3	**57,789**	(2,435)	**-**	-
Factoring receivable	45.4	**77**	-	**-**	-
Gold loan receivables	45.5	**2,188**	(2,600)	**-**	-
Alternative finance and other receivable	45.6	**36,910**	(12,060)	**(18,406)**	(295,003)
Financial instruments	45.7	**(32,481)**	(45,375)	**-**	-
		258,843	17,085	**(18,406)**	(295,003)

45.1 Finance lease receivable

Stage 01	**32,773**	(957)	**-**	-
Stage 02	**54,861**	(73,021)	**-**	-
Stage 03	**103,566**	150,964	**-**	-
	191,200	76,986	**-**	-

45.2 Hire purchase receivable

Stage 01	**-**	-	**-**	-
Stage 02	**-**	-	**-**	-
Stage 03	**3,160**	2,569	**-**	-
	3,160	2,569	**-**	-

45.3 Other loans receivable

Stage 01	**29,050**	(589)	**-**	-
Stage 02	**21,186**	(911)	**-**	-
Stage 03	**7,553**	(935)	**-**	-
	57,789	(2,435)	**-**	-

45.4 Factoring receivable

Stage 01	**-**	-	**-**	-
Stage 02	**-**	-	**-**	-
Stage 03	**77**	-	**-**	-
	77	-	**-**	-

45.5 Gold loan receivables

Stage 01	**1,912**	2,766	**-**	-
Stage 02	**276**	(332)	**-**	-
Stage 03	**-**	(5,034)	**-**	-
	2,188	(2,600)	**-**	-

45.6 Alternative Finance

AS AT 31 MARCH,	Group		Company	
	2026	2025	**2026**	2025
	LKR '000	LKR '000	LKR '000	LKR '000
Stage 01	**(14,864)**	(17,770)	**(18,406)**	(295,003)
Stage 02	**8,504**	1,218	**-**	-
Stage 03	**43,270**	4,492	**-**	-
	36,910	(12,060)	**(18,406)**	(295,003)

45.7 Financial instruments

AS AT 31 MARCH,	Group		Company	
	2026	2025	**2026**	2025
	LKR '000	LKR '000	LKR '000	LKR '000
Stage 01	**(32,481)**	(45,375)	**-**	-
	(32,481)	(45,375)	**-**	-

46 PROFIT/(LOSS) FROM OPERATING ACTIVITIES STATED AFTER CHARGING / (CREDITING) :

AS AT 31 MARCH,		Group		Company	
		2026	2025	**2026**	2025
		LKR '000	LKR '000	LKR '000	LKR '000
Depreciation and Amortisation		**692,393**	570,867	**67,396**	33,456
Auditors' remuneration	- Audit	**16,255**	11,699	**2,427**	2,427
	- Non - Audit	**9,198**	30,777	**-**	-
Personnel costs includes :					
Defined benefit plan costs - Gratuity		**82,281**	80,953	**11,791**	15,588
Salaries and defined contribution plan costs - EPF and ETF		**2,752,346**	2,950,981	**427,026**	267,829
Directors' fees and emoluments		**264,868**	418,851	**86,772**	61,626

47 FINANCE INCOME

Interest Income from Investments	**3,017,429**	3,343,594	**21,311**	157,748
	3,017,429	3,343,594	**21,311**	157,748

48 FINANCE COST

Interest on bank facilities	**7,432**	15,902	**1,202**	1,103
Interest on loans and borrowings	**1,605,544**	1,789,477	**1,525,327**	2,155,969
Interest on margin trading	**23,847**	-	**23,847**	-
Interest on debentures	**318,989**	304,612	**318,989**	304,612
Interest on unwinding of lease liabilities	**124,532**	109,701	**16,689**	10,838
Placement fees and corporate guarantees	**8,805**	28,382	**8,805**	28,382
	2,089,149	2,248,074	**1,894,859**	2,500,904

Notes to the Financial Statements

49 INCOME TAX EXPENSE

	Group		Company	
AS AT 31 MARCH,	**2026**	2025	**2026**	2025
	LKR '000	LKR '000	LKR '000	LKR '000
Current tax provision (Note 49.1)	**1,627,211**	2,536,457	**-**	-
Under/ (Over) provision for the prior year	**(122,900)**	527,580	**-**	-
Deferred taxation charge (Note 13)	**246,225**	(332,190)	**-**	-
Withholding tax on dividend declared from subsidiary companies	**737,803**	730,793	**199,848**	516,256
Income tax expenses for the year	**2,488,339**	3,462,640	**199,848**	516,256
Recognized in Other Comprehensive Income				
Deferred tax assets (reversals)/origination during the year	**(12,448)**	923	**-**	-
	2,475,891	3,463,563	**199,848**	516,256

49.1 Reconciliation of accounting profit to income tax expense

Profit / (Loss) before taxation	**4,087,224**	8,153,893	**893,695**	3,534,913
Less : Income from other sources	**-**	(208,476)	**-**	(208,476)
Less : Exempted income	**(2,625,318)**	(3,447,135)	**(3,490,424)**	(6,868,667)
Add : Disallowable expenses	**10,715,748**	9,841,401	**2,700,645**	3,093,132
Less : Allowable expenses	**(6,417,691)**	(6,294,615)	**(65,253)**	(27,368)
Adjusted profit / (loss) for the year	**5,759,963**	8,045,068	**38,663**	(476,466)
Add : Income from other sources	**85,643**	188,898	**36,825**	157,984
Add : Adjusted Business Losses	**1,893,991**	70,073	**-**	-
Total statutory income	**7,739,597**	8,304,039	**75,488**	(318,482)
Tax loss claimed during the year	**(286,325)**	135,936	**(75,488)**	(161,370)
Taxable income	**7,453,272**	8,439,975	**-**	(479,852)
Income tax expense				
Tax at 30%	**1,627,211**	2,531,993	**-**	-
	1,627,211	2,531,993	**-**	-

50 EARNINGS PER SHARE

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

	Group		Company	
	2026	2025	**2026**	2025
	LKR '000	LKR '000	LKR '000	LKR '000
Net (loss)/profit attributable to ordinary shareholders	**648,400**	2,675,515	**693,847**	3,018,657
Weighted average number of ordinary shares	**925,163,571**	633,551,428	**925,163,571**	633,551,428
Basic profit / (Loss) per share	**0.70**	4.22	**0.75**	4.76
Adjusted weighted average number of shares	**925,163,571**	633,551,428	**925,163,571**	633,551,428
Diluted Earnings per share (LKR)	**0.70**	4.22	**0.75**	4.76

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	-	3,444
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	90,598	268,350
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	-	1,090
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	890,887	13,776
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	49,168	15,392
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	2,548,206	648

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

Year ended 31 March 2026

Name of the Fund	Income	Profit/ (loss) after tax for the year	Total Equity	Net Asset per Unit
	LKR '000	LKR '000	LKR '000	LKR
First Capital Wealth Fund	47,294	19,992	245,287	2,255
First Capital Money Market Fund	4,781,184	4,123,100	44,272,181	3,635
First Capital Gilt-Edged Fund	17,670	15,355	204,594	2,706
First Capital Fixed Income Fund	284,805	236,297	4,494,867	4,384
First Capital Equity Fund	263,241	226,788	1,814,328	4,230
First Capital Money Plus Fund	10,715	8,998	98,921	1,164

Notes to the Financial Statements

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

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

52 RELATED PARTY DISCLOSURES

52.1 Directorships in other companies

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

Name of the company	Relationship	Mr. Prakash Anand Schaffter	Mrs. Manjula Mathews	Mr. Ramesh Schaffter
Janashakthi PLC	Subsidiary	NI Ex Director/ Deputy Chairman	Non-Independent Non- Executive Director	Managing Director/ Group CEO
MFJ Corporate Services (Pvt) Ltd				
Janashakthi Insurance PLC	Subsidiary	Executive Deputy Chairman		Non-Independent Non-Executive Director
First Capital Holdings PLC	Subsidiary		Deputy Chairperson	Non-Independent Non-Executive Director
First Capital Limited	Subsidiary		Deputy Chairperson	
First Capital Markets Limited	Subsidiary		Director	
First Capital Treasuries PLC	Subsidiary		Non-Independent Non-Executive Director/Chairperson	Non-Independent Non-Executive Director
First Capital Trustee Services (Pvt) Ltd	Subsidiary		Director	
First Capital Advisory Services Limited	Subsidiary		Director	
Janashakthi Finance PLC (formerly known as Orient Finance PLC)	Subsidiary	Non-Independent Non-Exective Director		
Janashakthi Corporate Services Limited	Subsidiary			Director
Janashakthi Foundation (Guarantee) Limited	Related party through KMP	Director		Director
Asia Siyaka Commodities PLC	Related party through KMP			
Acland Insurance Services Limited	Related party through KMP	Director		Director
B S Consultants (Pvt) Ltd	Related party through KMP			
Beckett Capital (Pvt) Ltd	Related party through KMP	Director		Director
Dilmah Ceylon Tea Company PLC	Related party through KMP			
El Shaddai Trust	Related party through KMP			Director

Mr. Piranavan Sivagananathan	Mr. Chandana Lal de Silva	Mr. Rohan Saliya Abeysinghe Weera Wickramasuriya	Mr. Vishnuvarthana Vijayathithan Balachandran	Ms. Minette Perera
Independent Non-Executive Director	Chairman /Independent Non-Executive Director	Independent Non-Executive Director	Independent Non Executive Director	Independent Non Executive Director
				Director
				Non-Executive Director
	Chairman - Non-Independent Non-Executive Director			
			Director	
				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
Elpitiya Plantations PLC	Related party through KMP			
Espalier Futures Limited	Related party through KMP	Director		Director
Eureka Technology Partners (Pvt) Ltd	Related party through KMP			
Forbes & Walkers (Pvt) Ltd	Related party through KMP			
Garnet Capital (Pvt) Ltd	Related party through KMP		Director	
Habitat for Humanity International	Related party through KMP		Director	
Heritors Holdings (Pvt) Ltd	Related party through KMP			
Kahawatte Plantations PLC	Related party through KMP			
Kelsey Heights Nugegoda (Private) Limited	Related party through KMP	Director		
Remediumone Global (Pvt) Ltd	Related party through KMP			
Ella Range (Pvt) Ltd	Related party through KMP			
Loland Holdings Limited	Related party through KMP	Director		
Mahaweli Feed Mills (Private) Limited	Related party through KMP		Director	
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			
Remediumone (Pvt) Ltd	Related party through KMP			
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
Lanka Environment Fund	Related party through KMP			
Centre for Policy				
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			
Thornton Estates Limited	Related party through KMP		Director	
Turquoise Lanka (Pvt) Ltd	Related party through KMP	-	Director	
Dilmah Ceylon Cinnamon Company (Pvt) Ltd	Related party through KMP			
01. Atman Group (Pvt) Ltd	Related party through KMP			
02. Beach Prop 9 (Private) Limited	Related party through KMP			
03. Live Events (Pvt) Ltd	Related party through KMP			
04. Taprobane Seafood (Pvt) Ltd	Related party through KMP			
05. Alangkara Hotel Developments (Pvt) Ltd	Related party through KMP			
06. Atman Power 1 (Pvt) Ltd	Related party through KMP			
07. Atman Power 2 (Pvt) Ltd	Related party through KMP			
08. Atman Power 3 (Pvt) Ltd	Related party through KMP			
09. Atman Power 4 (Pvt) Ltd	Related party through KMP			
10. Atman Power 5 (Pvt) Ltd	Related party through KMP			

