

ANNUAL REPORT
2024/25





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OVERVIEW

Financial Highlights

For the year ended 31 March	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Group										
Performance Indicators - Rs.Mn										
Net profit before tax - Continuing operations	11,858	24,379	24,655	9,550	3,376	57,135	83,553	30,062	30,203	52,152
Net profit after tax - Continuing operations	9,331	20,921	19,190	5,933	812	53,233	77,596	21,671	21,753	50,385
Total assets	379,595	640,925	822,239	1,043,747	1,335,919	874,944	1,371,469	1,566,132	1,739,706	2,029,626
New executions (Local)	191,135	152,558	172,673	129,588	129,099	100,140	153,267	111,033	252,411	347,905
Lending portfolio (Rentals receivable)	216,763	427,365	560,845	723,822	919,319	423,787	616,621	737,384	734,495	818,086
Deposits from customers	74,166	211,128	307,529	452,075	563,942	263,593	377,575	474,764	506,491	565,644
Outstanding borrowings	215,076	294,115	341,549	387,934	503,699	315,610	453,924	508,886	572,942	601,202
Non-performing portfolio	5,054	7,736	10,187	16,791	27,140	23,617	25,473	23,677	35,822	22,402
Return on equity (%)	25.84	35.54	15.05	14.52	12.21	24.28	31.89	8.96	10.82	15.50
Key Indicators - Rs. per share										
Net asset value per share [adjusted]	79.33	123.84	148.28	180.85	194.72	495.09	844.34	535.50	628.39	721.16
Earnings per share [adjusted]	17.93	36.11	20.47	23.76	22.93	59.01	128.71	47.08	62.95	104.61
Market capitalisation (Rs. Bn)	34.21	28.99	56.07	42.25	43.15	138.76	46.70	178.20	188.89	282.63
Company										
Performance Indicators - Rs.Mn										
Net profit before tax	835	10,149	4,763	(3,106)	(9,094)	28,317	61,064	22,394	30,347	54,408
Net profit after tax	689	9,777	4,699	(3,194)	(9,213)	28,041	61,163	22,374	29,914	54,072
Total assets	75,494	102,007	110,723	124,996	191,741	252,953	409,926	457,298	616,474	708,295
New executions	-	-	-	-	-	-	-	-	-	-
Lending portfolio (rentals receivable)	1,848	850	2,414	2,535	5,513	9,218	10,163	20,542	71,814	92,854
Outstanding borrowings	38,369	52,698	54,241	73,524	95,413	105,175	146,018	188,394	308,509	346,818
Non-performing portfolio	168	153	149	151	151	119	92	91	90	73
Key Indicators - Rs. per share										
Market price per share	72.00	61.00	118.00	88.90	88.90	292.00	597.00	375.00	397.50	594.75
Net asset value per share	74.71	98.89	108.69	101.49	194.72	291.37	515.81	535.50	628.39	721.16
Debt to equity ratio - Times	1.08	1.12	1.05	1.52	1.03	0.76	0.60	0.74	1.03	1.01
Interest cover - Times	1.26	2.93	1.78	0.61	0.15	3.98	6.27	1.68	1.62	2.36

Executive Chairman's Message

LOLC'S VISION IS UNDERPINNED BY OUR COMMITMENT TO INCLUSIVE GROWTH, GLOBAL RELEVANCE, AND SUSTAINABILITY. AS WE STEP INTO THE NEXT PHASE OF OUR JOURNEY, WE WILL CONTINUE TO CONSOLIDATE AND EXPAND OUR INCLUSIVE FINANCE MODEL AS WELL AS STRENGTHEN OUR PRESENCE IN REAL ECONOMY SECTORS – AGRICULTURE & PLANTATIONS, MANUFACTURING & TRADING, LEISURE, RESEARCH & INNOVATION AND NEV.

Dear Shareholders,

I am pleased to welcome you to the 46th Annual General Meeting of LOLC Holdings PLC and to present the Audited Financial Statements for the year ended 31st March 2025. The year under review stands as a watershed moment in Sri Lanka's post-independence narrative and in the trajectory of LOLC Holdings PLC.

OPERATING LANDSCAPE

Against a backdrop of profound political transition, marked by the emergence of a new governing paradigm after seven decades of two-party dominance, Sri Lanka embarked on a new phase of economic recalibration and structural reform. After 75 years of bipartisan rule, this unprecedented transition represents a critical shift in the country's democratic and governance trajectory. This relative stability, however, followed years of economic trauma triggered by the Easter Sunday tragedy, COVID-19 pandemic, widespread civil unrest and sovereign distress. Emerging from these crises required financial strength and clarity of purpose. Amidst macroeconomic stabilisation, currency appreciation and easing inflationary pressures, LOLC Holdings PLC demonstrated one of the most exceptional financial performances in our history.

GROUP PERFORMANCE

In this context, LOLC Holdings PLC delivered one of its strongest performances to date. The Group recorded a profit before tax from continuing operations of Rs. 52 billion, profit after tax of Rs. 41 billion, reflecting an 88% year-on-year increase, supported by an operating profit of Rs. 46 billion as well as total comprehensive income of Rs. 59 billion. Total assets surpassed Rs. 2 trillion -

a milestone that affirms our position as Sri Lanka's largest and most globally diversified conglomerate. Total Equity of the Group increased to Rs. 604 billion while equity attributable to shareholders of LOLC Holdings PLC increased to Rs. 343 billion.

FINANCIAL SERVICES SECTOR

Financial services remained the cornerstone of our profitability, contributing Rs. 39 billion to the Rs. 52 billion Profit before tax from continuing operations. Our flagship entity, LOLC Finance PLC, continued its strong upward trajectory, recording a pre-tax profit of Rs. 25.1 billion, a 16% year-on-year increase. Its loan book and deposits grew, while the net NPL ratio fell sharply to 4.81% from 10.48%, reflecting prudent risk management and improved portfolio quality. The strength of this sector was not limited to domestic operations. With a presence across Asia, Australia and Africa, our financial services entities in Southeast Asia, Central Asia and the African continents, continued to gain momentum.

In South and South East Asia, the Group now has operations in Sri Lanka, Cambodia, Myanmar, Indonesia, the Philippines, Pakistan and India. In Central Asia, we operate in Tajikistan, Kyrgyzstan and Kazakhstan. In the African continent, our operations now span Egypt in North Africa, Kenya, Tanzania, Rwanda, Malawi, Zambia and Zimbabwe in East Africa and Nigeria in West Africa, with the Democratic Republic of Congo in Central Africa and expected licenses for Ghana. Moreover, we are exploring opportunities to leverage on LOLC's brand equity and expertise, thereby furthering financial inclusion and financially enabling micro and small enterprises across geographies. The Group

is also actively expanding its award-winning payment app, iPay, across its global financial services platform, and has already established a presence in Cambodia.

The Group has now established an effective model of financial inclusion that combines technology, governance and local insight, enabling meaningful economic impact at the 'bottom of the pyramid'. This model has been especially effective in empowering women entrepreneurs and underserved communities and forms the core of our expansion strategy.

NON-FINANCIAL SERVICES SECTOR

The year under review also witnessed significant growth in our non-financial businesses, which continue to serve as critical pillars of diversification and long-term value creation. Notably, our agriculture & plantation sector recorded transformative growth through a series of landmark acquisitions and operational advancements. Brown & Company PLC, our flagship investment holding in the non-financial segment, celebrated its 150th anniversary with exceptional financial performance, recording a profit before tax of Rs. 25.89 billion and revenue of Rs. 107.82 billion, a 34% year-on-year increase. This historic milestone was marked by renewed strategic focus and geographic expansion.

A defining highlight of the year was the completion of the acquisition of Lipton's plantation assets in Kenya, Rwanda and Tanzania. These acquisitions, together with the earlier purchase of Finlays' Kenyan operations, have elevated LOLC to a position of leadership in the global tea value chain. With approximately 100 million kilograms of annual tea production across 100,000 hectares of cultivated land, manufacturing

facilities across Sri Lanka, Kenya, Tanzania, Rwanda and China, we now stand as the world's largest integrated tea producers catering to diverse customer segments across the globe.

Domestically, the Group secured full ownership of Pussellawa Plantations and a controlling interest in Tea Smallholder Factories PLC, strengthening vertical integration and enhancing operational synergies across our agriculture and processing value chains. We have also made headway in diversifying our plantation output, with investments in cinnamon and the commissioning of Sun Yield, a value-added processing facility aimed at capturing higher margins and international market share.

Beyond plantations, our trading and manufacturing businesses continued to provide stability and earnings resilience. Browns Battery retained its market leadership with a 62% market share, while Browns Agriculture secured dominant positions in both harvester and tractor segments. The Veterinary and Pharmaceuticals SBU achieved a 76% increase in its bottom line, reflecting strong demand and product portfolio expansion. AgStar PLC and Brown & Company PLC, two of our key listed commercial entities, posted robust revenues, reinforcing their contribution to the Group's core revenue base.

Our hospitality business demonstrated a significant rebound, with improved margins through more robust pricing, as well as tourist arrivals approaching pre-pandemic levels. Flagship properties such as Eden Hotel Lanka PLC and Serendib Hotels PLC recorded strong operating profits. The launch of operations at the Nasandhura property and the Barcelo Whale Lagoon Resort in the Maldives further bolstered our leisure portfolio. Concurrently, the Group broke ground on the Port City Marina.

With an ambition of providing affordable and sustainable mobility, the Group entered into partnerships with Wuling and BAW to make available New Energy Vehicles (NEV) under these brands as well as to establish a network of charging stations across the country complementing the existing EV charging infrastructure.

CAPITAL STEWARDSHIP AND STRATEGIC FOCUS

Throughout the year, we remained focused on maintaining a strong balance sheet and enhancing shareholder value. The conversion of our minority interest in Sierra Cables into a controlling stake and the strategic exits from DFCC Bank and HNB, as well as the strategic entry to the affordable NEV sector, reflect our disciplined approach to portfolio management. These moves have enabled the reallocation of capital into higher-potential sectors aligned with our strategic roadmap. We also enhanced our risk and compliance frameworks to ensure sustainable growth in an increasingly complex regulatory and geopolitical environment. Our governance systems are designed to support cross-border operations and uphold ethical, transparent and accountable practices, which are central to the LOLC ethos.

LOOKING AHEAD

LOLC's vision is underpinned by our commitment to inclusive growth, global relevance, and sustainability. As we step into the next phase of our journey, we will continue to consolidate and expand our inclusive finance model as well as strengthen our presence in real economy sectors – agriculture & plantations, manufacturing & trading, leisure, research & innovation and NEV.

We remain deeply committed to Environmental, Social and Governance (ESG) principles and continue to embed sustainability into the core of our operations: from climate-smart agriculture and renewable energy, to responsible lending and community upliftment.

As we enhance our impact metrics and align more closely with the United Nations Sustainable Development Goals (UN SDGs), we will drive our transformation through profit and purpose.

As Chairman, I take immense pride in what we have collectively achieved this year. The Group was honoured with several prestigious awards during the year, recognising excellence in financial performance and innovation. These accolades affirm LOLC's leadership and continued impact across diverse sectors and markets.

I wish to extend my appreciation to the management teams across all geographies, our partners and stakeholders, and most importantly, our people, whose dedication and foresight have shaped LOLC's evolution into a truly global enterprise.

We enter 2025/26 with clarity of purpose and confidence in execution. With strong fundamentals, a diverse portfolio and an ambitious global strategy, LOLC is poised to deliver long-term value to all stakeholders - transforming lives, industries and economies across the world.

ACKNOWLEDGEMENT

I wish to extend my deepest gratitude to all those who have played a pivotal role in the success of LOLC Holdings PLC.

Foremost, I recognise the extraordinary commitment and perseverance of our employees across the globe. Their passion, resilience and unwavering belief in our purpose have been instrumental in navigating uncertainty and seizing opportunity.

To our shareholders, I express sincere appreciation for their confidence in our strategy and leadership.

I also acknowledge the constructive engagement and partnership of our regulators, both in Sri Lanka and internationally, who continue to play a critical role in enabling responsible growth and governance across our diverse operations.

A special note of thanks is due to our Managing Director/Group CEO and the Board of Directors for their strategic foresight and principled stewardship.

Finally, to our customers and partners across continents - thank you for the trust you continue to place in us.



Ishara Nanayakkara
Executive Chairman

Group Managing Director/CEO's Review

LOLC HOLDINGS PLC DELIVERED STRONG RESULTS WITH ITS HALLMARK AGILITY AND FORESIGHT. AS SRI LANKA'S MOST DIVERSIFIED AND GLOBALLY INTEGRATED CONGLOMERATE, WE CONTINUED TO FOCUS ON OPERATIONAL RESILIENCE, MARKET EXPANSION AND SUSTAINABLE VALUE CREATION.

The 2024/25 financial year showcased the dynamism of the Group when presented with a confluence of global and local economic challenges that tested the resilience of enterprises across the world. The period under review witnessed the increase of the Group's Profit after tax by 88% compared to the previous year, reporting a net income of LKR 41 billion. Amidst geopolitical tensions and tariff uncertainties across the globe, LOLC Holdings PLC delivered strong results with its hallmark agility and foresight. As Sri Lanka's most diversified and globally integrated conglomerate, we continued to focus on operational resilience, market expansion and sustainable value creation.

In Sri Lanka, the economy entered a phase of cautious recovery. Supported by the International Monetary Fund (IMF)'s Extended Fund Facility (EFF) and fiscal consolidation efforts, the government implemented structural reforms to stabilise public finances, restore investor confidence and rebuild reserves. Inflation, moderated closer to Central Bank of Sri Lanka (CBSL) targets following a period of deflation. Significant credit expansion was witnessed following monetary policy easing by the Central Bank to stimulate economic activity. A stable exchange rate helped maintain domestic price stability, albeit supply shortages allowed a degree of predictability for businesses, both exporters and importers. The conclusion of sovereign debt restructuring was a landmark achievement for the country – enabling businesses and the financial sector access to global capital flows.

LOLC Holdings has always operated with the understanding that volatility is an inevitable element of global business. Our geographic and sectoral diversification – spanning financial services, agriculture & plantations, leisure, trading & manufacturing, research & innovation, technology and strategic

investments – provided critical resilience and allowed us to pursue growth even amid macroeconomic headwinds.

PERFORMANCE OF FINANCIAL SERVICES BUSINESSES

As part of ongoing efforts to ensure financial sector stability and systemic soundness, CBSL strengthened governance expectations as well as risk management frameworks. Evolving customer expectations and rapid technological advancements continued to redefine competitive dynamics, Digital platforms redefined how financial institutions engaged with clients.

In this environment, LOLC Finance PLC once again demonstrated its market leadership by deepening financial inclusion, expanding its digital footprint and maintaining strong asset quality. As one of the most respected and trusted Non-bank financial institutions (NBFIs) in the country, LOLC Finance continued to set benchmarks for innovation and resilience whilst offering tailor-made credit solutions that address the needs of micro and SME borrowers, women entrepreneurs and underserved communities.

Our microfinance model remained focused on economic upliftment and community transformation. With prudent risk management and data-backed lending, we improved collection efficiencies and contained Non-performing loan (NPL) levels amidst a challenging credit environment. LOLC's lending operations also performed steadily, supported by disciplined underwriting and customer relationship management.

iPay, our proprietary digital wallet, remains one of Sri Lanka's most widely adopted payment platform. It won the Overall Gold Award at the LankaPay Technovation Awards

for the sixth consecutive year, reaffirming our commitment to financial innovation and customer empowerment. iPay's exponential growth is a testament to our ability to anticipate market trends and deliver meaningful, accessible and secure digital financial solutions. In an increasingly cashless economy, iPay bridges the digital divide and empowers individuals and businesses to participate fully in the formal economy.

Complementing the strong performance of the domestic financial services sector, the overseas financial services operations across South and South East Asia, Central Asia and Africa too showed strong growth momentum whilst encapsulating strong risk management practices. These platforms are now well poised to deliver strong results into the future, leaving behind the shackles of COVID-19, while climate change continues to pose a key threat across many developing economies that we operate in.

NON-FINANCIAL SERVICES OVERVIEW

Brown and Company PLC, the holding company of the non-financial services sectors of the Group celebrated its 150th year of dedication and commitment towards fulfilling the needs of Sri Lankan consumers. The Group continued to maintain market leadership across key market segments such as automotive batteries, veterinary pharmaceuticals and agricultural machinery.

The trading arms of the Group witnessed heightened demand with the complete removal of import restrictions while the manufacturing arm witnessed heightened competition during this same period. The Group's foray into the affordable New Energy Vehicle (NEV) segment is a notable expansion of the trading strategies. We believe that our strategies will assist greater mobility as well as personal aspirations of the middle-income families of Sri Lanka.

LOLC's investments in agriculture and plantations have long supported food security, rural development innovation and export growth. In 2024/25, our plantations recorded stable yields despite fluctuating commodity prices and climate variability. Operational improvements and resource-efficient practices helped offset cost pressures, while soil conservation and reforestation programmes enhanced long-term sustainability. The conclusion of the acquisitions of the Lipton plantation assets in Kenya, Tanzania, and Rwanda as well as the acquisition of Pussellawa plantations and Tea Small Holder Factories PLC in Sri Lanka has now positioned the Group as the largest manufacturer of tea globally.

Through AgStar PLC, we advanced our vision for precision agriculture. The mobile soil testing programme was scaled up nationwide, empowering farmers with scientific, location-specific fertiliser recommendations. The result has been improved yields, reduced input costs and encouraged environmentally sustainable farming. We also introduced low-toxicity agrochemicals with shorter pre-harvest intervals, ensuring greater food safety and aligning with international standards. Simultaneously, our seeds division focused on high-yield, multi-picking varieties, providing farmers with superior returns per acre and higher resilience to climate impacts. The Group continues to advocate for public-private partnerships that can act as catalysts for technological adoption in agriculture, expand market access for farmers, and ensure food security for future generations.

LOLC's leisure segment represents one of the most exciting areas of growth within the Group, with a footprint that spans Sri Lanka, the Maldives and Mauritius. The rebound of international travel, particularly from regional markets, has offered an encouraging backdrop for expansion and repositioning.

In Sri Lanka, LOLC's leisure assets include a portfolio of high-end resorts and boutique hotels strategically located along the tranquil coastline as well as in the cultural triangle. Our Maldivian operations expanded its product offerings from resort operation of Barceló Whale Lagoon to encompass city hotel with the opening of the Nasandhura

Palace hotel in Male. In Mauritius, our assets have benefited from targeted investments in hospitality infrastructure, customer-centric innovation and environmental responsibility. LOLC's reputation in the Indian Ocean leisure sector continues to grow, driven by operational excellence, authentic experiences and responsible tourism.

We believe that tourism will be a long-term growth driver for LOLC, supported by Sri Lanka's natural and cultural assets and regional travel momentum. Sustainability remains a core focus across renewable energy adoption, water management, waste reduction and community engagement initiatives at each property.

SUSTAINABILITY AND GOVERNANCE

At LOLC Holdings, we view sustainability as a core strategic imperative and remain committed towards creating long term value for all stakeholders. Each business line is now aligned to environmental, social and governance (ESG) metrics, further integrated into strategy and board-level oversight. Our corporate governance structure continues to evolve with best-in-class practices, combining fairness, responsibility, independence, transparency and accountability. Board committees have been strengthened to oversee risk, compliance, sustainability and stakeholder engagement. Data security, regulatory compliance and ethical conduct are deeply embedded across our businesses.

LOOKING AHEAD

LOLC Holdings enters 2025/26 from a position of strength. Our diversified model, innovation-led approach and financial prudence are more relevant than ever in a world shaped by transition and transformation. As we continue to expand our global presence across South & South East Asia, Central Asia and Africa we will remain anchored by our values, our people and our vision of shared prosperity. Our priorities will include deepening digital transformation across sectors, capacity development, strengthening international operations and continuous innovation.

APPRECIATION

I sincerely thank all our stakeholders for their continued support throughout this challenging year. The dedication and hard work of our employees has been fundamental to sustaining our operations and progress.

Our shareholders' trust and confidence in our leadership and strategy are greatly appreciated while the constructive engagement of regulators has helped us navigate the evolving regulatory landscape effectively.

I would like to extend a special thanks to the Chairman and the Board of Directors for their steady guidance and oversight, which have been important in shaping our strategic direction.

We are also grateful for the ongoing trust and partnership of our customers.



W D K Jayawardena
Group Managing Director/Chief Executive Officer

Board of Directors

ISHARA NANAYAKKARA

Executive Chairman

Mr. Ishara Nanayakkara is a distinguished entrepreneur who serves on the boards of numerous leading corporations and conglomerates internationally. Hailing from a strong business lineage and early involvement in his family enterprises, he strategically ventured into the financial services sector through a pivotal investment in LOLC Holdings PLC, where he was appointed to the Board in 2002.

Over the past two decades, his visionary leadership has been instrumental in transforming LOLC into Sri Lanka's most profitable and diversified conglomerate, with a formidable presence in the global financial arena. Under his guidance, LOLC pioneered a dynamic MSME financial platform on an international scale, marking a historic milestone as the first Sri Lankan enterprise to achieve such global reach and impact.

Mr. Nanayakkara's expertise in microfinance and MSME markets has been a driving force behind the success of financial institutions across Sri Lanka, Cambodia, Myanmar, Pakistan, Indonesia, the Philippines, India, Zambia, Nigeria, Egypt, Malawi, Tanzania, Zimbabwe, Kenya, Kyrgyzstan, Kazakhstan and Tajikistan. He was pivotal in establishing the Group's Life and General Insurance ventures and pioneered the concept of Micro-Insurance in Sri Lanka and Cambodia, providing essential protection to underserved populations at the bottom of the economic pyramid.

His business acumen spans across key growth sectors of emerging economies, with strategic investments across multiple industries. In Leisure, he commands one of the largest hotel portfolios in Sri Lanka, the Maldives, and Mauritius. In Plantations, the Group has become the world's largest tea manufacturer, with operations in Sri Lanka, Kenya, Tanzania, China and Rwanda. These are complemented by significant investments in Construction, Trading and Manufacturing and more recently, in pioneering scientific and innovation-driven initiatives.

Mr. Nanayakkara continues to lead the strategic direction of the LOLC Group, driving both

financial and non-financial sector investments with a clear vision executed with precision, discipline and a steadfast commitment to generating long-term value for all stakeholders.

He has held several distinguished positions, including serving as Chairman of the Sri Lanka Institute of Nanotechnology, the nation's premier institution for advanced nanotechnology solutions. Renowned for his innovative approach, he has steered the Group into pioneering biotech ventures, such as the conversion of pure graphite to graphene, leveraging cutting-edge technologies to enhance the value of the Group's diverse plantation portfolio spanning cinnamon, tea, sugarcane, rubber and related by-products.

His strategic foresight has also extended to renewable energy initiatives in Sri Lanka and Sierra Leone, including the establishment of Africa's largest sugar-based bioethanol and power plant, enriching the Group's portfolio with multidimensional expertise across global markets.