Mr. Piranavan Sivagananathan	Mr. Chandana Lal de Silva	Mr. Rohan Saliya Abeysinghe Weera Wickramasuriya	Mr. Vishnuvarthana Vijayathithan Balachandran	Ms. Minette Perera
				Non-Independent Non-Executive Director
	Director			
				Director
		Director		
				Non-Independent Non-Executive Director
		Director		
		Director		
	Director			
		Director		
	Honorary Capacity Director			
	Alternate Honorary Capacity Director			
				Alternate Director to Mr. Dilhan C Fernando
-	-	-	-	
				Director
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Director				

Notes to the Financial Statements

	Name of the company	Relationship	Mr. Prakash Anand Schaffter	Mrs. Manjula Mathews	Mr. Ramesh Schaffter
11.	Atman Power (Pvt) Ltd	Related party through KMP			
12.	Backbay Infrastructure (Pvt) Ltd	Related party through KMP			
13.	Backbay Solar (Pvt) Ltd	Related party through KMP			
14.	Carbon Energy Pvt. Ltd	Related party through KMP			
15.	Celestialgen (Pvt) Ltd	Related party through KMP			
16.	Cinderflame Pvt Ltd	Related party through KMP			
17.	Cocohouse (Pvt) Ltd	Related party through KMP			
18.	Corn Sapling (Pvt) Ltd	Related party through KMP			
19.	Crystal Property Group (Pvt) Ltd	Related party through KMP			
20.	C. P. G. Hospitality (Pvt) Ltd	Related party through KMP			
21.	CPG Boutique Management (Pvt) Ltd	Related party through KMP			
22.	Daylight Solars (Pvt) Ltd	Related party through KMP			
23.	Daylight Sparks (Pvt) Ltd	Related party through KMP			
24.	Dickwella Hotel Developments (Pvt) Ltd	Related party through KMP			
25.	Dickwella Resort Developments (Pvt) Ltd	Related party through KMP			
26.	Dudu International (Pvt) Ltd	Related party through KMP			
27.	Dynamo Solars (Pvt) Ltd	Related party through KMP			
28.	Earthbound (Pvt) Ltd	Related party through KMP			
29.	Galle West Hotel Developments (Pvt) Ltd	Related party through KMP			
30.	Giointegrate Pvt Ltd	Related party through KMP			
31.	Gold Shimmer (Pvt) Ltd	Related party through KMP			
32.	Golden Rock (Pvt) Ltd	Related party through KMP			
33.	Golden Sun (Pvt) Ltd	Related party through KMP			
34.	Green Agriculture Ventures (Pvt) Ltd	Related party through KMP			
35.	Green Forestry Ventures (Pvt) Ltd	Related party through KMP			
36.	Her Capital (Pvt) Ltd	Related party through KMP			
37.	Jewel Energy (Pvt) Ltd	Related party through KMP			
38.	Kimin Power (Pvt) Ltd	Related party through KMP			
39.	Lantern Solar (Pvt) Ltd	Related party through KMP			
40.	Light Speed (Pvt) Ltd	Related party through KMP			
41.	Lightray Energy (Pvt) Ltd	Related party through KMP			
42.	Lightsparked (Pvt) Ltd	Related party through KMP			
43.	Marblestone (Pvt) Ltd	Related party through KMP			
44.	Nidhanya International (Pvt) Ltd	Related party through KMP			
45.	Nilaveli Resort Developments (Pvt) Ltd	Related party through KMP			
46.	Orbital Energy Lanka (Pvt) Ltd	Related party through KMP			
47.	Orion Solar (Pvt) Ltd	Related party through KMP			
48.	Pinnacle Biz (Pvt) Ltd	Related party through KMP			
49.	Prime Energy (Pvt) Ltd	Related party through KMP			
50.	Proclime Lanka (Pvt) Ltd	Related party through KMP			
51.	Prop One (Private) Limited	Related party through KMP			
52.	Refract Solar (Pvt) Ltd	Related party through KMP			
53.	Saffron Leisure (Pvt) Ltd	Related party through KMP			

Mr. Piranavan Sivagananathan	Mr. Chandana Lal de Silva	Mr. Rohan Saliya Abeysinghe Weera Wickramasuriya	Mr. Vishnuvarthana Vijayathithan Balachandran	Ms. Minette Perera
Director				
Director				
Director				

Notes to the Financial Statements

Name of the company	Relationship	Mr. Prakash Anand Schaffter	Mrs. Manjula Mathews	Mr. Ramesh Schaffter
54. Shimmerleaf (Pvt) Ltd	Related party through KMP			
55. Sino Lanka Power Gen (Pvt) Ltd	Related party through KMP			
56. Sol Empires (Pvt) Ltd	Related party through KMP			
57. Solar Forge (Pvt) Ltd	Related party through KMP			
58. Solar Forge Batticaloa (Pvt) Ltd	Related party through KMP			
59. Solar Forge Mannar (Pvt) Ltd	Related party through KMP			
60. Solar Forge Monaragala (Pvt) Ltd	Related party through KMP			
61. Solar Forge Pooneryn (Pvt) Ltd	Related party through KMP			
62. Solar Forge Siyambalanduwa (PVT) Ltd	Related party through KMP			
63. Solarsparked (Pvt) Ltd	Related party through KMP			
64. South Coast Hotel Developments (Pvt) Ltd	Related party through KMP			
65. Sunflights (Pvt) Ltd	Related party through KMP			
66. Tannish International (Pvt) Ltd	Related party through KMP			
67. Tanu International (Pvt) Ltd	Related party through KMP			
68. Taprobane Aqua Services (Pvt) Ltd	Related party through KMP			
69. Taprobane Frozen Foods (Pvt) Ltd	Related party through KMP			
70. Terrarium Sun (Pvt) Ltd	Related party through KMP			
71. The One Group of Hotels (Pvt) Ltd	Related party through KMP			
72. The Six Midigama (Pvt) Ltd	Related party through KMP			
73. The Six Villas (Pvt) Ltd	Related party through KMP			
74. Titans United (Guarantee) Ltd	Related party through KMP			
75. Wadduwa Hotel Developments (Pvt) Ltd.	Related party through KMP			
76. Financial Sector Management & Support Services (Pvt) Ltd	Related party through KMP			
77. K. Sivagananathan Memorial Trust	Related party through KMP			
78. Colours of Courage Trust (Guarantee) Ltd	Related party through KMP			
79. Janashakthi PLC	Related party through KMP			
80. Victoria Residences (Pvt) Ltd	Related party through KMP			
Monomay Capital (Private) limited	Related party through KMP			
Ascendance Advisers (Private) Limited	Related party through KMP			
Crystal Property Group (Private) Limited	Related party through KMP			
Taprobane Seafoods (Private) Limited	Related party through KMP			

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.

Mr. Piranavan Sivagananathan	Mr. Chandana Lal de Silva	Mr. Rohan Saliya Abeysinghe Weera Wickramasuriya	Mr. Vishnuvarthana Vijayathithan Balachandran	Ms. Minette Perera
Director				
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Notes to the Financial Statements

52.2 Transactions with subsidiaries

AS AT 31 MARCH 2026	Group		Company	
	2026	2025	**2026**	2025
	LKR '000	LKR '000	LKR '000	LKR '000
Nature of transaction				
Statement of Profit or Loss and Other Comprehensive Income				
Interest expense	**-**	-	**120,962**	679,384
Interest income on Commercial Papers	**-**	-	**7,473**	-
Reimbursement of expenses	**-**	-	**165,881**	3,991
Insurance premium paid	**-**	-	**1,452**	858
Insurance claim received	**-**	-	**1,507**	599
Fee expenses	**-**	-	**10,555**	14,317
Secretarial fees	**-**	-	**1,200**	2
Dividends Received	**-**	-	**4,167,115**	5,163,554
Corporate Guarantee facility commission Income	**-**	-	**12,877**	13,721
Corporate Guarantee facility commission expenses	**-**	-	**1,151**	-
Statement of Financial Position				
Long term borrowings	**-**	-	**250,000**	-
Current account payable				
Related paty receivable	**-**	-	**173,251**	991,246
Short term lending	**-**	-	**795,769**	-
Investment in commercial papers	**-**	-	**807,247**	1,854,884
Corporate guarantee provided	**-**	-	**1,515,000**	1,900,000
Corporate guarantee Received	**-**	-	**2,000,000**	-

52.3 Transactions with other related companies

AS AT 31 MARCH,	Group		Company	
	2026	2025	**2026**	2025
	LKR '000	LKR '000	LKR '000	LKR '000
Statement of Profit or Loss and Other Comprehensive Income				
Interest income	**24,636**	115,619	**-**	90,324
Fee income	**18**	-	**-**	-
Brokerage income (Stock broking)	**1,824**	-	**-**	-
Benefit accrued from investment in Unit Trust	**122,975**	25,446	**-**	-
Gain realised on sale of government securities	**566**	11,608	**-**	-
Dividend income	**-**	4,816	**-**	-
Interest expense	**1,622,920**	2,021,250	**-**	19,585
Administrative Charges	**4,555**	1,079	**-**	-
Management fee (Portfolio Management and Unit Trust)	**340,942**	340,942	**-**	-
Performance fee (portfolio management)	**30,830**	30,830	**-**	-
Management fee (Portfolio Management and Unit Trust)	**340,942**	340,942	**-**	-
Performance fee (Portfolio Management)	**30,830**	30,830	**-**	-
Statement of Financial Position				
Investment in unit trust	**4,003,584**	4,003,584	**-**	-
Borrowing on listed debentures	**-**	10,119	**-**	-
Borrowing on Commercial Papers	**-**	779,414	**-**	146,309
Securities purchased under re-sale agreements (against government securities)	**252,818**	47,711	**-**	-
Securities purchased under re-sale agreements (against corporate debt securities)	**-**	1,973	**-**	-
Securities sold under re-purchase agreements (Against government securities)	**6,359,349**	18,054,428	**-**	-
Securities sold under re-purchase agreements (against corporate debt securities)	**15,094**	47,579	**-**	-
Management fee receivable (Portfolio management)	**142**	3,749	**-**	-
Management fee receivable (Unit Trust)	**27,171**	40,868	**-**	-
Current account receivable	**2,283**	16,993	**-**	16,993
Current account payable	**1,465**	1,230,148	**-**	1,230,148
Benefit Accrued in Unit Trust	**122,975**	336,445	**-**	-
Funds under management (Portfolio Management)	**277,613**	26,827,563	**-**	-

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.

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 entity.

Close Family Members of a Key Management Person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and 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.

	Group		Company	
AS AT 31 MARCH,	**2026**	2025	**2026**	2025
	LKR '000	LKR '000	LKR '000	LKR '000
Short term employee benefits	**264,922**	418,851	**86,772**	61,626
	264,922	418,851	**86,772**	61,626

No post-employment benefits, other long-term benefits, termination benefits or share-based payments were paid or payable to Key Management Personnel of the Group or the Company during the year (2024/25: Nil).