Mr. Nanayakkara is a recognised businessman in the international community for his invaluable contributions to microfinance, acknowledged by independent international platforms such as INSEAD Business School. His entrepreneurial excellence was further distinguished by the prestigious 'Young Entrepreneur of the Year' Award at the Asia Pacific Entrepreneurship Awards (APEA) in 2012.

Mr. I. C. Nanayakkara serves as the Executive Chairman of LOLC Holdings PLC, Browns Investments PLC and Brown & Company PLC, and also holds directorships on several other Group company boards, both locally and internationally.

KAPILA JAYAWARDENA

Group Managing Director/CEO

Mr. Kapila Jayawardena is a seasoned leader in banking and investment banking with extensive experience in both local and international financial sectors. Since joining LOLC Holdings PLC as Managing Director/Group CEO in 2007, he has been instrumental in driving the Group's strategic diversification and growth locally and globally across nine verticals.

In addition to his executive role at LOLC Holdings, Mr. Jayawardena serves as Chairman and Director for several Group companies, including Eden Hotel Lanka PLC, Serendib Hotels PLC, Dolphin Hotels PLC, Hotel Sigiriya PLC, Palm Garden Hotels PLC, LOLC Securities Limited, and LOLC Life Assurance Ltd. He also holds directorships in Brown & Company PLC, Browns Investments PLC, LOLC International (Private) Limited, LOLC Advanced Technologies (Private) Limited, LOLC Asia (Private) Limited, LOLC Global (Private) Limited, Ceylon Graphene Technologies (Private) Limited and LOLC Africa Holdings (Private) Limited.

Prior to joining LOLC Group, Mr. Jayawardena was Country Head and CEO (Sri Lanka and Maldives) at Citibank NA from 1998 to 2007, where he also undertook assignments in New York and Manila. In recognition of his leadership and transformative impact at LOLC Holdings PLC, he was awarded the CITI Distinguished Alumni Award for Leadership by Citi Group in New York in 2024.

Mr. Jayawardena's professional contributions include serving as Chairman of the Sri Lanka Banks' Association (2003/04), President of the American Chamber of Commerce in Sri Lanka (2006/07) and holding memberships in the Financial Sector Reforms Committee, National Council of Economic Development, and the United States-Sri Lanka Fulbright Commission.

He holds an MBA in Financial Management and is a Fellow of the Institute of Bankers as well as an Associate Member of the Institute of Cost and Executive Accountants, London (UK).

MRS. KALSHA AMARASINGHE

Executive Director

Mrs. Kalsha Amarasinghe holds an Honours Degree in Economics and has an outstanding vision for investments.

Mrs. Amarasinghe serves on the Boards and subsidiaries of LOLC Holdings PLC and Brown & Company PLC including Palm Garden Hotels PLC, Eden Hotel Lanka PLC, LOLC General Insurance PLC, Browns Investments PLC, Serendib Hotels PLC, Hotel Sigiriya PLC, Green Paradise (Pvt) Ltd, P L Resorts Ltd, Browns Holdings Ltd and Three Tips Ella (Pvt) Ltd.

CONRAD DIAS

Non-Executive Director

Mr. Conrad Dias holds a Master's in Business Administration [MBA] from University of Leicester UK, Fellow Member of Chartered Management Accountants UK [FCMA] & Chartered Global Management Accountants [CGMA-USA]. He is also a Fellow of Certified Management Accountants of Sri Lanka [FCMA], and British Computer Society [FBCS].

His experience spans close to three decades as a visionary thought leader in business technology and his C-Level experience spans over 20+ years. He is a fintech enthusiast who has innovated many financial technology products and solutions and he is the founder of iPay; a revolutionary platform beyond payments and founder of OYES, another fintech platform that makes every day a payday.

His thought leadership on technology and contribution in the field of ICT to the industry, society and in LOLC Group has been recognised by many local and international awards including the prestigious Computer Society of Sri Lanka CIO of the year 2016. He was also awarded the Professional Excellence Award 2017 at the event organised by the Institute of Certified Management of Accountants Sri Lanka. Further he was selected as one of the 11 inductees of the Global CIO Hall of Fame 2020 and CIO 100 honouree for year 2020, the only Sri Lankan to get this accolade and also the CIMA top 50 ICONS in the year 2021.

KANDIAH SUNDARARAJ

Senior Independent Director

[AWEF 01.01.2025]

Mr Kandiah Sundararaj counts over 29 years experience in Accounting, Auditing and Tax consulting. He started his career as a Chartered Accountant in 1998 and is currently serving as the Tax Partner in M/s Amerasekera and Company, Chartered Accountants.

Mr Sundararaj is a fellow member of the Institute of Chartered Accountants of Sri Lanka and holds a Master of Business Administration in Finance from the University of Colombo.

KANTHIMANY SIVANESAN

Independent Director

[AWEF 12.03.2025]

Mr. K. Sivanesan is the Partner – Head of Tax of Amerasekera & Co. Chartered Accountants, a well-known professional in tax advisory services. He bears a track record of more than 20 years in the field of taxation. Mr. Sivanesan is a specialist in research and technical studies in the subject of taxation. He is a Fellow member of the Institute of Chartered Accountants of Sri Lanka and the Institute of Certified Management Accountants of Sri Lanka. Mr. Sivanesan holds a Bachelors Degree in Commerce from the University of Sri Jayawardenepura. He was a lecturer for the subject of taxation for final level students of CA Sri Lanka.

SANJAYA KALIDASA

Non-Executive Director

[AWEF 16.06.2025]

Mr. Sanjaya Kalidasa is an expert in Treasury, ALM and Fund Management with over 20 years of professional experience in both financial and non-financial sectors through his career in Multi National Groups. Sanjaya started off his career at one of the Development banks and worked at the Central Bank of Sri Lanka/Government Treasury prior to joining to the management at Group Treasury to the then largest listed Multinational Conglomerate in Sri Lanka. He is proficient in international investments, mergers and acquisitions, investment portfolio management and other strategic diversification in over 25 international markets. He serves as a director on several LOLC Group Boards including LOLC Financial Sector Holdings Pvt Ltd, Singapore, LOLC Asia Pvt Ltd, Singapore and Gal Oya Holdings Pvt Ltd.

He holds a Masters in Financial Economics, A BSc (Hons) in Business, Finance & Computational Mathematics and is a passed finalist of CGMA.

DESAMANYA DHARMASIRI PIERIS

Non-Executive Director

[Retired WEF 12.03.2025]

Desamanya Dharmasiri Pieris is a graduate of the University of Ceylon [Peradeniya]; Fellow of the Chartered Management Institute, UK

and has been conferred the Degree of Doctor of Letters [Honoris Causa] by the University of Colombo. Doctor of Letters [Honoris Causa] by the University of Westminster [UK] and the title of Honorary Senior Fellow by the Post Graduate Institute of Medicine. He is also "A Distinguished Fellow" of the institute of National Security Studies Sri Lanka. His career was in the then Ceylon Civil Service and later, on the abolition of that service in the Sri Lanka Administrative Service. He had a distinguished career in the public service and held several important posts, including that of the Secretary to the Prime Minister; Secretary, Ministry of Public Administration, Provincial Councils and Home Affairs; Secretary, Ministry of Agriculture, Food and Cooperatives & Secretary, Ministry of Education and Higher Education.

He has also acted on several occasions in addition to his duties, in the post of Secretary to the Ministry of Defence and External Affairs and Secretary to the Ministry of Trade and Shipping. He has at various times been the Chairman of the National Institute of Education; Chairman, Board of Management of the Sri Lanka Institute of Development Administration; Chairman of the - Agrarian Research and Training Institute; Chairman of the Public Sector Infrastructure Development Company; Chairman of the National Development Trust Fund, Chairman and Director General of Broadcasting; The Executive Vice Chairman - Sri Lanka National Commission for UNESCO, and Chairman of The National Eisenhower Award Nomination Committee on the Invitation of the Ambassador for the United States of America and Chairman S. W. R. D. Bandaranaike National Memorial Foundation Board which governs the BMICH, the BCIS. and The Sirimavo Bandaranaike Convention Hall.

He has also served on the Governing Councils or Boards of Management in several Universities and Post Graduate Institutes, including the council of the University of Colombo; the Board of Management of the Post Graduate Institute of Medicine; the University of Colombo School of Computing; the Council of the Buddhist and Pali University; The Board of Management of the Arthur C. Clarke Centre of the University of Moratuwa; the Post Graduate Institute of Archaeology of the University of Kelaniya and the Post Graduate Institute of Management of the University of Sri Jayawardenapura. He has been a Director at People's Bank, the People's Merchant Bank, Merc Bank and a Member of the Rural Credit Advisory Committee of the Central

OVERVIEW

Board of Directors

Bank. He has also from time to time served on the Governing Boards of the National Institute of Plantation Management; the National Human Resource Development Council; the Ceylon Shipping Corporation; the Cooperative Wholesale Establishment, Sri Lanka Film Corporation; National Education Commission; The Sri Lanka Foundation Institute; The National Committee on Women; the National Council for Elders; Mahapola Higher Education Scholarship Trust; the National Institute of Social Development; Member Board of Trustees of the Tower Hall Foundation; Member Advisory Committee on Regional Cooperation in Education in Asia and the Pacific appointed by the Secretary General of UNESCO; Governor for Sri Lanka on the Governing Board of the SAARC Centre for Human Resource Development - Islamabad, Pakistan. He led the Sri Lanka Delegation to the 51st ESCAP meeting of ministers held in Bangkok, Thailand in 1995 and was elected a Vice President of the meeting in which role he chaired the ministerial meeting on occasion and was also elected as a member of the Credentials Committee.

He has also led the Sri Lanka delegation to the Annual Sessions of UNESCO in Paris and been a Senior member of delegations to the non-aligned conference in Colombo and to ministerial meetings of agriculture at F. A.O. in Rome and of Commonwealth Education ministers in Barbados and Islamabad. He has also been either leader or Senior member of various official delegations on the subjects of food; agriculture; trade; education and public administration and Governance for meetings held in the USA, Britain, France, Germany, Sweden, Norway, Switzerland, Australia, India, Pakistan, China, Malaysia, Singapore, Thailand, Indonesia, Burma, Philippines, Japan, Egypt, The Soviet Union, South Korea, Libya, Italy, Mexico, Barbados and Canada.

He has served as a Member of the National Salaries Commission; a Member of the Presidential Commission on Finance and Banking and has chaired three presidential committees; one to examine and report on the proposed mechanised gem mining in the Kalu Ganga; the other on the Functioning of the Survey Department, and the third on the Sri Lanka Foreign Service. He was a member of a Presidential committee tasked "To identify and study the problems of the university system and to make recommendations". He was a member of a senior officials committee appointed by

the Cabinet and Chaired by the Governor of the Central Bank tasked with producing a report on the overall subject of poverty alleviation. This report was termed the Janasaviya report and formed the basis for setting up the Janasaviya Trust.

He was a member and later Chairman of the Panel of Legal/Constitutional experts appointed by the President to serve the National All-Party Conference on constitutional reform. He had served from time to time as Senior Adviser in the Ministry of Foreign Affairs; Science and Technology; Tourism; and Justice. Currently, he functions as the Chairman of the Board of Management of the Informatics Institute of Technology and serves on the Board of Directors of LOLC Holdings PLC; the Governing Board of the Regional Centre for Strategic Studies. He is also a member of the Academic Affairs Board for Post Graduate Studies of the Sri Lanka Institute of Development Administration (SLIDA); the Board of Management of the SANASA Campus; a Director of the Mercantile Merchant Bank/Pathfinder Group and a member of the Board of Governors of Vidyodaya Pirivena - Maligakanda. Desamanya Pieris also lectures from time to time on invitation, at SLIDA; the Defence Services Command and Staff College at Sapugaskanda; the Bandaranaike International Diplomatic Training Institute and the Kotelawala Defence University and at senior level training courses at various institutions.