	Group		Company	
AS AT 31 MARCH,	**2026**	2025	**2026**	2025
	LKR '000	LKR '000	LKR '000	LKR '000
Statement of Profit or Loss and Other Comprehensive Income				
Interest income	**24,330**	138,859	**-**	-
Gain/ (Loss) on sale of government securities	**(5)**	(24,494)	**-**	-
Claims Paid	**-**	4,122	**-**	-
Brokerage income (Stock broking)	**17,592**	1,385	**-**	-
Management fee income (Portfolio Management)	**16,733**	3,825	**-**	-
Interest expense	**201,327**	154,964	**97,307**	150,757
Emoluments paid- Short term	**264,922**	418,851	**86,772**	61,626
Benefit accrued from investment in unit trust	**60,244**	16,993	**-**	-
Dividend Paid/ Declared	**3,327**	15	**-**	-
Debentures issued	**406,767**	-	**203,383**	198,698
Management fee receivable (Portfolio Management)	**2,204**	508	**-**	-
Interest bearing and borrowings	-	-		1,211,218
Borrowings	**-**	6,660	**-**	6,660
Lendings	**10,819**	7,822	**-**	-
Trade Stock Brokering	**18,441**	3,023	**-**	-
Securities sold under re-purchase agreements (against government securities)	**6,432**	25,273	**-**	-
Securities sold under re-purchase agreements (against corporate debt securities)	**24,890**	2,775	**-**	-
Securities purchased under re-sale agreements (against government securities)	**192,522**	136,272	**-**	-
Investment in Unit Trust	**365,150**	352,154	**-**	-
Funds under management (Portfolio Management)	**2,588,907**	1,083,144	**-**	-

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.

Group

As at 31 March 2026	**Total**	**Level 1**	**Level 2**	**Level 3**
	LKR '000	LKR '000	LKR '000	LKR '000
Financial assets at fair value through profit or loss & derivatives				
Investment in quoted equity securities	**14,478,014**	14,478,014	-	-
Investment in government securities	**60,938,700**	60,938,700	-	-
Investment in unit trust	**3,578,859**	-	3,578,859	-
Investment in debentures	**3,899,761**		3,899,761	-
Forward sale contracts	**8,138**	8,138		
Forward purchase contracts	**2,302**	2,302	-	-
	82,905,774	75,427,154	7,478,620	-
Financial assets at fair value through other comprehensive income				
Investment in quoted equity securities	**7,731**	7,731	-	-
Investment in government securities	**1,560,651**	1,560,651	-	-
Corporate debt	**1,841,094**	1,841,094	-	-
	3,409,476	3,409,476	-	-

As at 31 March 2025	Total	Level 1	Level 2	Level 3
	LKR '000	LKR '000	LKR '000	LKR '000
Financial assets at fair value through profit or loss				
Investment in quoted equity securities	**10,395,389**	10,395,389	-	-
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	-
	107,765,828	103,780,600	3,985,228	-
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

Notes to the Financial Statements

53 FAIR VALUE HIERARCHY (CONTD.)

Company

As at 31 March 2026	Total	Level 1	Level 2	Level 3
	LKR '000	LKR '000	LKR '000	LKR '000
Financial assets at fair value through profit or loss				
Investment in quoted equity securities	**1,424,611**	1,424,611	-	-
Investment in unit trust	**792,157**	-	792,157	-
	2,216,768	1,424,611	792,157	-

As at 31 March 2025	Total	Level 1	Level 2	Level 3
	LKR '000	LKR '000	LKR '000	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	-

54 FINANCIAL RISK MANAGEMENT DISCLOSURES

Risk management demonstrates 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 procedures in place are sufficient to cater the risk faced by the Group. Also it prepares an investment guideline which determine asset allocations, duration allocations, 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.

54 FINANCIAL RISK MANAGEMENT DISCLOSURES CONT.

- 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.

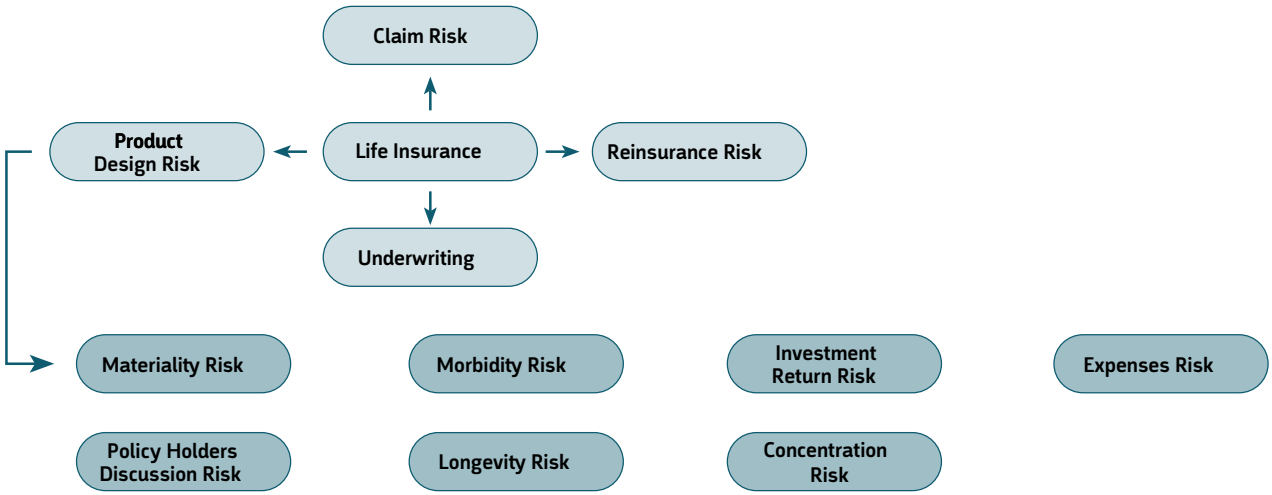
Life insurance business risk

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

A life insurance contract is an agreement between the policyholder and Company where the Company agrees to compensate the policyholder or his/her beneficiaries in the event of a specified event occurring such the policyholder's policy maturity, death, disability, illness etc., in exchange for a premium. The Company issues life Insurance contracts, which include term assurance, endowment plans, annuity plans and Life plans. Endowment and term assurance are conventional regular or single premium products, where lump sum benefits are payable on death, maturity or in some cases, permanent total disability



a. Product Design Risk

Product design risk occurs when life insurance products become unprofitable due to the futuristic assumptions and judgments used in designing the product being inappropriate. The fundamental assumptions used in product development are as follows;

Risk	Description	Risk Response
Mortality 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.
Expense 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 decision 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 non-standard 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.

54 FINANCIAL RISK MANAGEMENT DISCLOSURES CONT.

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 asset and liability cash flows and investing in investment grade assets to mitigate risks which arise 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.

For the year ended 31st December	2025 LKR million	%	2024 LKR million	%
Participating Fund	1,761	10	1,695	11
Non-Participating Fund	16,721	90	14,336	89
Total	18,482	100	16,031	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

- Separate life underwriting division headed by a well-qualified management along with a trained staff is in place in order to closely monitor the life underwriting functions of the Group.
- Pricing decisions of the products are reviewed and guided by a qualified actuary to facilitate the management to make accurate pricing decisions.
- Reinsurers' advices are obtained before deciding on the terms and conditions of the products in order to assists the proper pricing strategies.
- 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

Although reinsurance is used as a risk transfer strategy, it also gives rise to certain risks for the Company. These include legal risk, liquidity risk, counterparty risk, residual insurance risk and operational risk. Some of the specific actions made by the Company 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	**2026** LKR Mn	2025 LKR Mn
Gross Written Premium	**8,650**	6,596
Reinsurance	**(276)**	(249)
Net Written Premium	**8,374**	6,347

Notes to the Financial Statements

54 FINANCIAL RISK MANAGEMENT DISCLOSURES CONT.

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 2025.

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

d. Claims risk

The risk arising due to experiencing higher level of claims cost than expected at product development and pricing resulting in losses to the Company. Some of the specific actions taken by the Group to mitigate the claims risks are as follows;

- 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.

Financial risk

The Group is exposed to different types of financial risks as a result of investing in financial instruments. The Company's Senior Management has established appropriate policies and procedures to identify financial risks,measure and manage in accordance with the Company's policies and risk objectives.

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	2026 LKR '000	%	2025 LKR '000	%
Government securities & Reverse Repurchase Agreements	**70,661,333**	58.0%	98,262,861	72.7%
Financial investments in debt securities	**5,725,471**	4.7%	2,440,672	1.8%
Unit Trust	**3,578,859**	2.9%	3,744,598	2.8%
Fixed deposits	**445,478**	0.4%	672,411	0.5%
Investment in quoted debentures	**3,899,761**	3.2%	1,666,521	1.2%
Short term and long term lendings	**874,664**	0.7%	1,208,554	0.9%
Placement with banks and financial institutions	**3,413**	0.0%	-	0.0%
Staff Loans	**94,489**	0.1%	53,956	0.0%
Reinsurance receivables	**34,613**	0.0%	19,620	0.0%
Premium receivables	**652,715**	0.5%	320,075	0.2%
Loans and receivables from customers	**32,805,597**	26.9%	22,250,761	16.5%
Loans to life policyholders and others	**320,067**	0.3%	275,426	0.2%
Cash and cash equivalents	**2,766,472**	2.3%	4,229,353	3.1%
Amount due from related parties	**67,178**	0.1%	16,993	0.0%
Gross financial assets	**121,930,110**		135,161,801	

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 setting out the assessment and determination of what constitutes market risk for the Group.

(i) Interest rate risk

Interest rate risk is the risk that market value or future cash flows of a financial instrument will fluctuate due to changes in the absolute level of interest rates. The Group policy is to continously monitor positions on a daily basis and periodic interest rate re-pricing strategies are used to ensure positions are maintained on a prudential basis.

Notes to the Financial Statements

54 FINANCIAL RISK MANAGEMENT DISCLOSURES CONT.

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,	2026		2025	
	Group	Company	Group	Company
	LKR '000	LKR '000	LKR '000	LKR '000
Fixed rate instruments				
Investment in financial assets	**99,127,950**	3,217,041	**119,962,337**	379,773
Amounts due from related parties	**67,178**	173,251	**16,993**	991,246
Amounts due to related parties	**24,627**	24,673	**1,276,331**	1,276,377
Financial liabilities	**19,515,758**	3,829,737	**18,116,585**	9,497,189
Loans and receivables from customers	**32,805,597**	-	**22,250,761**	-
Cash and cash equivalents	**2,766,472**	779,351	**4,229,353**	769,215
Variable rate instruments				
Investment in financial assets	**3,409,476**	-	**3,486,150**	-
Financial liabilities	**20,247,904**	11,517,439	**13,978,604**	7,660,136
Deposits from customers	**17,694,649**	-	**15,903,812**	-
Debentures	**8,219,237**	2,027,300	**3,908,443**	2,139,115
Bank overdrafts	**2,217,889**	506,109	**1,391,740**	422,960

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.

2026	**Profit or loss**		**Equity, net of tax**	
	1% Increase	1% decrease	1% Increase	1% decrease
Variable rate instruments				
Cash flow sensitivity (net)	**(449,702)**	**449,702**	**(449,702)**	**449,702**

2025	Profit or loss		Equity, net of tax	
	1% Increase	1% decrease	1% Increase	1% decrease
Variable rate instruments				
Cash flow sensitivity (net)	(316,964)	316,964	(316,964)	316,964

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 behavior. The Group objective is to manage operational risk 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 Entity may not have sufficient liquid financial resources to meet efficiently, both expected and unexpected current and future cash flow and collateral needs, without affecting either daily operations or financial conditions.

The Group liquidity risk policy sets 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.

The Group has pre-approved overdraft facilities to meet sudden cash requirements.

Maturity Profile

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

Notes to the Financial Statements

Maturity Analysis - Group

31 March 2026	Less than 1 Year	1 to 3 Years	3 to 5 Years	Over 5 Years	No Maturity Date	Total
	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000
Assets						
Financial assets at fair value through profit or loss	**16,518,128**	5,092,632	33,796,918	25,729,094	-	**81,136,772**
Financial assets at Amotised Cost	**10,065,410**	5,691,284	2,175,365	59,119	-	**17,991,178**
Financial assets at fair value through Other comprehensive income	**951,609**	7,500	1,290,000	1,160,367	-	**3,409,476**
Loans and receivable from customers	**21,172,722**	7,888,299	3,690,265	54,313	-	**32,805,599**
Premium Receivables	**652,715**	-	-	-	-	**652,715**
Reinsurance receivables	**34,613**	-	-	-	-	**34,613**
Trade, other receivables and advances	**3,695,226**	17,763	4,242	-	-	**3,717,231**
Amounts due from related parties	**67,178**	-	-	-	-	**67,178**
Assets classified as held for sale	**63,916**	-	-	-	-	**63,916**
Derivative financial instruments	**10,440**	-	-	-	-	**10,440**
Cash and cash equivalents	**2,766,472**	-	-	-	-	**2,766,472**
Other Assets	**-**	-	-	-	14,212,904	**14,212,904**
Total as at 31 March 2026	**55,998,429**	18,697,478	40,956,790	27,002,893	14,212,904	**156,868,494**
As at 31 March 2025	**47,364,247**	42,835,254	55,457,367	7,132,214	13,732,775	**166,521,857**
Liabilities						
Debentures	**1,762,279**	1,003,518	5,453,440	-	-	**8,219,237**
Interest bearing loans & borrowings	**22,992,160**	8,717,260	8,054,241	-	-	**39,763,661**
Deposits from customers	**12,548,898**	3,673,694	1,472,057	-	-	**17,694,649**
Reinsurance creditors	**101,487**	-	-	-	-	**101,487**
Securities sold under repurchase agreements	**44,022,374**	32,511	14,130	-	-	**44,069,015**
Trade and other payable	**8,547,566**	-	-	-	-	**8,547,566**
Lease Liability	**1,227,933**	-	-	-	-	**1,227,933**
Amount due to related parties	**24,627**	-	-	-	-	**24,627**
Derivative financial instruments	**1,818**	-	-	-	-	**1,818**
Bank overdrafts	**2,217,889**	-	-	-	-	**2,217,889**
IPO proceeds received pending allotment	**519,116**	-	-	-	-	**519,116**
Other Liabilities	**-**	-	-	-	18,891,768	**18,891,768**
Total as at 31 March 2026	**93,966,147**	13,426,983	14,993,868	-	18,891,768	**141,278,765**
Total as at 31 March 2025	**119,140,421**	9,190,146	5,968,452	-	16,353,710	**150,652,730**

Maturity Profile

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

Maturity Analysis - Company

31 March 2026	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	-	3,367,040	-	-	-	**3,367,040**
Assets classified as held for sale	21,500	-	-	-	-	**21,500**
Financial assets at fair value through profit or loss	2,216,768	-	-	-	-	**2,216,768**
Fair value at Amotised Cost	1,000,273	-	-	-	-	**1,000,273**
Amounts due from related parties	173,251	-	-	-	-	**173,251**
Trade & Other Receivables	242,658	-	-	-	-	**242,658**
Cash and cash equivalents	779,351	-	-	-	-	**779,351**
Other assets	-	-	-	-	21,351,457	**21,351,457**
Total as at 31 March 2026	4,433,802	3,367,041	-	-	21,351,458	**29,152,299**
Total as at 31 March 2025	2,855,368	2,953,340	-	-	23,071,791	**28,880,499**
Liabilities						
Debentures	1,682,780	344,520	-	-	-	**2,027,300**
Interest bearing loans & borrowings	6,785,865	2,753,933	5,807,378	-	-	**15,347,176**
Amount due to related parties	24,673	-	-	-	-	**24,673**
Trade and other payables	430,535	-	-	-	-	**430,535**
Bank overdrafts	506,109	-	-	-	-	**506,109**
IPO proceeds received pending allotment	519,116	-	-	-	-	**519,116**
Retirement benefit obligations	-	-	-	67,466	-	**67,466**
Total as at 31 March 2026	9,949,078	3,098,453	5,807,378	67,466	-	**18,922,375**
Total as at 31 March 2025	13,395,583	1,609,405	3,981,753	40,025	13,054	**19,039,821**

Notes to the Financial Statements

55 ASSETS PLEDGED

The following assets have been pledged as securities against the long term and short term borrowings that have been disclosed under

Name of company	Funding institution	Nature of asset
Janashakthi Insurance PLC	National Development Bank PLC	Treasury bonds
Janashakthi Insurance PLC	Seylan Bank	Quoted shares
Janashakthi Finance PLC	Bank of Ceylon	Lease Receivable
Janashakthi Finance PLC	Commercial Bank of Ceylon PLC	Lease Receivable
Janashakthi Finance PLC	DFCC Bank PLC	Lease Receivable
Janashakthi Finance PLC	Hatton National Bank PLC	Lease Receivable
Janashakthi Finance PLC	Hatton National Bank PLC	Lease Receivable / Property Mortgage
Janashakthi Finance PLC	Hatton National Bank PLC	Lease Receivable
Janashakthi Finance PLC	National Development Bank PLC	Lease Receivable
Janashakthi Finance PLC	Peoples Bank	Lease Receivable
Janashakthi Finance PLC	Sampath Bank PLC	Lease Receivable
Janashakthi Finance PLC	Seylan Bank PLC	Lease Receivable
Janashakthi Finance PLC	Union Bank PLC	Lease Receivable
Janashakthi Finance PLC	Union Bank PLC	Lease Receivable
Janashakthi Finance PLC	Commercial Bank of Ceylon PLC	Property Mortgage
Janashakthi Finance PLC	DFCC Bank PLC	Lease Receivable
Janashakthi Finance PLC	Sampath Bank PLC	Lease Receivable
Janashakthi Finance PLC	Bank of Ceylon	Lease Receivable
Janashakthi Finance PLC	Cargills Bank PLC	Lease Receivable
Janashakthi Finance PLC	National Development Bank PLC	Lease Receivable
Janashakthi Finance PLC	Sanasa Developmnent Bank	Lease Receivable
Janashakthi Finance PLC	Pan Asia Banking Corporation PLC	Lease Receivable
Janashakthi Finance PLC	Sampath Bank PLC	Lease Receivable
Janashakthi Finance PLC	Commercial Bank of Ceylon PLC	Lease Receivable
Janashakthi Finance PLC	DFCC Bank PLC	Lease Receivable
Janashakthi Finance PLC	Union Bank PLC	Lease Receivable
Janashakthi Finance PLC	Nation Trust Bank PLC	Lease Receivable
Janashakthi Finance PLC	NDB Trust 01	Lease Receivable
Janashakthi Finance PLC	NDB Trust 02	Lease Receivable
Janashakthi Finance PLC	NDB Trust 02	Lease Receivable
Janashakthi Finance PLC	Subordinated loan	Unsecured
Janashakthi PLC	National Development Bank PLC	Quoted shares
Janashakthi PLC	Seylan Bank PLC	Quoted shares / Personal guarantees of Directors
Janashakthi PLC	Bank of Ceylon	Land located at wattala
Janashakthi PLC	Bank of Ceylon	Land located at wattala
Janashakthi PLC	Bank of Ceylon	Land located at wattala
Janashakthi PLC	Cargills bank	Personal guarantees of Directors
Janashakthi PLC	Cargills bank	Personal guarantees of Directors
Janashakthi PLC	Commercial Bank of Ceylon PLC	Quoted shares
Janashakthi PLC	Commercial Bank of Ceylon PLC	Quoted shares
Janashakthi PLC	Commercial Bank of Ceylon PLC	Quoted shares
Janashakthi PLC	Hatton National Bank PLC	Quoted shares / Personal guarantees of Directors
Janashakthi PLC	Hatton National Bank PLC	Quoted shares / Personal guarantees of Directors
Janashakthi PLC	Pan Asia Banking Corporation PLC	Quoted shares / Personal guarantees of Directors
Janashakthi PLC	Peoples Bank	Quoted Shares & Corporate guarantee
Janashakthi PLC	Union Bank	Quoted Shares
Janashakthi PLC	Sanasa Development Bank	Quoted Shares
Janashakthi PLC	Nations Trust Bank PLC	Quoted shares / Personal guarantees of Directors

the note no 29.2 to the financial statements.

Nature of liability	Group LKR '000		Company LKR '000	Included Under
	Balance outstanding	Value of assets pledged	Balance outstanding	
Bank Guarantee	100	100	-	Financial assets
Long term loans	53,000	53,000	-	Investment in associate
Permanent Overdraft	47,641	66,500	-	Loans and receivables from customers
Permanent Overdraft	176,880	73,340	-	Loans and receivables from customers
Permanent Overdraft	100,000	50,397	-	Loans and receivables from customers
Permanent Overdraft	199,749	161,203	-	Loans and receivables from customers
Term Loan	483,400	894,378	-	Loans and receivables from customers / Investment property
Short-Term Loan	300,000	-	-	Loans and receivables from customers
Permanent Overdraft	24,644	24,212	-	Loans and receivables from customers
Permanent Overdraft	73,164	40,679	-	Loans and receivables from customers
Permanent Overdraft	72,656	31,197	-	Loans and receivables from customers
Permanent Overdraft	84,317	37,525	-	Loans and receivables from customers
Permanent Overdraft	75,000	181,665	-	Loans and receivables from customers
Term Loan	542,117	596,329	-	Loans and receivables from customers
Term Loan	265,491	292,040	-	Investment property
Term Loan	284,140	312,554	-	Loans and receivables from customers
Term Loan	1,276,879	1,905,446	-	Loans and receivables from customers
Term Loan	1,935,134	1,888,505	-	Loans and receivables from customers
Term Loan	168,974	110,197	-	Loans and receivables from customers
Term Loan	675,875	846,027	-	Loans and receivables from customers
Term Loan	278,311	380,937	-	Loans and receivables from customers
Term Loan	264,116	606,396	-	Loans and receivables from customers
Short-Term Loan	100,141	110,155	-	Loans and receivables from customers
Short-Term Loan	150,210	226,810	-	Loans and receivables from customers
Short-Term Loan	101,043	93,827	-	Loans and receivables from customers
Short-Term Loan	400,202	-	-	Loans and receivables from customers
Short-Term Loan	100,390	-	-	Loans and receivables from customers
Securitisation	100,000	130,000	-	Loans and receivables from customers
Securitisation	1,224,856	1,592,312	-	Loans and receivables from customers
Securitisation	860,093	1,118,121	-	Loans and receivables from customers
Term Loan	1,010,341	-	-	Loans and receivables from customers
Short term loans - Revolving	350,000	2,189,000	350,000	Interest bearing borrowings
Short term loans - Revolving	250,000	313,020	250,000	Interest bearing borrowings
Long term loans	350,000	-	350,000	Interest bearing borrowings
Long term loans	833,200	3,247,200	833,200	Interest bearing borrowings
Long term loans	-	-	-	Interest bearing borrowings
Long term loans	86,255	-	86,255	Interest bearing borrowings
Long term loans	412	-	-	Interest bearing borrowings
Long term loans	700,000	4,483,727	700,000	Interest bearing borrowings
Long term loans	152,717	-	152,717	Interest bearing borrowings
Long term loans	2,000,000	-	2,000,000	Interest bearing borrowings
Long term loans	1,800,000	-	1,800,000	Interest bearing borrowings
Long term loans	1,600,000	8,385,802	1,600,000	Interest bearing borrowings
Long term loans	473,738	1,073,610	473,738	Interest bearing borrowings
Long term loans	2,000,006	2,120,000	2,000,006	Interest bearing borrowings
Long term loans	500,000	1,059,210	500,000	Interest bearing borrowings
Long term loans	921,111	1,736,100	921,111	Interest bearing borrowings
Long term loans	100,000	253,800	100,000	Interest bearing borrowings

Notes to the Financial Statements

55.1 In the ordinary course of business, the Company entered into transactions that resulted 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 Company has transferred future rental receivable of lease 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 Company continues to recognise these assets within lease rental receivable and stock out on hire.