He has delivered four convocation addresses, at the University of Colombo; Sri Jayawardenapura; Ruhuna and the Open University. He has also on invitation delivered four National Memorial Orations the Lalith Athulathmudali Memorial Oration; the Sir Ponnambalam Arunachalam Memorial Oration; the Vidyajothi Professor V. K. Samaranyake Memorial Oration; and the Senator Dr. A. M. A. Azeez Memorial Oration. He has also been conferred the high National Honour of "Desamanya" for "Distinguished Service of a highly meritorious nature to the Nation". He has written the foreword to several books authored by distinguished professionals in various fields and contributed articles to several commemoration publications including the 50th Anniversary commemoration volume of the University of Peradeniya and the Prime Minister Sirimavo Bandaranaike commemoration volume. He has recently written the Foreword to a limited-edition Coffee Table Book entitled "A Pictorial Biography" of the world's first woman Prime Minister,

Sirimavo Bandaranayake; and recently served on a Presidential Committee to set up an international level "School of Public Policy and Governance". He has published his memoirs of his experience in the public service of Sri Lanka in a book titled "In the pursuit of governance".

DR. RAVI FERNANDO

Non-Executive Director
[Resigned WEF 31.03.2025]

Dr. Ravi Fernando is an Alumni of the University of Cambridge having completed both a Post Graduate Certificate in Sustainable Business in 2008 and Master of Studies in Sustainability Leadership in 2014. He has an MBA from the University of Colombo. He holds a Doctor of Business Administration Degree from the European Business School in 2016. He completed the Advanced Management Program at the INSEAD Business School (France) and is an INSEAD Executive in Residence since 2010. He is a Member of the Board of Study at the Post Graduate Institute of Management (PIM) since March 2023 and is a Visiting Faculty member.

In April 2020, he created the '21st Century Board Leadership Model-MasterClass'® for the Institute of Directors of Luxembourg. In February 2023, he published '21st Century Leadership to Fight the Code Red for Business' (Archway Publishing USA).

His career with Multinationals spanned 1981-2007 with Unilever, Reckitt Benckiser, Smithkline Beecham International covering Africa, Middle East and Asia. He was the first CEO of the Sri Lanka Institute of Nanotechnology 2008-2011 and Operations Director of the Malaysia Blue Ocean Strategy Institute 2011-2016. He was the first UN Global Compact Focal point in 2007 and set up the UNGC Sri Lanka Network. He serves on the Boards of Global Strategic Corporate Sustainability (Private) Limited, LOLC Holdings PLC, Dilmah Ceylon Tea Company PLC, MelstaCorp PLC, Aitken Spence Plantations Ltd, Aitken Spence Hotel Holdings PLC, UN Global Compact, Ceylon Graphene Technologies (Private) Limited and Ceylon Asset Management Co. Ltd. In 2007 "Global Strategy Leadership award" was presented to him by Professor Renee Mauborgne of INSEAD at the World Strategy summit.

STRATEGIC DIRECTION; PURPOSEFUL ADVANCEMENT

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Financial Review

THE GROUP REPORTED A GROSS INCOME OF LKR 339.9 BILLION, REFLECTING A 3.05% INCREASE OVER THE PREVIOUS YEAR. THIS WAS SUPPORTED BY A 3% GROWTH IN INTEREST INCOME, WHICH REACHED LKR 167 BILLION. MORE NOTABLY, REVENUE SURGED BY 30.6% TO LKR 112.2 BILLION, UNDERLINING THE GROUP'S SUCCESSFUL EXPANSION ACROSS ITS CORE BUSINESS SECTORS. PROFIT BEFORE TAX (PBT) FROM CONTINUING OPERATIONS STOOD AT LKR 52.1 BILLION, MARKING A 72.7% INCREASE FROM THE PREVIOUS YEAR, WHILE PROFIT AFTER TAX (PAT) NEARLY DOUBLED TO LKR 41 BILLION, AN 88.5% RISE.

LOLC Holdings PLC delivered a strong financial performance in the fiscal year 2024/25, marked by robust revenue growth, enhanced profitability and a significant increase in shareholder value.

REVENUE AND PROFITABILITY

The Group reported a gross income of LKR 339.9 billion, reflecting a 3.05% increase over the previous year. This was supported by a 3% growth in interest income, which reached LKR 167 billion. More notably, revenue surged by 30.6% to LKR 112.2 billion, underlining the Group's successful expansion across its core business sectors.

Profit before tax (PBT) from continuing operations stood at LKR 52.1 billion, marking a 72.7% increase from the previous year, while profit after tax (PAT) nearly doubled to LKR 41 billion, an 88.5% rise. This significant uplift in earnings was driven by improved operational performance and a gain of LKR 54.5 billion from the acquisition of group investments, more than doubling the prior year's contribution from similar activities.

Despite a reduction in other income (down 55.2% YoY), lower interest expenses (down 17.3%) and a 23.4% reduction in impairment losses contributed to the strong bottom-line performance.

EARNINGS AND SHAREHOLDER VALUE

Earnings per share (EPS) increased to LKR 104.61, up from LKR 62.95 in the previous year an 66.2% improvement. Net Assets per share also rose by 14.76% to LKR 721.16, reflecting the Group's strengthened equity position.

FINANCIAL POSITION

Total assets expanded by 16.7% to LKR 2.03 trillion, underpinned by growth in loans and deposits [+8.1%] and increased in property, plant and equipments [+28.2%].

The Group's equity base grew by 23.98%, reaching LKR 604.2 billion, while total liabilities increased by 13.82%. Financial liabilities at amortised cost rose in tandem with business growth, up 11.68% to LKR 1,166.8 billion. The balance sheet remains robust, with a healthy capital structure supporting future expansion.

SEGMENT PERFORMANCE

- » Financial Services continued to be the Group's cornerstone, contributing LKR 190.9 billion in income and delivering PBT of LKR 39.3 billion, a 6.4% increase.
- » Long-Term & General Insurance posted a strong YoY growth of 23.5% in income, although PBT declined by 22.7%.

- » Plantation & Power recorded the highest growth among all sectors, with income increasing by 86.1%, despite a segment loss in PBT of LKR 9.05 billion, due to macroeconomic and operational challenges.
- » The Manufacturing & Trading and Leisure & Entertainment segments recorded income declines of 4.5% and 29.6%, respectively, contributing to negative PBT.
- » Income from Equity Accounted Investees contributed LKR 4.2 billion to Group PBT.
- » The overall segmental contribution resulted in consolidated income of LKR 339.9 billion, up 3.05% YoY.

FUTURE OUTLOOK

LOLC Holdings PLC remains confident in its growth trajectory and strategic direction. The Group has built a resilient platform across its diversified investment portfolio, with Financial Services continuing to deliver steady credit growth aligned with the broader economic recovery in Sri Lanka and globally. The strategic focus will be on consolidating recent acquisitions, driving profitability from new investments and further strengthening regional presence.

Key strategic priorities include:

» **Turning Around Newly-acquired Plantations in Kenya:**

Focused initiatives to improve operational efficiency and ensure these plantations become significant contributors to Group profitability.

» **Expansion Across Africa and Asia:**

Continued geographic expansion leveraging credit growth momentum post-pandemic, deepening market reach and diversifying growth sources.

» **Asset Optimisation:**

Rationalising and optimising the asset base by allocating resources to the highest-value opportunities to improve overall returns.

Through these initiatives, the Group is well-positioned to sustain growth, enhance shareholder value and uphold its commitment to innovation, operational excellence and stakeholder trust.

CONCLUSION

LOLC Holdings PLC has demonstrated strong financial resilience and strategic foresight in 2024/25. With robust growth in key financial metrics, a diversified and growing asset base and clear strategic priorities for the future, the Group is well-equipped to navigate evolving market conditions. The management's focus on operational excellence, prudent risk management and value creation positions LOLC to continue delivering sustainable long-term growth and returns to shareholders.

Operating Environment

OVERVIEW OF THE GLOBAL ECONOMY

The global economy in 2024 unfolded against a backdrop of several years of extraordinary volatility caused by the pandemic as well as geopolitical tensions. Nevertheless, the year under review was characterised by tentative stabilisation. Growth moderated in most advanced economies, while select emerging markets displayed signs of momentum.

Global trade flows in 2024 reflected both recovery and reorientation. While trade volumes grew modestly, protectionist tendencies, strategic decoupling and technological rivalry shaped patterns of exchange. Regional trade agreements and bilateral pacts gained traction as countries sought to shield themselves from global uncertainties. Shipping disruptions in key routes due to climate and security issues, also highlighted vulnerabilities in global logistics.

Financial markets exhibited cautious optimism in 2024. The decline in inflationary pressures and expectations of looser monetary policy encouraged risk-on sentiment, driving equity markets higher, particularly in the US and parts of Asia. Oil prices fluctuated in response to OPEC+ production strategies, geopolitical risks in the Middle East and fluctuating global demand. Agricultural commodities were influenced by climate anomalies, underscoring the growing risks of environmental shocks on economic stability.

Looking ahead to 2025, the global economic outlook is cautiously optimistic, though uncertainty remains elevated. Growth is expected to remain moderate, with the International Monetary Fund (IMF) projecting global GDP expansion of around 3%. Advanced economies are likely to see subdued growth as the effects of past tightening cycles linger, while emerging and developing economies are forecast to account for the bulk of global expansion.

SRI LANKA - MACROECONOMIC REVIEW

The year 2024 marked a turning point for Sri Lanka, as the economy continued its gradual transition from the severe crises from two years back toward a path of stabilisation. Supported by structural reforms, debt restructuring milestones and improved investor sentiment, the local economy witnessed renewed signs of resilience across multiple sectors of the economy. The successful restructuring of the bulk of Sri Lanka's external debt alleviated near-term fiscal pressures and provided space to rebuild external buffers and restore credibility with global financial markets. The subsequent credit rating upgrades underscored improved market perceptions, while a stronger rupee and an increase in official reserves provided further stability to the external sector.

Growth was supported by the revival of industry and services, with manufacturing, construction, and food and beverage production regaining momentum. Tourism's resurgence also had a multiplier effect, stimulating demand in accommodation, transport, retail and food services. Migrant workers abroad remained a vital source of foreign exchange, with remittance flows strengthening throughout the year and helping offset the trade deficit.

Private consumption, however, remained subdued, reflecting the strain of compressed household incomes and cautious consumer behaviour. While declining interest rates and reduced inflationary pressures offered some relief, households largely prioritised essential spending, and broader discretionary consumption recovered only gradually.

Monetary policy during the year was distinctly accommodative, with significant reductions in policy and market interest rates aimed at reviving investment and private sector credit flows. The resulting expansion in private credit signalled improved business confidence and

greater willingness to engage in expansionary activity, particularly in construction, trade and services. Inflation, which had been a major concern during the crisis period, eased dramatically in 2024, even entering negative territory during the latter part of the year. This trend was aided by currency appreciation, adjustments in administered prices and by improved supply conditions.

Looking back, 2024 can be seen as a year in which Sri Lanka laid the foundations for future recovery. With political stability, continued policy reform and the alignment of global conditions, Sri Lanka now has the potential to move from stabilisation to sustainable growth over the coming years.

Financial Services

FINANCIAL SERVICES

LOLC FINANCE PLC DELIVERED ITS MOST SUCCESSFUL FINANCIAL PERFORMANCE TO-DATE, RECORDING A PROFIT AFTER TAX IN EXCESS OF RS. 25 BILLION. THIS IS NOT ONLY THE HIGHEST-EVER PROFIT RECORDED BY LOLC FINANCE, BUT IT ALSO MARKS THE SINGLE-LARGEST PROFIT EVER DECLARED BY A NON-BANKING FINANCIAL INSTITUTION (NBFI) IN SRI LANKA'S FINANCIAL SERVICES HISTORY.