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

	2026		2025	
AS AT 31 MARCH,	**Carrying Amount**	**Fair Value**	Carrying Amount	Fair Value
	LKR '000	LKR '000	LKR '000	LKR '000
Financial assets measured at fair value				
Financial assets at amortised cost	**17,991,178**	**17,937,885**	11,191,334	11,191,334
Loans and receivables from customers	**32,805,597**	**33,391,137**	22,250,761	22,250,761
Loans to life policyholders and others	**320,067**	**320,067**	275,426	275,426
Reinsurance receivables	**34,613**	**34,613**	19,620	19,620
Amount due from related parties	**67,178**	**67,178**	16,993	16,993
Trade,other receivables and advances	**3,717,231**	**3,717,231**	3,506,147	3,506,147
Cash at banks and in hand	**2,766,472**	**2,766,472**	4,229,353	4,229,353
Total financial assets	**57,702,336**	**58,234,583**	41,489,634	41,489,634
Financial liabilities measured at fair value				
Deposits from customers	**17,694,649**	**17,952,541**	15,903,812	15,903,812
Interest bearing loans and borrowings	**39,763,661**	**39,763,661**	29,585,436	29,585,436
Borrowings on debentures	**8,219,237**	**8,219,237**	3,908,443	3,908,443
Securities sold under re-purchase agreements	**44,069,015**	**44,069,015**	73,109,134	73,109,134
Trade payable	**1,370,543**	**1,370,543**	408,372	408,372
Amount due to related parties	**24,627**	**24,627**	1,276,331	1,276,331
Bank overdrafts	**2,217,889**	**2,217,889**	1,391,740	1,391,740
Total financial liabilities	**113,359,621**	**113,617,513**	125,583,268	125,583,268

Company

AS AT 31 MARCH,	2026 Carrying Amount LKR '000	2026 Fair Value LKR '000	2025 Carrying Amount LKR '000	2025 Fair Value LKR '000
Financial assets measured at fair value				
Amount due from related parties	**173,251**	**173,251**	991,246	991,246
Financial assets at amortised cost	**1,000,273**	**1,000,273**	131,311	131,311
Cash at banks and in hand	**779,351**	**779,351**	1,245,100	1,245,100
Total financial assets	**1,952,875**	**1,952,875**	2,367,657	2,367,657
Financial liabilities measured at fair value				
Trade & Other payable	**38,019**	**38,019**	38,018	38,018
Borrowings on debentures	**2,027,300**	**2,027,300**	2,139,115	2,139,115
Interest bearing loans and borrowings	**15,347,176**	**15,347,176**	14,647,572	14,647,572
Amount due to related parties	**24,673**	**24,673**	1,276,377	1,276,377
Bank overdrafts	**506,109**	**506,109**	422,960	422,960
Total financial liabilities	**17,943,276**	**17,943,276**	18,524,044	18,524,044

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 a 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, in consequent to the seller failing to honor 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. The legal proceedings have not been concluded yet.

Notes to the Financial Statements

57.2 Other Commitments

First Capital Holdings Group

There value of forward purchase contracts (Government Securities) as at 31 March 2026 is LKR 747Mn (31 March 2025 - LKR 1,340Mn) and the value of forward sales contracts (Government Securities) as at 31 March 2026 is LKR 1,619Mn (31 March 2025 - LKR 11Mn).

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.

58.1 Company

a. The Department of Inland Revenue issued a 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.

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	Hatton National Bank PLC	300,000,000
Janashakthi Finance PLC	Commercial Bank of Ceylon PLC	265,000,000
Janashakthi Finance PLC	Pan Asia Bank PLC	200,000,000

58.2 First Capital Holdings- Group

a. The Company has provided corporate guarantees for banking facilities obtained by its subsidiaries, First Capital Limited and First Capital Treasuries PLC, and its parent company, Janashakthi PLC, amounting to LKR 800 Mn, LKR 1 Bn, and LKR 2 Bn, respectively.

b. The company's appeal against the assessment on VAT on financial services amounting to LKR 21M (2016/17) is heard at the Tax Appeals Commission. The appeal against the assessment on VAT on financial services of LKR 233Mn 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. The Appeals against the above assessments (b) 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 company/group, or which would lead to a disclosure in the financial statements for the year ended 31 March 2026.

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 Company 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 the 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 33 million.The case was called on 01st of April 2025 for Argument.

When the matter was called on this date the case was rescheduled for Argument on 05th of June 2025. The matter was mentioned on 01/08/2025 and rescheduled for argument on 10/10/2025. On that date, the case was fixed for the Appellant's written submissions, to be mentioned on 02/12/2025.

c. Year of Assessment 2004/2005

The Company has received Income Tax assessments for the years of assessment 2010/11, 2011/12, 2012/13, 2013/14, 2014/15, 2016/17, and 2017/18, in which the Department of Inland Revenue has disallowed management expenses relating to the Life Insurance Business, including capital allowances.Further, for the years of assessment 2018/19, 2019/20, 2020/21, 2021/22, and 2022/23, the Department has disallowed the claimed brought-forward tax losses generated during the (I-E) period, as well as other brought-forward tax credits.The Company has appealed against these assessments, and the appeals were filed following due process. These Income Tax assessments have been issued as common assessments applicable to all Life Insurance Companies within the insurance industry.It is the view of both the industry and the Company's Tax Consultant that these assessments will not materialise. Accordingly, no additional provisions have been made in the Financial Statements. This position has been reinforced by a recent decision of the Court of Appeal (CA) in favour of another participant in the industry in CA Appeal No. CA/TAX/26/2018, delivered on 19 February 2026, as well as a previous decision in CA/TAX/019/2019.Further, the Tax Appeals Commission (TAC) has also determined in favour of the Company for the year of assessment 2018/19. The TAC held 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 the TAC, the Commissioner General of Inland Revenue (CGIR) has filed an appeal before the Court of Appeal.

Year of Assessment	Status of Assessment	Nature of Contingent Impact to the Company	Measurement of Contingent Impact to the Company
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 40 million.
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 92 million.
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 164 million.
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.

Notes to the Financial Statements

Year of Assessment	Status of Assessment	Nature of Contingent Impact to the Company	Measurement of Contingent Impact to the Company
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 54 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 38 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 88 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 85 Mn.
2021/2020	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 86 Mn.
2022/2023	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 LKR187Mn.

d. 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 determinationhas appealed to the TAC. The present value of the contingent liability is estimated to be LKR 21 million.
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 52 million.

e. 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 finalisation of tax credits.

f. 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 million.
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 0.26 million.
2017-Q3 - VAT	Assessment issued by CGIR and Allianz has submitted an appeal. The appeal was invalidated by the CGIR and Allianz did a re-submission.

g. 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 million.
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 million.

h. Status of Assessment - VAT - JIPLC

Year of Assessment	Status of Assessment
2010 December	IRD has issued a default notice and the Company filed a Writ Application in the Court of Appeal on 24th September 2025. The present value of the contingent liability is estimated to be LKR 47 million.

58.4 Janashakthi Finance PLC

a. The Inland Revenue Department has issued assessments for Corporate Income Tax, Value Added Tax on Financial Services, Nation Building Tax on Financial Services, Value Added Tax, Pay As You Earn and Social Security Levy amounting to LKR 414,495,579/- (including penalties of LKR 185,459,784/-)

59 EVENTS AFTER REPORTING PERIOD

Company

a. After the reporting date, the Company completed its Initial Public Offering (IPO) of 500,000,000 ordinary shares at LKR 10 per share, raising gross proceeds of LKR 5,000,000,000. On 29 April 2026, the Company was listed on the Main Board of the Colombo Stock Exchange.

Utilisation of funds raised through the IPO

The proceeds are to be utilised in accordance with the objectives stated in the Prospectus, as set out below.

Objective	Amount allocated (LKR)	% of total proceeds
Expansion across general insurance, microfinance and non-bank financial services	3,500,000,000	70%
Settlement of borrowings	1,000,000,000	20%
Overseas expansion	500,000,000	10%
Total	5,000,000,000	100%

b. With effect from 10 June 2026, the name of the Company was changed from Janashakthi Limited to Janashakthi PLC.

c. On 13 August 2026, the Company entered into a Share Purchase Agreement with Melstacorp PLC, the sole shareholder of Continental Insurance Lanka Limited (CILL), to acquire 100% of the issued share capital of CILL for a total consideration of LKR 5.2 billion. The acquisition will take place in stages: an initial 81% controlling stake, followed by a further 9% in the first year and the remaining 10% in the subsequent year. Completion of the transaction is subject to the approval of the Insurance Regulatory Commission of Sri Lanka (IRCSL), which is in progress at the moment.

Notes to the Financial Statements

60 ECONOMIC OUTLOOK AND THE BUSINESS IMPACT

a. We remain optimistic about the year ahead. Sri Lanka's economic outlook continues to demonstrate resilience, with the economy recording a real GDP growth of 5.0% in 2025, reflecting sustained recovery and strengthening macroeconomic stability. Supported by improving domestic demand, expanding private sector credit and ongoing economic reforms, growth momentum is expected to continue. As external sector conditions strengthen and investor confidence gradually improves, the environment is becoming increasingly conducive for capital mobilisation and business expansion. While global and local market sentiment remains influenced by evolving economic and geopolitical developments, selective opportunities continue to emerge for agile investors and businesses capable of adapting to changing market dynamics.

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 number 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 March 2026 was 1,331. (31 March 2025 – 1,243)

62 CLASSIFICATION OF FINANCIAL ASSETS AND LIABILITIES

Group **Financial Assets** **As at 31 March 2026**	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	81,136,772	-	-	81,136,772
Financial assets at amortised cost	-	-	17,991,178	17,991,178
Financial assets - Fair value through other comprehensive income	-	3,409,476	-	3,409,476
Loans and receivables from customers	-	-	32,805,597	32,805,597
Loans to life policyholders and others	-	-	320,067	320,067
Amount due from related parties	-	-	67,178	67,178
Reinsurance receivables	-	-	34,613	34,613
Trade, other receivables and advances	-	-	3,717,231	3,717,231
Derivative financial instruments	10,440	-	-	10,440
Cash and cash equivalents	-	-	2,766,472	2,766,472
Total Financial Assets	81,147,212	3,409,476	57,702,336	142,259,024

Financial Liabilities As at 31 March 2026	Financial liabilities measured at fair value through profit or loss LKR '000	Financial liabilities at amortised cost LKR '000	Total carrying amount LKR '000
Deposits from Customers	-	17,694,649	17,694,649
Interest bearing loans and borrowings	-	39,763,661	39,763,661
Bank Overdrafts	-	2,217,889	2,217,889
Debentures	-	8,219,237	8,219,237
Securities sold under re-purchase agreements	-	44,069,015	44,069,015
Derivative Financial Instruments	1,818	-	1,818
Liabilities & accrued expenses	-	3,098,642	3,098,642
Amount due to related companies	-	24,627	24,627
Other payable	-	652,870	652,870
Total Financial Liabilities	1,818	115,740,590	115,742,408

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 LKR '000	Total carrying amount LKR '000
Financial assets - Fair value through profit or loss	107,765,828	-	-	107,765,828
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	-	-	22,250,761	22,250,761
Loans to life policyholders and others	-	-	275,426	275,426
Amount due from related parties	-	-	16,993	16,993
Trade, other receivables and advances	-	-	3,506,147	3,506,147
Reinsurance receivables	-	-	19,620	19,620
Derivative Financial Instruments	2,820	-	-	2,820
Cash and Cash Equivalents	-	-	4,229,353	4,229,353
Total Financial Assets	107,768,648	3,486,150	41,489,634	152,744,432