LOCAL

LOLC FINANCE PLC

Against the backdrop of a stabilising macroeconomic environment and a lower interest-rate regime, LOLC Finance PLC delivered its most successful financial performance to-date, recording a Profit After Tax in excess of Rs. 25 billion. This is not only the highest-ever profit recorded by LOLC Finance, but it also marks the single-largest profit ever declared by a Non-Banking Financial Institution (NBFI) in Sri Lanka's financial services history. Moreover, the company successfully mobilised a total of Rs. 19.3 billion from customer deposits during the year, comprising Rs. 15.2 billion in fixed deposits. Its savings portfolio achieved a significant milestone, reaching Rs. 4.1 billion. The number of depositors during the period touched 627,071. Crucially, LOLC Finance became the first NBFI in Sri Lanka to surpass Rs. 200 billion in fixed deposit mobilisation, marking a historic moment in the industry and setting a benchmark for peers. LOLC Finance PLC occupies a unique position in the financial ecosystem of Sri Lanka. Through its inclusive financial model and broad product portfolio, the company has consistently empowered individuals and enterprises at the grassroots, while driving growth and resilience in the SME sector.

At the heart of its journey in 2024/25 was a clearly articulated strategic focus: driving sustainable growth, expanding reach across underserved regions, maintaining asset quality and continuously improving

operational efficiency. The company's growth was underpinned by a solid and diversified business model that is responsive to market dynamics by maintaining a strong asset base, prudent lending practices and disciplined cost structures. Risk management processes were continuously refined to align the changing credit landscape, resulting in a marked improvement in asset quality and a significant reduction in its non-performing loan (NPL) ratio.

A cornerstone of its ongoing transformation journey is the company's concerted push toward digitalisation, aligned with its Environmental, Social, and Governance (ESG) goals. The year marked the formal initiation of a company-wide digital task force with the singular objective of reducing physical documentation across all touchpoints to target a fully paperless environment.

LOLC Finance's lending portfolio spans a wide array of products tailored to the diverse needs of Sri Lankans – from grassroots entrepreneurs to emerging middle-income segments and established SMEs. Across the board, the lending business continued its momentum during the year under review, underpinned by innovation, customer insight and a commitment to inclusive growth. In addition to financing, the company actively invests in the development of its customers. The total loan customers stood at 465,250 during the period under review.

The company's operating lease business, which had been dormant due to vehicle import restrictions, was actively relaunched during

the year. A new product was developed to cater to pre-owned vehicles while capitalising on the recent resumption of new vehicle imports.

Factoring services also contributed meaningfully to lending operations, with an execution value of Rs. 1.37 billion. Meanwhile, gold-backed lending continues to be one of LOLC Finance's flagship offerings, with total lending of Rs. 94.37 billion and a portfolio growth of Rs. 10.7 billion during the year. Over 5,095 new customers were onboarded, averaging 425 new customers each month – a strong indicator of the product's appeal and accessibility. The year under review witnessed strategic enhancements designed to deliver greater convenience and access. Notably, the Gold Loan service was launched at two additional branches: Wattegama and Malabe, further expanding the product's reach across Sri Lanka.

The credit card business recorded impressive growth, with 27,394 new cards issued – among the highest in the market, even in comparison to banks. This translated into a portfolio growth of Rs. 1.38 billion, underlining the company's successful penetration into the digital payment space. In a first in Sri Lanka's credit card industry, LOLC Finance introduced the Blind Notch Mastercard Credit Card, manufactured to ISO standards. This innovation allows visually impaired customers to identify and differentiate cards (credit, debit and stored value) through a tactile notch, enabling greater independence and accessibility.

Financial Services

Meanwhile, the Alternate Financial Services Unit of LOLC Finance PLC delivered outstanding results with revenue increasing by 8.05% year-on-year to Rs. 7.39 billion. Profit from operations nearly doubled, rising by 86.11% to Rs. 3.04 billion, while Profit Before Tax (PBT) surged by 84.61% to reach Rs. 2.40 billion. The Business Unit also strengthened its balance sheet significantly with the portfolio growing by 30.28% to Rs. 37.9 billion, while total assets stood at Rs. 39.4 billion at year-end.

LOLC Finance's iPay continued to be a leading force in Sri Lanka's digital payment space. The platform now has over one million downloads and 685,000+ registered users. During the year under review, transaction volumes reached Rs. 163 billion, reflecting a 20% year-on-year growth. The platform processed over 21 million transactions. iPay also received multiple awards for innovation and excellence, such as Gold awards for Best Digital Payment Strategy (Banks & NBF), Best Mobile Application for Retail Payments via JustPay (Banks & NBF), Excellence in Customer Convenience (NBF), Financial Inclusivity (NBF) and Overall Excellence in Digital Payments (NBF); and a Merit award for Most Popular Digital Payment Product (Private Banks & NBF) at the LankaPay Technnovation awards 2025.

The performance of the Recoveries function during 2024/25 underscores the team's proactive and disciplined recovery mechanisms as it recorded a collection rate of 102.6%. This resounding performance resulted in a cumulative collection of Rs. 3.5 billion over and above the value of new disbursements - demonstrating a robust approach to portfolio management and risk mitigation. Despite prevailing macroeconomic challenges, the net non-performing loan (NPL) ratio was contained at 4.81%, a significantly lower figure compared to industry benchmarks.

The Information Technology (IT) department of LOLC Finance PLC continued to serve as a strategic enabler, delivering innovation-driven transformation across the organisation's operational, customer service and compliance landscapes. Digital transformation remained a central focus, with the department executing a number of high-impact initiatives that

directly enhanced efficiency, customer convenience and risk intelligence. Among the most noteworthy accomplishments was the launch of the Digital Gold Loan Top-Up feature, a facility that enables gold loan customers to access top-up funds instantly via iPay, IVR or LOLC Real-time. A significant milestone was achieved with the deployment of an AI and ML-based credit appraisal scoring mechanism. One of the year's standout innovations was the introduction of Sri Lanka's first Large Language Model (LLM) AI Chatbot for customers.

In 2024/25, LOLC Finance continued to place human capital at the centre of its organisational transformation, aligning HR strategies with business objectives to enhance efficiency, engagement and cost-effectiveness. A multi-pronged approach was implemented, focusing on optimising the cost structure, driving employee engagement and developing a performance-based incentive structure to support sustained productivity across the organisation. A major milestone during the year was the near-completion of the HR automation journey.

Furthermore, LOLC Finance PLC's branch network, comprising more than 200 locations across the country, remained the cornerstone of its distribution strategy in 2024/25. Despite the strategic reduction in branch count from 212 to 203, the company continued to expand its operational footprint in terms of business volume and customer acquisition. As a result of these efforts, the branch network was primarily responsible for the Rs. 47 billion portfolio growth achieved during the year under review, underscoring its continued relevance and operational strength. A significant achievement during the year was that 100% of branches operated profitably - a marked improvement from previous years, where 28 branches were loss-making in FY 2022/23 and 14 in FY 2023/24. Along with retaining existing customers during the year under review, over 42,000 new customers were onboarded - none of whom had prior relationships with the company. This growth reflects not only the trust placed in the company's offerings, but also the dedication and reach of its branch teams. As the primary conduit for its broad portfolio of financial products and services, the branch network played a critical role in driving new business.

In 2024/25, branches were instrumental in executing over Rs. 177 billion in new business, including approximately Rs. 160 billion in SME financing and Rs. 17 billion in personal financial facility, demonstrating the company's deep penetration across both formal and grassroots segments.

Notably, LOLC Finance was recognised as the 'Most Loved Brand in the Leasing and Finance category' by LMD and Brand Finance, affirming the brand's emotional resonance with consumers and the effectiveness of its integrated communications strategy. In addition to its Brand Finance and LMD recognitions, LOLC Finance was named the 'Financial Service Provider of the Year' for an unprecedented eighth consecutive year at the SLIM-KANTAR People's Awards, demonstrating enduring public confidence and trust.

LOLC Finance's environmental efforts go beyond regulatory compliance and reflect a strategic vision of long-term ecological resilience, biodiversity preservation, and proactive climate adaptation. The formal transition of the Deniyaya Forest Restoration Project to Q2 Research Consultancy and Solutions (PVT) LTD ensured continuous implementation and monitoring with a science-based framework. The inclusion of a butterfly garden and Miyawaki forest cluster highlights a commitment not just to reforestation, but to ecological innovation tailored to Sri Lanka's unique habitats. Similarly, the mangrove restoration initiative in the Anawilundawa Wetland Sanctuary, co-organised with Biodiversity Sri Lanka (BSL), focuses on rehabilitating critical coastal ecosystems under threat. Supporting these actions are workplace-centered micro-initiatives such as the rollout of a centralised paper recycling bin programme and the replacement of plastic water bottles with reusable glass bottles. These measures show how LOLC Finance's green strategy cascades from macro-level reforestation down to everyday operational decisions. Energy and water efficiency are managed through a dedicated resource monitoring system.

In 2024/25, LOLC Finance focused on strengthening its fundamentals through improved governance, asset quality, and operational efficiency. The company continued to expand its digital footprint and prioritised

sustainable growth. Looking ahead, LOLC Finance remains committed to prudent risk management and long-term value creation for all stakeholders.

LOLC AL-FALAAH

LOLC Al-Falaah, the Alternate Financial Services Unit of LOLC Finance PLC, retained its position as the leading Islamic banking & financial services provider in Sri Lanka's NBFIs sector during the financial year ending 31st March 2025. Building on its strong legacy, the Business Unit recorded robust growth across all key performance indicators while continuing to expand its diverse portfolio of Shari'ah-compliant financial products and services.

LOLC Al-Falaah delivered outstanding results with revenue increasing by 8.05% year-on-year to Rs. 7.39 billion. Profit from operations nearly doubled, rising by 86.11% to Rs. 3.04 billion, while Profit Before Tax (PBT) surged by 84.61% to reach Rs. 2.40 billion. The Business Unit also strengthened its balance sheet significantly with the asset base growing by 30.28% to Rs. 37.9 billion, while total assets stood at Rs. 39.3 billion at year-end. Retained earnings increased by 22.77% to Rs. 6.19 billion, reflecting the strength of its operating model. The Non-Performing Loan (NPL) ratio was maintained at a healthy 3.89%, significantly below industry averages, while Return on Equity (ROE) improved to 30.00%.

The liability portfolio also demonstrated resilience, with overall growth of 3.61%. The Mudharabah Fixed Deposit base increased by 34.75% to Rs. 7.84 billion, and Mudharabah Savings rose by 26.70% to Rs. 2.09 billion. Wakalah Fixed Deposits declined slightly by 10.52%, to Rs. 13.88 billion.

On the assets side, the advances portfolio expanded by 27.20%. Diminishing Musharakah property & project finance accommodations continued to be the largest contributor, growing by 19.86% to Rs. 24.94 billion. Ijarah lease assets rose by 26.49% to Rs. 6.66 billion, while the Murabaha, Musawamah, and Wakalah working capital finance segment increased by 129.11% to Rs. 3.43 billion. Notably, the Wadi'ah gold-storage advances portfolio more than doubled with an 84.85% increase, reaching Rs. 2.84 billion - a

significant milestone that makes LOLC Al-Falaah the first NBFIs in Sri Lanka to achieve this level of performance in Wadi'ah-based advances.

FY 2024/25 also marked a year of firsts in product innovation. The Business Unit became the first NBFIs in the country to launch the Ijarah Operating Lease, an asset rental arrangement that enables customers to access vehicles or equipment for a fixed period through regular rental payments. Another major milestone was the scheduled launch of Wakalah Future-Cash in Q4 of the year, a pioneering alternate factoring and working capital solution aimed at unlocking receivables for businesses. These innovations reinforce LOLC Al-Falaah's commitment to offering a 360-degree alternate finance product portfolio.

In recognition of its sustained excellence, LOLC Al-Falaah continued to receive industry-wide accolades during 2024/25. LOLC Al-Falaah was named Winner - Islamic Leasing Provider (Global) at the prestigious IFN Awards. At the SLIBFI Awards held in Sri Lanka in the period under review, the Business Unit secured Silver Awards in the categories of NBFIs of the Year, Window of the Year, and Entity of the Year, along with a Merit Award for Social Upliftment. Furthermore, at the 9th South-Asian regional industry practitioners IFFSA Awards, LOLC Al-Falaah was also recognised with Silver Awards for NBFIs of the Year and Window of the Year categories, Bronze for Best Digital Product/FinTech Offering and Merit Award for Social Upliftment. These accolades affirm LOLC Al-Falaah's leadership in the alternate financial services domain, driven by prudent risk management, a strong compliance framework and a consistent focus on digital innovation.

As the first NBFIs to launch several Shari'ah-compliant financial instruments, the Business Unit continues to break new ground in meeting the evolving financial needs of individuals and businesses alike. With a track record of strong performance, pioneering products and customer trust, LOLC Al-Falaah is well positioned to further consolidate its position as the benchmark for alternate financial services in Sri Lanka

SEYLAN BANK

Seylan Bank delivered its strongest performance to date in 2024, posting a record Profit After Tax of Rs. 10 billion, reflecting a 60.7% year-on-year growth and marking the second consecutive year of over 30% profit expansion. This result was achieved despite operating in a dynamic economic environment that began with elevated interest rates and inflationary pressures before reversing in the latter half of the year. Net interest income for the year stood at Rs. 36.71 billion, a decline compared to Rs. 40.05 billion in 2023, largely due to the sharp drop in market interest rates, which compressed yields from loans and investment portfolios. Nevertheless, Seylan continued to strengthen its income base through a 7.14% growth in net fee and commission income, supported by increased activity in trade, remittances and card-related services.

The Loans and Advances portfolio grew by 5.61% to reach Rs. 462.9 billion, while deposits climbed by 9.33% year-on-year to Rs. 646.82 billion. Notably, CASA grew by 5.31% to Rs. 187.20 billion, bolstered by strategic efforts including wider deployment of Point-of-Sale terminals, Internet Payment Gateways and an expanded Cash Recycle Machine footprint.

Seylan Bank maintained a strong liquidity position throughout the year, with All Currency and Rupee Liquidity Coverage Ratios standing at 491.37% and 415.75% respectively, well above regulatory thresholds. The Net Stable Funding Ratio at 144.76% also reflected prudent balance sheet management. Capitalisation levels remained solid, with Tier 1 and Total Capital Adequacy Ratios at 14.25% and 18.59%, respectively, as at 31st December 2024. The Bank's Return on Assets improved to 1.34% from 0.90% in the prior year, and Return on Equity rose to 15.35% from 10.88%, highlighting improved profitability and operating efficiency. Reinforcing its growing financial strength, Fitch Ratings upgraded Seylan's national long-term rating by two notches to A+([lka]) with a stable outlook in January 2025.

A strategic thrust during the year was the expansion of the Bank's Trade Finance business, which saw an 80% growth in trade

Financial Services

volumes. The establishment of a dedicated Trade Hub in Pettah further supported this push, offering extended services and focused support for trade-related transactions. CASA growth was also supported by the growing network of Seylan's IPG and POS terminals, while customer convenience was enhanced through the installation of 99 CRMs, offering 24/7 access to basic banking services. Recovery management was another area of strategic focus. The Net Impaired Loan Ratio reduced to 2.10% by end 2024, compared to 3.85% in the previous year.

Digitalisation efforts accelerated during the year, with a 43% year-on-year increase in users of Internet Banking and Mobile App platforms, raising overall digital penetration to 33% from 22% in 2023. The mobile app was upgraded to include trilingual functionality and other enhanced features.

On the sustainability front, the flagship 'Seylan Pahasara' project extended its footprint to 265 libraries, benefitting approximately 350,000 school children. In the environmental space, the Bank continued to grow its green lending portfolio, while also focusing on internal efforts to reduce its carbon footprint through automation, paper reduction, energy, water conservation and improved waste management.

Looking ahead, Seylan Bank's strategic priorities remain focused on scaling low-cost funding, growing the loan book, boosting fee-based income, strengthening recoveries and continuing the digital and automation journey. The SME sector remains central to the Bank's growth agenda. Offshore lending will be pursued as a path to diversification and new revenue streams. Seylan Red, the Bank's premium offering for high-value customers, will be expanded to more locations in 2025, while collaboration with external partners is expected to drive innovation in digital banking products.

HDFC BANK

The year 2024 was one of transformation and consolidation for HDFC Bank, set against a backdrop of tightening regulation and a recovering domestic economy. Under new leadership from September 2024, the Bank focused on stabilising its financial position, restructuring its balance sheet, and regaining

momentum in lending, recoveries and operational efficiency.

HDFC Bank recorded a Gross Income of Rs 8.5 billion, reflecting a 40.5% year-on-year contraction, driven by a low interest-rate environment and sluggish loan recoveries. Interest income stood at Rs. 8.2 billion, including Rs. 5.8 billion from loans and advances. Despite the decline in income, prudent cost management led to a 22% increase in Net Interest Income, which rose to Rs. 2.8 billion, supported by a 39% reduction in interest expenses to Rs. 5.4 billion. However, profitability came under strain due to market headwinds and property revaluation losses. Profit Before Tax (PBT) declined sharply to Rs. 63 million from Rs. 2 billion in 2023, while Profit After Tax (PAT) recorded a loss of Rs 190 million, compared to a profit of Rs 1.3 billion in the previous year. The Bank maintained a strong capital position, with CET1 at 35.8% and a Liquidity Coverage Ratio of 223%, reflecting resilience and regulatory compliance.

HDFC Bank prioritised portfolio quality, recoveries and customer engagement. The total loan portfolio stood at Rs. 43.2 billion, slightly down from Rs. 43.7 billion while the NPL ratio remained elevated at 44%. A key success was the ramp-up of gold loan disbursements, which rose from Rs. 40–50 million to Rs. 250 million per month by early 2025. The Bank implemented stringent credit controls and introduced dynamic income-based borrower assessments to enhance lending quality. Collections improved significantly, with monthly recoveries between Rs. 1.2–1.4 billion, supported by legal actions, field recovery officers and customer engagement through recovery camps and customised repayment plans.

The deposit base closed the year at Rs. 52 billion, a marginal drop from Rs. 53.6 billion in 2023. Savings deposits increased by Rs. 290 million, while fixed deposits declined by Rs. 1.9 billion. The Bank is now actively pursuing longer-tenor funding solutions to resolve asset-liability mismatches and strengthen liquidity. The launch of a new core banking system was also a milestone, with plans to digitise customer services, reduce administrative costs and align with Central Bank regulations on risk and compliance.

The Bank's doorstep banking model played a critical role in serving vulnerable communities, with field staff facilitating collections, utility payments and deposits. The credit, risk and business development teams also ran financial literacy programmes, educating the public on financial safety and debt management.

HDFC Bank's strategic priorities include diversifying the funding mix, expanding SME and retail lending, increasing digitalisation and enhancing depositor confidence through competitive products and customer-centric services. Its upgraded BB+ [lka] stable rating from Fitch Ratings reinforces confidence in its direction.

SDB BANK

The year 2024 was pivotal for SDB Bank as it emerged from the shadows of Sri Lanka's economic crisis and entered a new era of sustainable, inclusive growth. While portfolio expansion was deliberately conservative, its performance reflected clear signs of operational revival.

The Bank recorded a Profit After Tax of Rs. 410 million, despite elevated social impact costs, demonstrating its ability to manage financial performance while fulfilling its broader development mandate. Fee income rose by 35.9% to Rs. 584 million, reflecting increased transaction volumes and operational activity. Although net advances declined by 4%, this was an intentional outcome of portfolio optimisation and risk mitigation. A key highlight was the strong traction in deposit mobilisation as savings deposits grew by nearly 24%, even as the fixed deposit base was strategically reduced to manage funding costs. As a result, the overall deposit base contracted marginally by 1%, but with a stronger, more stable composition.

SDB Bank's balance sheet reflected strength and stability. Liquidity Coverage Ratio (LCR) was maintained at a robust 279.65%, ensuring continued agility in the face of market volatility. Asset quality improved, with Stage III impaired loans reducing to 6.93% from 8.82%, demonstrating the effectiveness of its proactive credit risk management framework. Market confidence was evidenced in the 46% increase in the Bank's share price, closing the year at Rs. 45.90.

Digitisation remained a cornerstone of the Bank's future strategy. The UPay app was upgraded to offer improved functionality and customer value, while significant investments were made to enhance technology infrastructure. The Bank's activities in 2024 continued to align strongly with five of the UN Sustainable Development Goals. In line with this purpose, the launch of the SDB Rural Upliftment Programme marked a defining step in our commitment to inclusive growth. Nearly 16% of the Bank's lending portfolio was directed toward diversified agriculture, dairy and fisheries, which are sectors with high potential for national development and where women play a pivotal role.

The development of the Strategic Plan for 2026–2028 commenced in partnership with Rabo Partnerships B.V., a subsidiary of Rabobank Netherlands. This collaboration brings global expertise in rural development, food systems and financial inclusion, and will be instrumental in shaping SDB Bank's next phase of growth.

HNB

Hatton National Bank (HNB) concluded the year 2024 on a strong footing, recording a gross loan growth of Rs. 117.8 billion, recovering from a contraction in the first quarter and closing the year with a total asset base of Rs. 2.1 trillion, up 7.5% from Rs. 1.9 trillion in 2023. Deposits stood at Rs. 1.7 trillion, reflecting an 8.8% increase, while advances rose by 11.6% to reach Rs. 1.2 trillion. HNB's CASA base grew significantly by Rs. 113.5 billion (the highest level in a decade), bringing the CASA ratio to 36.4% from 31.8% at the end of 2023. The low interest-rate environment adversely impacted yields. As a result, interest income contracted by 21.6% compared to the previous year. However, this was partially offset by a 29.7% drop in interest expenses, owing to the strong growth in CASA deposits. Consequently, net interest income posted a 7.7% year-on-year decline. In contrast, net fee and commission income saw a 12.7% increase, driven primarily by higher card usage and digital transactions, although income from trade services saw some normalisation post-COVID.

Asset quality saw marked improvements, with the Net Stage 3 ratio reducing to 1.88% from 3.76% in 2023, while Stage 3

provision coverage increased to 74.42% from 57.49%. The conclusion of the sovereign debt restructuring in December 2024 allowed the Bank to reverse a previously held 52% provision on investments in ISBs, further contributing to the improvement in overall credit quality.

Retail banking continued to anchor HNB's business, achieving a 6.6% growth in 2024, supported by housing, leasing, cards and pawning portfolios. Retail fee income rose, bolstered by the continued growth of HNB's digital offerings. Retail deposits also gained momentum, with a 20.1% rise in CASA balances. Wholesale banking recorded a strong 11.7% expansion in its loan book, supported by a decline in impairments and successful campaigns to boost corporate CASA.