Notes to the Financial Statements

Financial Liabilities	Financial liabilities measured at fair value through profit or loss	Financial liabilities at amortised cost	Total carrying amount
As at 31 March 2025	LKR '000	LKR '000	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
Other creditors including accrued expenses	-	3,829,300	3,829,300
Amount due to related companies	-	1,276,331	1,276,331
Other payable	-	430,806	430,806
Total Financial Liabilities	768	129,435,002	129,435,770

Company **Financial Assets** **As at 31 March 2026**	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	2,216,768	-	-	2,216,768
Financial Assets at Amortised Cost	-	-	1,000,273	1,000,273
Financial assets - Fair value through other comprehensive income	-	-	-	-
Trade,other receivables and advances	-	-	242,658	242,658
Amount due from related parties	-	-	173,251	173,251
Cash and Cash Equivalents	-	-	779,351	779,351
Total Financial Assets	2,216,768	-	2,195,533	4,412,301

Financial Liabilities **As at 31 March 2026**	Financial liabilities measured at fair value through profit or loss LKR '000	Financial liabilities at amortised cost LKR '000	Total carrying amount LKR '000
Debentures	-	2,027,300	2,027,300
Long term borrowings	-	8,561,311	8,561,311
Short term borrowings	-	6,785,865	6,785,865
Amount due to related companies	-	24,673	24,673
Amount due to directors	-	-	-
Bank Overdrafts	-	506,110	506,110
Total Financial Liabilities	-	17,905,259	17,905,259

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	2,855,370

Financial Liabilities As at 31 March 2025	Financial liabilities measured at fair value through profit or loss LKR '000	Financial liabilities at amortised cost 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	-	18,530,541	18,530,541

Notes to the Financial Statements

64 FINANCIAL REPORTING BY SEGMENTS

	Life Insurance		Lease & Hire Purchase		Loans & Gold loans		Factoring		Investment	
For the year ended 31 March	**2026**	2025	**2026**	2025	**2026**	2025	**2026**	2025	**2026**	2025
	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000
Revenue	**8,650,143**	6,690,149	**3,561,820**	2,911,546	**2,421,457**	1,382,929	**-**	1,828	**836,713**	184,632
Cost of sales	**(8,870,476)**	(7,239,167)	**(1,698,914)**	(1,476,926)	**(1,141,549)**	(694,562)	**(5,078)**	(6,560)	**-**	(111,446)
Other operating income	**1,971,487**	3,203,569	**187,272**	165,614	**28,089**	25,890	**10,897**	11,492	**490,604**	475,907
Total segmental income	**1,751,154**	2,654,551	**2,050,178**	1,600,234	**1,307,997**	714,257	**5,819**	6,760	**1,327,317**	549,094
Depreciation & amortization	**(207,311)**	(91,006)	**(156,683)**	(137,220)	**(102,372)**	(62,919)	**(455)**	(594)	**(133,439)**	(43,552)
Other operating expenses	**(1,678,235)**	(1,461,146)	**(1,508,433)**	(1,156,896)	**(862,517)**	(531,153)	**(4,832)**	(5,016)	**(660,349)**	(656,162)
Impairment charge/(reversal)	**-**	-	**(194,797)**	(79,555)	**(59,977)**	5,034	**255**	-	**18,406**	278,781
Net Finance income / (Expense)	**2,898,011**	3,269,753	**(48,256)**	(27,960)	**-**	-	**-**	-	**(1,873,548)**	(2,357,356)
Profit / (loss) from ordinary activities before tax	**2,763,619**	4,372,152	**142,009**	198,604	**283,131**	125,220	**787**	1,149	**(1,321,613)**	(2,229,194)
Corporate taxation	**(587,417)**	(1,191,523)	**(117,390)**	(56,651)	**(137,464)**	(25,286)	**(333)**	(239)	**(199,848)**	(520,322)
Net Profit / (loss) for the year	**2,176,202**	3,180,629	**24,619**	141,952	**145,667**	99,934	**454**	910	**(1,521,461)**	(2,749,516)

	Life Insurance		Lease & Hire Purchase		Loans & Gold loans		Factoring		Investment	
For the year ended 31 March	**2026**	2025	**2026**	2025	**2026**	2025	**2026**	2025	**2026**	2025
	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000
Segmental assets	**40,265,150**	37,896,831	**18,634,957**	17,224,247	**19,688,457**	10,080,018	**22,459**	58,010	**29,152,298**	29,874,937
Segmental liabilities	**23,722,387**	20,994,266	**16,881,954**	14,976,402	**6,166,767**	8,764,528	**20,346**	50,440	**18,922,376**	19,990,008

Financial Services		Secretarial and Fitness		Shared Service		Adjustments		Total	
2026	2025	**2026**	2025	**2026**	2025	**2026**	2025	**2026**	2025
LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000
14,777,737	14,011,457	**14,545**	225,662	**-**	-	**(364,193)**	(645,955)	**29,898,222**	24,762,249
(7,511,263)	(7,587,743)	**-**	-	**-**	-	**72,213**	128,759	**(19,155,067)**	(16,987,645)
(1,559,188)	2,439,503	**12**	139	**207**	183	**(49,969)**	(16,779)	**1,079,411**	6,305,518
5,707,286	8,863,217	**14,557**	225,801	**207**	183	**(341,949)**	(533,975)	**11,822,566**	14,080,122
(158,837)	(135,593)	**(12)**	(99,691)	**-**	134	**(28,721)**	-	**(787,830)**	(570,441)
(3,018,475)	(2,507,809)	**(22,768)**	(162,374)	**(210)**	(624)	**126,597**	(226,378)	**(7,614,614)**	(6,707,558)
(58,503)	51,984	**-**	-	**-**	-	**36,490**	-	**(258,126)**	256,245
(5,858)	-	**-**	(32,651)	**-**	-	**(42,070)**	243,739	**928,280**	1,095,525
2,465,613	6,271,799	**(8,223)**	(68,915)	**(3)**	(307)	**(249,653)**	(516,614)	**4,090,276**	8,153,894
(1,448,939)	(1,668,619)	**-**	-	**-**	-	**-**	-	**(2,491,391)**	(3,462,640)
1,016,674	4,603,180	**(8,223)**	(68,915)	**(3)**	(307)	**(249,653)**	(516,614)	**1,598,885**	4,691,253

Financial Services		Secretarial and Fitness		Shared Service		Adjustments		Total	
2026	2025	**2026**	2025	**2026**	2025	**2026**	2025	**2026**	2025
LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000
59,903,242	98,325,709	**25,555**	13,988	**-**	17,200	**(25,135,586)**	(26,969,084)	**156,868,496**	166,521,857
75,911,215	89,566,078	**46,085**	26,275	**-**	15,805	**(1,688,363)**	(3,731,071)	**141,278,812**	150,652,730

Notes to the Financial Statements

65 PRIOR PERIOD ERROR CORRECTIONS AND RESTATEMENT OF COMPARATIVE INFORMATION

65.1 Overview

During the year ended 31 March 2026, the Group undertook a comprehensive review of its consolidation process and of the financial reporting of its subsidiaries, as part of its ongoing commitment to the quality and transparency of its financial reporting. The review was initiated by Management and conducted under the oversight of the Board and Audit Committee.

The review identified follwing matters relating to prior periods, which have been corrected retrospectively in accordance with LKAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (IAS 8) refer note (65.2-65.5)

1. Consolidation adjustments relating to non-controlling interests (NCI) and indirect holdings – the reversal of a consolidation entry recorded twice in the year ended 31 March 2018, which had overstated NCI, and the elimination of fair value gains on shares of Group companies held by First Capital Holdings PLC (Note 65.2).
2. Corrections made by Janashakthi Finance PLC ("JF") – a subsidiary that reviewed and corrected certain balances in its own financial statements (Note 65.3).

   The comparative information as at and for the year ended 31 March 2025 has been restated accordingly. As required by LKAS 1 Presentation of Financial Statements (IAS 1), paragraph 40A, a third statement of financial position is presented as at 1 April 2024 (31 March 2024), the beginning of the earliest comparative period.

   The principal effects of the restatement on the Group's financial statements are summarised below. A detailed line-by-line breakdown of the restatement adjustments is presented in Note 65.4.1 and the subsequent notes.

	Previously reported LKR '000	Restated LKR '000	Change LKR '000	Change % LKR '000
Equity attributable to equity holders of the Company, 31 March 2025	9,673,086	9,888,210	215,124	2.2%
Equity attributable to equity holders of the Company, 1 April 2024	8,585,034	9,282,222	697,188	8.1%
Total equity, 31 March 2025	17,285,608	15,869,126	(1,416,482)	-8.2%
Total assets, 31 March 2025	167,522,430	166,521,857	(1,000,573)	-0.6%
Profit for the year ended 31 March 2025	5,244,365	4,691,253	(553,112)	-10.5%
Profit attributable to equity holders of the Company, year ended 31 March 2025	3,155,366	2,675,515	(479,851)	-15.2%
Basic and diluted earnings per share, year ended 31 March 2025 (LKR)	4.98	4.22	(0.76)	-15.3%

Equity attributable to equity holders of the Company is higher at both comparative dates, principally because non-controlling interests (NCI) were previously overstated. The restatement has no effect on Group revenue, net cash flows, or cash and cash equivalents at any reporting date. Within the consolidated statement of cash flows, certain subtotals have been reclassified, but the net impact on cash is nil.

65.2 Consolidation adjustments: non-controlling interests and indirect holdings

The consolidation correction comprises of two broad categories comprising the following errors, set out in (a) and (b) below and presented together in the "Consolidation" column of the tables in Note 65.4.1. Together they increase equity attributable to equity holders of the Company by LKR 949 million at 1 April 2024 (31 March 2025: LKR 599 million) and reduce NCI by LKR 1,541 million (31 March 2025: LKR 1,605 million). Neither element has any effect on the Group's cash flows.

(a) Duplicated allocation between retained earnings and NCI

In the year ended 31 March 2018, a consolidation entry allocating equity between Group retained earnings and NCI had been recorded twice. As a result, NCI had been overstated, and Group retained earnings correspondingly understated, by approximately LKR 1.4 billion in each subsequent period.

The duplicated entry has been reversed. As it relates to a period before the earliest period presented, the correction is recognised in the opening balances at 1 April 2024, in accordance with LKAS 8, paragraph 42(b). It is a reclassification within equity only, and has no effect on total equity, total assets, profit or cash flows in any period presented.

(b) Elimination of fair value gains on indirect holdings

First Capital Holdings PLC ("FCH"), a subsidiary of the Company, holds equity interests of 5.78% in Janashakthi Insurance PLC, with an investment cost of LKR 324 million, and 1.01% in Janashakthi Finance PLC, with an investment cost of LKR 32 million, representing a combined investment cost of approximately LKR 357 million. In FCH's standalone financial statements, both investments are measured at fair value through profit or loss (FVTPL).

The Group consolidates its subsidiaries on the basis of its effective holding, which already includes the interests held through FCH. Under SLFRS 10 Consolidated Financial Statements (IFRS 10), the fair value gains recognised by FCH on these intra-group shareholdings, and the resulting increase in their carrying amount, are therefore eliminated on consolidation. This elimination had not previously been recorded.