In SME banking, HNB increased credit disbursement to the sector by 16.8%, supported by a USD 3.0 million credit line from USAID. Meanwhile, asset quality of SME loans improved significantly, resulting in impairment reversals. The Bank's microfinance portfolio expanded by 24.8% year-on-year, largely directed towards agriculture under the Central Bank's NCRC scheme. The launch of HNB Sarusara in 2024 is aimed at empowering 30,000 agri-preneurs by end-2025.

HNB's treasury operations performed well amidst improving market sentiment. The Bank increased its exposure to government securities, with the local currency securities portfolio growing 16.6% and treasury bonds expanding by 85.5%. The appreciation of the rupee also enabled profitable forex operations, particularly in the SWAP market.

Subsidiaries contributed significantly to Group performance. HNB Finance PLC reported a 21.0% growth in its advances portfolio, with profits rising by 233.6% to Rs 937.6 million. Deposits grew by 8.2% despite a challenging environment for fixed deposits. HNB Assurance PLC recorded 21.2% year-on-year growth in Gross Written Premiums, exceeding industry averages. HNB Investment Bank, formerly Acuity Partners, was ranked No. 1 for debt capital raising and served as co-manager for Sri Lanka's first listed green bond issued by DFCC Bank.

The Bank enhanced its service delivery infrastructure, upgraded the CX Unit to 24/7

availability, introduced a 360-degree CRM system for branch staff, and implemented a Queue Management System to improve in-branch experiences. The Data Freedom Initiative enabled customers to access HNB's digital banking suite without data charges. In March 2024, HNB launched a Self-Onboarding platform, streamlining digital customer acquisition and banking access.

HNB's Gami Pubuduwa microfinance loan scheme, as well as its programme for freelance digital entrepreneurs, served to drive economic inclusion. The Bank continued to prioritise green lending and conservation projects, most notably its long-standing involvement in the Kanneliya Conservation Project in collaboration with IUCN, the Forest Department and Biodiversity Sri Lanka. For the third consecutive year, HNB retained its status as a certified carbon-neutral bank.

The Bank was recognised with multiple prestigious awards in 2024, including 'Sri Lanka's Best Bank' and 'Best Bank for SMEs' by Euromoney, and 'Best Retail Bank in Sri Lanka' by the Asian Banker for the 15th time, amongst others. Looking ahead, HNB announced the acquisition of the remaining 50% stake in Acuity Partners from DFCC Bank for Rs 6.5 billion, with the deal completed in January 2025 and rebranded as HNB Investment Bank. HNB also secured a banking license in Bangladesh, marking a strategic step toward regional expansion and risk diversification.

LOLC GENERAL INSURANCE

LOLC General Insurance delivered a performance of both strategic significance and operational strength in the financial year ending 31st March 2025. The company recorded a Gross Written Premium (GWP) of Rs. 11.49 billion, reflecting a 12% year-on-year growth from Rs. 10.23 billion in the previous year. This steady increase in GWP positions LOLC General as one of the few insurers in the industry to surpass the Rs. 11 billion mark within a relatively short timeframe, reaffirming its stature as a dynamic and rapidly scaling player in Sri Lanka's general insurance sector.

Despite the top-line growth, net earned premium rose at a more moderate pace of 5% year-on-year, amounting to Rs. 8.22

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billion compared to Rs. 7.86 billion in the prior year. Profit before income tax declined by 56% to Rs. 512.4 million, while profit for the year stood at Rs. 318.5 million, marking a 62% reduction from the previous year's Rs. 834.3 million. This drop in profitability was partly attributable to the broader cost pressures within the industry, including higher claims settlement expenses and increased provisioning, as well as investments made towards digital transformation and business expansion. Nevertheless, the company continued to maintain a strong balance sheet, with total assets growing by 8% to Rs. 19.59 billion. Investments increased to Rs. 14.08 billion, while property, plant and equipment rose by 42% to Rs. 310.4 million, reflecting sustained capital investment in physical infrastructure and digital systems to support its expanding operations.

As part of its commitment to innovation and sustainability, the company introduced a green claims handling concept, integrated into the digital customer portal, reducing reliance on paper-based processes and improving efficiency and environmental alignment. These efforts were reinforced by the December 2024 rollout of a virtual claim assessment system for motor accidents. This solution not only enhanced customer experience through convenience and faster turnaround times but also delivered meaningful cost savings, with a significant number of virtual assessments completed during the initial implementation period.

Branch expansion continued in earnest, with more than 10 new branches added to the network across the country, enhancing accessibility and local presence. In parallel, the company entered the leasing channel as a strategic avenue for new business growth, thereby diversifying its acquisition model and deepening engagement in the motor insurance space. Strategic partnerships were formed with organisations such as Lanka Hospitals and HNB Bank, creating synergies to offer value-added and convenient insurance solutions for a broader customer base.

LOLC General also launched a comprehensive digital transformation roadmap, focusing on multiple operational fronts. The sales force was equipped with advanced tools and real-

time insights to drive productivity, supported by the deployment of an E-Hub Management Information [MI] system designed using the latest data technologies. This allowed daily monitoring and evaluation of performance, enabling faster, data-backed decision-making. From a customer perspective, the company introduced seamless premium payment facilities such as QR Pay and Pay Link, further enhancing user convenience and digital engagement. Internally, a 'Daily Splash Dashboard' was implemented to monitor business performance in real time, empowering management with actionable insights and facilitating agile responses to emerging trends.

Operational excellence was further validated through LOLC General Insurance's ability to handle large and complex claims. A landmark achievement during the year was the successful settlement of one of the highest-value claims in the local industry, amounting to Rs. 2.7 billion.

In support of broader social objectives, LOLC General, engaged in a series of impactful initiatives during the year. The LOLC General company sponsored CDF Charity by offering complementary motor insurance for its ambulance fleet, which is dedicated to transporting cancer patients during emergencies. Furthering its community outreach, LOLC General supported the national Divi Saviya initiative in collaboration with the wider LOLC Group.

LOLC General was recognised as the Best General Insurance Company in Sri Lanka at the 5th Emerging Asia Insurance Awards organised by the Indian Chamber of Commerce. It also received awards for the Best Customer Oriented Company and Best Risk Management Strategy at the same platform, further affirming its leadership in customer service and governance. It was also ranked second as 'Best General Insurance Service Provider' by LMD. In addition, the company was honoured with the Great Managers Award by the Colombo Leadership Academy, with seven of its managers being recognised individually as Great Managers, marking the first time in the company's history that this distinction along with multiple individuals, was awarded.

LOLC LIFE ASSURANCE

LOLC Life Assurance delivered a year of exceptional performance in 2024/25, solidifying its position as one of the fastest-growing life insurance providers in Sri Lanka. Against the backdrop of an evolving industry landscape and increasing competition, the company recorded an outstanding 46% growth rate in Gross Written Premiums, reaching Rs. 8 billion, which is more than twice the industry average of 20%. This growth reaffirms its operational strength and the growing trust and loyalty of its expanding customer base. As a result, LOLC Life emerged as the third-largest group life insurance provider in Sri Lanka and climbed to seventh place in overall industry rankings, with a market share of 4.5%.

LOLC Life recorded a Profit Before Tax of Rs. 781 million and a Return on Equity of 14.5%, underscoring efficient capital deployment and prudent financial stewardship. A major milestone was the achievement of over Rs. 2 billion in claims paid, reinforcing LOLC Life's credibility and the tangible support it provides to policyholders in times of need.

Throughout the year, LOLC Life continued to focus on broadening access and enhancing service delivery. The Company expanded its footprint significantly by opening over 10 new branches, enhancing accessibility across the country. This expansion was complemented by the introduction of a new distribution channel, further strengthening the sales network and improving reach into previously underserved markets. Moreover, the bancassurance channel was reinforced through new Memoranda of Understanding [MoUs] signed with several key banking partners, further integrating insurance into customers' day-to-day financial journeys.

In line with its commitment to innovation, LOLC Life introduced 'Health Maxx', a pioneering health insurance solution that became the first in Sri Lanka's life insurance sector to offer cover of up to Rs. 100 million. This product was launched, marking a significant advancement in the industry's healthcare coverage standards. Notably, through Health Maxx, the Company has been able to support several key targets under the United Nations Sustainable Development Goal of Ensuring healthy lives and promoting

well-being for all at all ages. These include, reducing maternal mortality, ending preventable deaths of new-borns and children under five years of age to reduce neonatal mortality and under-five mortality, reducing premature mortality from non-communicable diseases through prevention and treatment, and promoting mental health and well-being, achieving universal health coverage, including financial risk protection, access to quality essential healthcare services, and affordable essential medicines and vaccines for all.

Through this innovative offering, LOLC Life continues to deliver impactful, future-ready solutions that promote long-term health and well-being for all Sri Lankans. The company also secured its place as the third-largest health insurance provider under group life insurance, demonstrating strength across multiple verticals within the life assurance domain.

LOLC Life made strong progress in rolling out a comprehensive digital roadmap aimed at enhancing productivity, transparency and convenience. For the sales force, advanced tools and real-time insights were deployed to improve performance monitoring and operational efficiency. The E-Hub MI system, built on modern data management platforms, allowed for daily performance tracking and sharper decision-making. For customers, digital enhancements such as QR Pay and Pay Link offered seamless and user-friendly premium payment options, improving the overall service experience. Internally, process automation and integration further contributed to streamlined workflows and stronger governance.

The company also continued to demonstrate its commitment to social impact and brand purpose. As part of the Labadi for Women initiative, LOLC Life introduced a special critical illness cover free of charge in celebration of International Women's Day. Furthermore, new mothers who gave birth on that day were presented with complimentary gifts, affirming the brand's dedication to women's well-being and community engagement.

Operational sustainability was further enhanced through the introduction of a green concept in the claims handling process. By

integrating digital tools such as OneClick, an intuitive digital claims platform, along with cashless hospital claim settlement through the customer portal, the Company significantly reduced its reliance on paper-based submissions. This innovation streamlined claim processing, elevated customer experience, improved operational efficiency and aligned with company's broader environmental commitments. The Company remains fully committed to customer centric approaches that align with Environmental, Social, and Governance (ESG) compliance. LOLC Life has taken proactive steps to integrate ESG principles into its core strategies, including identifying and managing ESG-related risks, encouraging sustainable practices among policyholders, promoting diversity and inclusion, and laying the groundwork for responsible growth.

In support of broader social objectives, LOLC Life, engaged in a series of impactful initiatives during the year. In a show of solidarity with cancer patients and their families, LOLC Life organised a blood donation drive and conducted a donation programme at Apeksha Cancer Hospital in Maharagama to mark Children's Cancer Awareness Month. Furthering its community outreach, LOLC Life supported the national Divi Saviya initiative in collaboration with the wider LOLC Group. In recognition of World Restart a Heart Day, the company partnered with the Lions Clubs to conduct an awareness and training session on life-saving CPR techniques for both staff and customers, reinforcing its commitment to public health education.

LOLC Life was bestowed with a series of prestigious awards during the year under review, including 'The Best Customer Oriented Company' at the 4th Emerging Asia Insurance Awards by the Indian Chamber of Commerce. It was also ranked third as 'Best Life Insurance Service Provider' by LMD, and honoured as '1st Runner-Up for Best Life Insurance Company in Sri Lanka' at the 5th Emerging Asia Insurance Awards. In recognition of its comprehensive approach to governance and risk, the Company was named 'Runner-Up for Best Risk Management Strategy' at the same awards. Furthermore, LOLC Life was recognised by the Human Rights Organization Lanka as the 'Best Life Insurance Company in Sri Lanka' at the Human Rights Conference

and Excellence Awards, underscoring the organisation's broader impact on social equity and customer well-being.