The elimination has now been recorded for all affected periods. It reduces Group retained earnings by LKR 453 million as of 1 April 2024 which comprise LKR 179 mn due to reversal of fair value gains and LKR 273 mn from removal of indirect holdings in FCH., and by LKR 349 million for the year ended 31 March 2025. Cumulatively, the elimination reduces Group investment in financial assets by 1,005 million and both group and company retained earnings by LKR 599 million.

Group Correction	Financial assets	Retained earnings	Non-controlling interests
	LKR '000	LKR '000	LKR '000
Group			
2024			
NCI correction	-	1,401,884	(1,401,884)
Reversal of fair value gains	(234,340)	(179,434)	(54,906)
Removal of indirect holding in FCH	(357,379)	(273,645)	(83,734)
Total 2024	**(591,719)**	**948,805**	**(1,540,524)**
2025			
Reversal of fair value gains	(413,456)	(349,358)	(64,098)
Total 2025	(413,456)	(349,358)	(64,098)
Cumulative	**(1,005,175)**	**599,447**	**(1,604,622)**

Group Correction	Investment in subsidiary	Retained earnings
	LKR '000	LKR '000
2024		
NCI correction	1,401,884	1,401,884
Reversal of fair value gains	(179,434)	(179,434)
Removal of indirect holding in FCH	(273,645)	(273,645)
Total 2024	**948,805**	**948,805**
2025		
Reversal of fair value gains	(349,358)	(349,358)
Total 2025	**(349,358)**	**(349,358)**
Cumulative	**599,447**	**599,447**

Both categories of correction arise at the consolidation level. The separate financial statements of the subsidiaries are unaffected. The parent's separate financial statements are, however, affected as a result of its accounting policy under IAS 27 Separate Financial Statements.

Notes to the Financial Statements

65.3 Corrections made by JF

The following explanation relates to the restatement of the financial statements of Janashakthi Finance PLC ("JF"), a subsidiary of the Group. The corrections described below were made by JF in its financial statements for the year ended 31 March 2026 and have been reflected in the consolidated financial statements of the Group.

During the current year, JF identified material prior period errors relating to the recognition, measurement and classification of certain assets, liabilities, income and expenses in its previously issued financial statements.

In accordance with LKAS 8, Accounting Policies, Changes in Accounting Estimates and Errors, JF corrected these errors retrospectively by restating the affected comparative amounts as at 1 April 2024 and as at and for the year ended 31 March 2025.

(a) Correction of Aged Unreconciled Balances and Misclassification of Assets and Expenses

JF identified certain aged balances included under other assets that had remained unreconciled for a prolonged period and for which adequate supporting evidence was not available to substantiate their recoverability as at the relevant reporting dates. As at 1 April 2024, these balances comprised refundable deposits of LKR 12,149,058, Economic Service Charge receivables of LKR 42,550,632, withholding tax receivables that were no longer claimable of LKR 19,624,506, and other receivables of LKR 67,411,370.

Based on JF management's assessment, these balances did not satisfy the applicable recognition criteria for assets. Accordingly, the unsupported and unrecoverable balances were written off retrospectively, and the comparative financial statements of JF were restated.

As at 31 March 2025, advance payments of LKR 54,120,404 recorded under other assets related to assets that were already available for use. Accordingly, LKR 32,248,635 was reclassified and capitalised as intangible assets, while LKR 8,179,550 was reclassified and capitalised as property, plant and equipment. Consequently, amortisation of LKR 8,062,159 and depreciation of LKR 2,044,888 were recognised retrospectively for the year ended 31 March 2025 from the dates on which the respective assets became available for use.

JF also identified expenditure of a revenue nature amounting to LKR 8,984,263 that had been incorrectly recognised under payments made in advance. As these amounts did not satisfy the applicable asset recognition criteria, they were recognised in profit or loss for the year ended 31 March 2025.

(b) Correction of Right-of-Use Assets and Lease Liabilities

JF identified errors in the prior-period recognition and measurement of right-of-use assets and the corresponding lease liabilities. These errors arose from the incorrect initial recognition and measurement of lease liabilities and the related right-of-use assets.

The lease calculations were reassessed in accordance with SLFRS 16, Leases. Consequently, the right-of-use assets were restated to LKR 219,423,692 as at 1 April 2024 (by correcting LKR 92mn) and LKR 420,440,539 as at 31 March 2025 (by correcting LKR 269mn). The corresponding lease liabilities were restated to LKR 237,016,173 as at 1 April 2024 (by correcting LKR 176 mn)and LKR 450,732,857 as at 31 March 2025 (by correcting LKR 397mn). Consequential adjustments were also made to depreciation on right-of-use assets and interest expense on lease liabilities. For the year ended 31 March 2025, the related depreciation and interest expense adjustments amounted to LKR 52,276,677 and LKR 9,894,860, respectively. The corresponding deferred tax impact was also recognised retrospectively amountign to LKR 38mn.

The effects of these corrections were recognised retrospectively in the statement of financial position as at 1 April 2024 and 31 March 2025 and in the statement of profit or loss and other comprehensive income for the year ended 31 March 2025.

(c) Correction of the Recognition of Investment Property

JF had previously recognised a property with a carrying amount of LKR 22,000,000 as investment property and had subsequently recognised a fair value adjustment of LKR 9,000,000. Following a reassessment, JF's management determined that classification of the property as investment property was inappropriate because the property represented collateral held in connection with JF's lending activities.

Accordingly, the investment property balance was derecognised retrospectively as at 1 April 2024. A further fair value adjustment of LKR 2,000,000 recognised during the year ended 31 March 2025 was also reversed retrospectively. The comparative financial statements of JF were restated to reflect the correction of this error.

(d) Correction of Unrecoverable Receivable Balances and Unrecorded Payable Balances

JF identified an aged debit balance of LKR 14,914,860 that had previously been presented within other liabilities. Upon review, JF's management determined that the balance was not recoverable as at the relevant reporting date. Accordingly, the balance was written off retrospectively, and the comparative financial statements of JF were restated.

In addition, JF identified insurance-related amounts of LKR 34,632,591 arising from leasing facilities that had not been appropriately recognised in the comparative period. The related amounts payable to insurance companies and the corresponding customer receivable balances were therefore recognised retrospectively under other liabilities and loans and advances, respectively, as at 31 March 2025.

(e) Correction of Deferred Tax Asset Recognised on Overstated Qualifying Payments

JF had previously recognised a deferred tax asset arising from qualifying payments that were overstated. Following a reassessment, JF's management concluded that the related deferred tax asset did not satisfy the applicable recognition criteria.

Accordingly, the deferred tax reversal of LKR 67,914,698 recognised in relation to the overstated qualifying payments was adjusted retrospectively as at 31 March 2025.

(f) Correction of Unrecorded Impairment Provision on Receivable Balances

JF had not adequately assessed the recoverability of certain receivable balances amounting to LKR 69,746,480 in prior periods. During the current year, JF's management reassessed the recoverability of these balances and determined that an impairment provision was required. Accordingly, an impairment provision of LKR 36,838,692 was recognised retrospectively as at 31 March 2025.

65.4 Effect on the financial statements

The tables below show the effect of each correction on every line item affected. "JF" refers to Note 65.3 and "Consolidation" to Note 65.2. Line items not affected are aggregated.

Notes to the Financial Statements

65.4.1 Group statement of financial position as at 31 March 2025

	Previously reported	JF adjustment	NCI & Indirect holding adjustment	Restated
	LKR '000	LKR '000	LKR '000	LKR '000
Property, plant and equipment	1,496,034	6,135	-	1,502,169
Investment property	5,660,397	(31,000)	-	5,629,397
Right-of-use assets	724,731	269,622	-	994,353
Deferred tax assets	861,133	(32,395)	-	828,738
Intangible assets	4,415,784	24,187	-	4,439,971
Investment in financial assets	123,448,487	-	(1,005,175)	122,443,312
Loans and receivables from customers	22,054,759	196,002	-	22,250,761
Trade, other receivables and advances	3,934,096	(427,949)	-	3,506,147
Other assets	4,927,009	-	-	4,927,009
Total assets	167,522,430	4,602	(1,005,175)	166,521,857
Trade and other payables	8,636,465	415,909	-	9,052,374
Other liabilities	141,600,357	-	-	141,600,357
Total liabilities	150,236,822	415,909	-	150,652,731
Stated Capital & Other equity	7,188,296	-	-	7,188,296
Retained earnings	2,264,529	(377,799)	599,447	2,486,177
Reserve fund	220,261	(6,524)	-	213,737
Equity attributable to owners of the Company	9,673,086	(384,323)	599,447	9,888,210
Non-controlling interests	7,612,522	(26,984)	(1,604,622)	5,980,916
Total equity	17,285,608	(411,308)	(1,005,175)	15,869,126
Total liabilities and equity	167,522,430	4,601	(1,005,175)	166,521,857

Group statement of financial position as at 31 March 2024

	Previously reported	JF adjustment	NCI & Indirect holding adjustment	Restated
	LKR '000	LKR '000	LKR '000	LKR '000
Property, plant and equipment	881,598	-	-	881,598
Investment property	5,677,937	(29,000)	-	5,648,937
Right-of-use assets	916,232	92,930	-	1,009,162
Deferred tax assets	497,471	-	-	497,471
Intangible assets	4,382,678	-	-	4,382,678
Investment in financial assets	96,576,891	-	(591,719)	95,985,172
Loans and receivables from customers	15,658,738	183,001	-	15,841,739
Trade, other receivables and advances	5,854,500	(324,736)	-	5,529,764
Other assets	3,703,644	-	-	3,703,644
Total assets	134,149,689	(77,805)	(591,719)	133,480,165
Trade and other payables	11,557,590	191,476	-	11,749,066
Other liabilities	107,288,961	-	-	107,288,962
Total liabilities	118,846,551	191,476	-	119,038,028
Retained earnings	1,466,554	(251,617)	948,805	2,163,742
Stated Capital & Other equity	7,118,480	-	-	7,118,480
Equity attributable to owners of the Company	8,585,034	(251,617)	948,805	9,282,222
Non-controlling interests	6,718,104	(17,665)	(1,540,524)	5,159,915
Total equity	15,303,138	(269,282)	(591,719)	14,442,137
Total liabilities and equity	134,149,689	(77,804)	-	133,480,165

Group statement of profit or loss and other comprehensive income, year ended 31 March 2025

	Previously reported	Cost of Sales Adjustment	JF adjustment	Indirect holding adjustments	Restated
	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000
Total revenue	24,762,249	-	-	-	24,762,249
Cost of Sales	(10,009,657)	(6,977,988)	-	-	(16,987,645)
Gross profit	14,752,592	(6,977,988)	-	-	7,774,604
Insurance claims, benefits and related costs (net)	(6,977,988)	6,977,988	-	-	-
Other operating income	2,782,229	-	(2,000)	-	2,780,229
Change in fair value of financial assets at FVTPL	3,938,746	-	-	(413,457)	3,525,289
Selling and distribution expenses	(267,867)	-	-	-	(267,867)
Administrative and other operating expenses	(6,629,167)	-	(107,630)	-	(6,736,797)
Impairment charges	(17,085)	-	-	-	(17,085)
Profit from operations	7,581,460	-	(109,630)	(413,457)	7,058,373
Net finance income	1,095,520	-	-	-	1,095,520
Profit before tax	8,676,980	-	(109,630)	(413,457)	8,153,893
Income tax expense	(3,432,615)		(30,025)		(3,462,640)
Profit for the year	5,244,365	-	(139,655)	(413,457)	4,691,253
Other comprehensive income for the year, net of tax	(165,577)	-	(2,370)	-	(167,947)
Total comprehensive income for the year	5,078,788	-	(142,025)	(413,457)	4,523,306
Profit attributable to equity holders of the Company	3,155,366	-	(130,493)	(349,358)	2,675,515
Profit attributable to non-controlling interests	2,088,999	-	(9,162)	(64,099)	2,015,738
Total comprehensive income attributable to equity holders of the Company	3,028,051	-	(132,708)	(349,354)	2,545,989
Total comprehensive income attributable to non-controlling interests	2,050,737	-	(9,317)	(64,102)	1,977,318
Basic earnings per share (LKR)	4.98	-	(0.76)	-	4.22

Reclassification of insurance-related costs to cost of sales

Insurance claims and benefits, underwriting and net acquisition costs, and changes in contract liabilities of Janashakthi Insurance PLC (JIns), previously presented under "Insurance claims, benefits and related costs (net)", have been reclassified to "Cost of sales" amounting to LKR 6,978 million for the year ended 31 March 2025. This reclassification has no impact on the Group's profit, equity or earnings per share.

Notes to the Financial Statements

65.4.2 Effect on the Company financial statements

The Company accounts for its investments in subsidiaries using the equity method in its separate financial statements. Both corrections are therefore reflected in the Company's investment in subsidiaries, its retained earnings and its share of profit of equity-accounted investees. The Company's equity increases by LKR 215 million at 31 March 2025 (1 April 2024: LKR 697 million), consistent with the change in Group equity attributable to equity holders of the Company.

Company statement of financial position as at 31 March 2025

	Previously reported	JF adjustment	Impact from consolidation adjustments	Restated
	LKR '000	LKR '000	LKR '000	LKR '000
Investment in subsidiaries	22,501,294	(382,110)	597,234	22,716,418
Other assets	6,164,079	-	-	6,164,079
Total assets	28,665,373	(382,110)	597,234	28,880,497
Liabilities	19,039,821	-	-	19,039,821
Retained earnings	2,216,995	(375,586)	597,234	2,438,643
Reserve fund	220,261	(6,524)	-	213,737
Stated Capital & Other equity	7,188,296	-	-	7,188,296
Total equity	9,625,552	(382,110)	597,234	9,840,676
Total liabilities and equity	28,665,373	(382,110)	597,234	28,880,497

Company statement of financial position as at 1 April 2024

	Previously reported	JF adjustment	Impact from consolidation adjustments	Restated
	LKR '000	LKR '000	LKR '000	LKR '000
Investment in subsidiaries	21,551,762	(251,617)	948,805	22,248,950
Other assets	5,846,318	-	-	5,846,318
Total assets	27,398,080	(251,617)	948,805	28,095,268
Liabilities	19,203,722	-	-	19,203,722
Retained earnings	1,075,878	(251,617)	948,805	1,773,066
Stated Capital & Other equity	7,118,480	-	-	7,118,480
Total equity	8,194,358	(251,617)	948,805	8,891,546
Total liabilities and equity	27,398,080	(251,617)	948,805	28,095,268

Company statement of profit or loss and other comprehensive income, year ended 31 March 2025

	Previously reported	Impact from consolidation adjustments	Restated
	LKR '000	LKR '000	LKR '000
Dividend income / total revenue	506	-	506
Other operating income	79,609	-	79,609
Change in fair value of financial assets at FVTPL	(7,474)	-	(7,474)
Selling and distribution expenses	(77,755)	-	(77,755)
Administrative and other operating expenses	(505,124)	-	(505,124)
Impairment reversal	295,003	-	295,003
Loss from operations	(215,235)	-	(215,235)
Finance income	157,748	-	157,748
Finance cost	(2,500,904)	-	(2,500,904)
Share of profit of equity-accounted investees (net of tax)	6,573,156	(479,852)	6,093,304
Profit before tax	4,014,765	(479,852)	3,534,913
Income tax expense	(516,256)	-	(516,256)
Profit for the year	3,498,509	(479,852)	3,018,657
Actuarial gain on retirement benefit obligations	812	-	812
Share of other comprehensive income of equity-accounted investees	(128,125)	(2,213)	(130,338)
Other comprehensive income for the year, net of tax	(127,313)	(2,213)	(129,526)
Total comprehensive income for the year	3,371,196	(482,065)	2,889,131
Basic and diluted earnings per share (LKR)	5.52	(0.76)	4.76

The adjustment to the share of profit comprises LKR 130 million from the JF corrections and LKR 349 million from the consolidation correction. All other Company line items are unchanged.

Notes to the Financial Statements

65.5 Restatement within cash flows under financing activities

The restatement does not change the net increase in cash and cash equivalents, or cash and cash equivalents at the beginning or end of any period, for the Group or the Company. The JF corrections reallocate certain amounts between operating and investing activities, and the financing cash flows have been presented gross (Note 65.4).

Group statement of cash flows, year ended 31 March 2025 (extract)

	Previously reported LKR '000	JF adjustments & Reclassification LKR '000	Restated LKR '000
Cash flows from operating activities			
Profit/(Loss) before tax expenses	8,676,980	(523,087)	8,153,893
Adjustments for			
Finance income	(3,343,594)	-	(3,343,594)
Finance cost	2,248,074	-	2,248,074
ROU Adjustment	128,672	211,902	340,574
Depreciation and amortization	534,866	10,106	544,972
Profit on disposal of property, plant and equipment	(2,233)	-	(2,233)
Fair value (gain) /loss on financial assets	(3,938,746)	413,457	(3,525,289)
Fair value (gain) /loss on investment properties	(34,489)	2,000	(32,489)
Impairment charges	17,085	-	17,085
Gratuity provision	79,589	-	79,589
Operating profit/(loss) before working capital changes	4,366,204	114,378	4,480,582
Change in inventories	(7,841)	-	(7,841)
Change in loans and advances to customers	(6,396,021)	(13,001)	(6,409,022)
Change in financial assets	(22,932,850)	-	(22,932,850)
Change in amount due from related parties	1,015,967	-	1,015,967
Change in premium and other receivables	(51,367)	-	(51,367)
Change in trade, other receivables and advances	1,920,404	103,212	2,023,616
Change in deposits from customers	2,347,381	-	2,347,381
Change in trade and other payables	(946,839)	(166,288)	(1,113,127)
Change in amount due to related parties	1,268,168	(6,470)	1,261,698
Change in life insurance fund	1,486,616	-	1,486,616
Change in Securities sold under re-purchase agreements	23,465,795	-	23,465,795
Cash generated from / (used in) operations	5,535,617	31,831	5,567,448
Gratuity paid	(14,272)	-	(14,272)
Income taxes paid	(4,980,813)	-	(4,980,813)
Withholding tax on dividend declared from subsidiary companies	(730,793)	-	(730,793)
Finance costs paid	(2,117,435)	1,439,498	(677,937)
Net cash flows from / (used in) operating activities	(2,307,696)	1,471,329	(836,367)

	Previously reported	JF adjustments & Reclassification	Restated
	LKR '000	LKR '000	LKR '000
Cash flows from investing activities			
Acquisition of property, plant and equipment	(1,020,891)	(8,179)	(1,029,070)
Acquisition of investment properties	(59,961)	-	(59,961)
Acquisition of intangible assets	(97,118)	(32,249)	(129,367)
Proceeds from disposal of property, plant and equipment	4,114	-	4,114
Finance income	3,343,594	-	3,343,594
Proceeds from disposal of subsidiary shares	52,588	-	52,588
Dividend received	42,101	-	42,101
Net cash flows generated from / (used in) investing activities	2,264,427	(40,428)	2,223,999
Cash flows from financing activities			
Net change in interest bearing loans and borrowings	6,063,144	(6,063,144)	-
Net change in debentures	334,996	(334,996)	-
Proceeds from interest bearing loans and borrowings	-	43,946,520	43,946,520
Repayment of interest bearing loans and borrowings	-	(39,312,967)	(39,312,967)
Payment of lease liability	(323,346)	141,525	(181,821)
Payment of lease interest	-	(140,534)	(140,534)
Debenture Proceeds	-	1,080,816	1,080,816
Debenture redemption with Interest and net interest	-	(745,820)	(745,820)
Dividend paid to equity holders	(1,940,000)	-	(1,940,000)
Dividend paid to minority shareholders	(1,156,317)	-	(1,156,317)
Net cash flows generated from financing activities	2,978,477	(1,428,600)	1,549,876
Net increase / (decrease) in cash and cash equivalents	2,937,508	-	2,937,508
Cash and cash equivalents at the beginning of the year	(99,895)	-	(99,895)
Cash and cash equivalents at the end of the year	2,837,613	-	2,837,613

The disclosure relating to interest-bearing loans and borrowings as of 31 March 2025 has been restated to reflect movements in certain loan and borrowing balances. Refer to Note 29.

Notes to the Financial Statements

Company statement of cash flows, year ended 31 March 2025 (extract)

	Previously reported LKR '000	JF adjustments & Reclassification LKR '000	Restated LKR '000
Cash flows from operating activities			
Profit/(Loss) before tax expenses	4,014,765	(479,852)	3,534,913
Adjustments for			
Finance income	(157,748)	-	(157,748)
Finance cost	2,500,904	-	2,500,904
ROU Adjustment	(20,625)	2,300	(18,325)
Depreciation and amortization	47,898	-	47,898
Fair value (gain) /loss on financial assets	7,474	-	7,474
Fair value (gain) /loss on investment properties	500	-	500
Exchange (gain)/Loss	2,300	(2,300)	-
Impairment charges	(295,003)	-	(295,003)
Gratuity provision	15,588	-	15,588
Share of profit from equity accounted investee (net of tax)	(6,573,156)	479,852	(6,093,304)
Operating profit/(loss) before working capital changes	(457,103)	-	(457,103)
Change in loans and advances to customers	-	-	-
Change in financial assets	(175,276)	-	(175,276)
Change in amount due from related parties	750,430	-	750,430
Change in trade, other receivables and advances	32,798	-	32,798
Change in trade and other payables	24,385	-	24,385
Change in amount due to related parties	1,269,669	-	1,269,669
Cash generated from / (used in) operations	1,444,903	-	1,444,903
Gratuity paid	(1,144)	-	(1,144)
Withholding tax on dividend declared from subsidiary companies	(516,256)	-	(516,256)
Finance costs paid	(2,490,066)	-	(2,490,066)
Net cash flows from / (used in) operating activities	(1,562,563)	-	(1,562,563)
Cash flows from investing activities			
Acquisition of property, plant and equipment	(32,647)	-	(32,647)
Acquisition of investment properties	(46,840)	-	(46,840)
Proceeds from disposal of property, plant and equipment	121	-	121
Finance income	157,748	-	157,748
Proceeds from disposal of subsidiary shares	52,588	-	52,588
Dividend income from equity accounted investee	5,163,554	-	5,163,554
Net cash flows generated from / (used in) investing activities	5,294,524	-	5,294,524
Cash flows from financing activities			
Net change in interest bearing loans and borrowings	(2,674,582)	2,674,582	-
Net change in debentures	1,080,816	(1,080,816)	-
Proceeds from interest bearing loans and borrowings	-	35,003,732	35,003,732
Repayment of interest bearing loans and borrowings	-	(37,678,315)	(37,678,315)
Payment of lease liability	(32,836)	10,838	(21,998)
Payment of lease Interest	-	(10,838)	(10,838)
Debenture Proceeds	-	1,080,817	1,080,816
Dividend paid to equity holders	(1,940,000)	-	(1,940,000)
Net cash flows generated from financing activities	(3,566,602)	-	(3,566,603)
Net increase / (decrease) in cash and cash equivalents	165,358	-	165,358
Cash and cash equivalents at the beginning of the year	656,782	-	656,782
Cash and cash equivalents at the end of the year	822,140	-	822,140


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