LOLC SECURITIES

LOLC Securities (LOSEC) delivered a strong performance in the financial year ended 31st March 2025, reflecting both financial resilience and strategic growth in a recovering macroeconomic and capital market environment. The company reported an 18% year-on-year increase in gross income, rising from Rs. 357 million in the previous year to Rs. 420 million. This growth was largely underpinned by a significant uptick in brokerage income, which grew by an impressive 65% to reach Rs. 251 million, compared to Rs. 152 million in 2023/24. This sharp increase reflects the rebound in investor participation and stronger market performance during the year. Normalised operating profit rose by 32% year-on-year, amounting to Rs. 141 million, compared to Rs. 107 million in the preceding period, further reinforcing the company's financial strength and operational efficiency.

Operationally, the company demonstrated notable progress during the year under review. Client acquisition recorded an 8% year-on-year increase, a direct outcome of focused engagement efforts and growing investor confidence in the equity market. The total client portfolio expanded by 7%, benefiting from increased trading activity and a favourable market trajectory. The company achieved a total turnover of Rs. 47 billion, representing approximately 7% of the total turnover on the Colombo Stock Exchange [CSE] for the year.

A key development during the year was the establishment of a dedicated Research Division within the Company. Led by a team of seasoned professionals, the division has become instrumental in delivering timely market intelligence, detailed company-level analysis and strategic insights that support informed investment decisions. The research team's capabilities have helped deepen engagement with both retail and institutional clients, while enhancing LOSEC's value proposition as a trusted brokerage partner in the capital markets space.

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The external operating environment also contributed to the positive performance. Sri Lanka's equity market delivered robust gains in 2024/25, buoyed by macroeconomic stabilisation, improved investor sentiment, and political and fiscal progress. The All Share Price Index (ASPI) surged by 38% during the year, rising from 11,479 in April 2024 to 15,814 by March 2025. The S&P SL20 Index recorded an even stronger gain of 42%, moving from 3,329 to 4,734 over the same period. These indices reflect a resurgence in equity valuations and market confidence, driven by post-election political stability, a declining interest rate environment, the successful completion of the sovereign debt restructuring programme and an upgrade in Sri Lanka's sovereign credit rating. Strong GDP growth and earnings rebound across key sectors further bolstered the capital market outlook, attracting renewed investor interest and liquidity into equities.

A notable milestone during the year was achieved in November 2024, when LOLC Securities ranked third in the industry based on monthly turnover.

In terms of sustainability, LOLC Securities continued to integrate responsible business practices across its operations, advancing towards a paperless environment. Over 99% of client communications, including trading confirmations and account statements, were delivered electronically.

Contributions to financial inclusion and investor education were also prioritised during the year. In collaboration with the Colombo Stock Exchange, LOSEC's newly-formed Research Division conducted a series of investor education webinars. These sessions targeted students, first-time investors and underrepresented communities, with analysts from LOLC Securities acting as resource persons. By demystifying capital markets and fostering responsible investment habits, the initiative aimed to build long-term financial awareness and expand access to investment opportunities.

In support of the LOLC Group's broader commitment to community welfare and national development, LOLC Securities made a contribution of Rs. 97 million to the Divi Saviya Programme, which reflects its continued

alignment with national humanitarian goals and its belief in inclusive, sustainable economic upliftment.

LOLC MOTORS

LOLC Motors, a specialist in vehicle maintenance, servicing and repairs, marked a landmark year in 2024/25, delivering its highest level of profitability to date. This performance exceeded that of the previous financial year and was driven by a series of improvements in operational efficiency that contributed directly to enhanced service quality and higher levels of customer satisfaction. These gains were especially pronounced in core areas such as mechanical services, body repairs and general vehicle maintenance, all of which continue to be at the heart of LOLC Motors' value proposition.

The company's performance during the year was significantly supported by its strategic collaboration with LOLC General Insurance, which has evolved into a robust and synergistic partnership. This relationship now contributes to nearly one-third of LOLC Motors' total revenue, reflecting the strength of the integrated service delivery model that has been established across the Group. The partnership enhances convenience and assurance for customers and also supports the LOLC Group's overarching objective of creating interconnected platforms that deliver seamless, end-to-end value.

During the year under review, LOLC Motors successfully repaired over 7,000 vehicles, underscoring both the operational scale of the business and its ability to respond to growing market demand with agility and precision. The Company's operational presence is anchored by its primary service centre located in Gothatuwa, with its reach extended through a growing network of satellite locations that enable efficient service delivery across multiple regions.

In addition to its core business achievements, LOLC Motors played a role in advancing the Group's broader social impact agenda by actively supporting Divi Saviya, LOLC's flagship humanitarian initiative.

Looking ahead, LOLC Motors remains focused on continuous innovation, the adoption of advanced automotive technologies, and the

upskilling of its workforce. These priorities reflect the Company's long-term vision of becoming a market leader in the Sri Lankan automotive services industry.

GLOBAL

GLOBAL FINANCIAL SERVICES

LOLC's global financial services portfolio continued to demonstrate resilience, scale and diversity across South and South East Asia, Central Asia and Africa. Operating across multiple geographies and economic conditions, our financial institutions adapted to evolving market dynamics, regulatory shifts and customer needs, while consistently delivering strong growth and impact. The Group's decentralised model, supported by robust governance and local empowerment, enabled each entity to tailor its strategies to its unique operating environment.

LOLC CAMBODIA

Cambodia's economy grew by over 5% in 2024, driven by a resurgence in tourism and robust export growth under the Regional Comprehensive Economic Partnership (RCEP). LOLC Cambodia, one of the largest microfinance institutions (MFIs) in the country, delivered another solid year of growth. The loan portfolio expanded by 6% year-on-year (YoY), reaching USD 1.32 billion, reflecting healthy credit demand and strong underwriting standards. Deposits also recorded a 7% increase, growing to USD 917.7 million, thereby reinforcing the company's position as the third-largest deposit-taking MFI in Cambodia.

LOLC MYANMAR

Myanmar's GDP reached USD 74.0 billion in 2024, recording a decline of 1% YoY. Despite ongoing political and economic uncertainty, selected sectors in Myanmar showed resilience in 2024. Against this volatile backdrop, LOLC Myanmar demonstrated operational stability and customer trust by playing a crucial role in enabling access to finance to the bottom of the pyramid population in the country. The loan portfolio grew by 27% YoY, a commendable performance given the macroeconomic headwinds. More notably, deposits surged by

40%, highlighting growing confidence among clients and the strength of LOLC's brand and service delivery.

LOLC FINANCE PHILIPPINES

The Philippine economy expanded by 5.6% in 2024, underpinned by construction activity, infrastructure investment and strong performance in the financial services sector. LOLC Finance Philippines recorded exceptional results, with its loan portfolio increasing by an impressive 43% YoY to PHP 515.7 million. Continued emphasis on customer-centric financial solutions and digital innovation enabled the company to tap into underserved segments while supporting MSMEs and individual borrowers.

LOLC BANK PHILIPPINES

Operating in one of ASEAN's fastest-growing economies, LOLC Bank Philippines delivered another year of stable progress. The gross loan portfolio grew by 7% to PHP 990.1 million, while deposits rose by 5% to PHP 726.9 million. With a focus on customer outreach and operational discipline, the bank is positioned for continued growth in a highly competitive environment.

LOLC VENTURA INDONESIA

Indonesia, Southeast Asia's largest economy, sustained a 5.03% growth rate in 2024, driven by resilient domestic consumption and infrastructure development. In this favourable context, LOLC Ventura achieved a 16% YoY growth in its loan portfolio, reaching IDR 314.7 billion. The performance highlights strong credit demand and effective portfolio management. The company continues to focus on expanding financial access for MSMEs while maintaining asset quality and compliance with local regulatory standards.

LOLC PAKISTAN

Pakistan recorded real GDP growth of 2.68% in FY2025 amidst macroeconomic reforms and stabilisation efforts. Despite structural challenges, LOLC Pakistan delivered strong operating results. The loan book expanded by 9% to PKR 4.5 billion, reflecting measured lending in key segments. Deposit mobilisation gained strong traction, with a 485% increase to PKR 5.4 billion, marking a turning point in customer trust and financial penetration.

FINA TRUST (NIGERIA)

Africa's most populous nation posted GDP growth of 3.40% in 2024, supported by service sector expansion and resilient private consumption. Fina Trust, LOLC's Nigerian subsidiary, grew its loan portfolio by 27% YoY to NGN 3.8 billion, driven by demand from small businesses and individual borrowers. Deposits increased by 9% to NGN 2.8 billion, reflecting the institution's growing footprint and customer confidence in the West African market.

LOLC FINANCE ZAMBIA

In the context of Zambia's fiscal consolidation and reform process, LOLC Finance Zambia delivered a standout performance. The loan portfolio increased by 56% YoY, reaching ZMW 599.5 million. Deposits almost doubled, with an 89% YoY increase to ZMW 533.0 million. These results demonstrate enhanced customer outreach and growing trust in the institution's value proposition. LOLC Zambia is leveraging its community-based model and focusing on underserved segments.

LOLC KENYA

Kenya's economy continued to recover in 2024, led by agriculture, services and fintech innovation. LOLC Kenya posted remarkable growth during the year, with a 57% increase in its loan portfolio, bringing it to KES 581.0 million. Deposits saw a threefold rise, marking an extraordinary 200% YoY increase to KES 487.4 million. These results signal a strong turnaround and deepening market penetration. LOLC Kenya remains focused on scaling up operations while reinforcing risk frameworks and customer service excellence.

LOLC TANZANIA

Tanzania maintained macroeconomic stability in 2024, creating a conducive environment for financial inclusion. LOLC Tanzania posted a 94% growth in its loan portfolio to TZS 8.8 billion, underlining the institution's ongoing efforts to strengthen its presence in underserved communities.

UNGUKA FINANCE (RWANDA)

Rwanda continued its high-growth trajectory in 2024, driven by infrastructure development and expanding services. Unguka Finance recorded robust results, with its loan portfolio increasing by 36% to RWF 27.6 billion.

Deposits grew by 28% to RWF 30.3 billion, reflecting both customer loyalty and market expansion. The company remains a key player in Rwanda's financial inclusion agenda and is well-aligned with the country's development objectives.

LOLC EL-OULA (EGYPT)

Egypt's economy experienced its fastest quarterly growth in over two years during Q4 2024, supported by increased foreign aid inflows and a renewed focus on domestic manufacturing and exports. LOLC El-Oula aligned closely with the national recovery agenda, delivering a modest but positive 2% increase in its loan portfolio to EGP 324.5 million. In a market that remains volatile but rich with opportunity, LOLC El-Oula is laying the groundwork for long-term expansion and portfolio diversification.

YAMBUKAI (ZIMBABWE)

Zimbabwe's economy faced persistent inflation and currency instability in 2024, although key sectors such as agriculture and mining showed resilience. Against this challenging backdrop, Yambukai recorded exceptional growth, with an 82% increase in its loan portfolio to USD 6 million.

LOLC FINANCE MALAWI

Malawi's economy saw modest recovery, aided by favourable agricultural output and donor support. LOLC Finance Malawi demonstrated steady momentum, growing its loan portfolio by 159% YoY to MWK 3.7 billion.

ABN (KYRGYZSTAN)

Kyrgyzstan maintained stable growth, buoyed by trade flows and steady remittances. ABN recorded strong operating performance with a 46% increase in its loan portfolio to KGS 1.7 billion. Deposits rose to KGS 458.3 million, indicating increasing public confidence in the institution's offerings and outreach. ABN is emerging as a key enabler of financial inclusion and small enterprise development in Central Asia.

R-FINANCE (KAZAKHSTAN)

Kazakhstan delivered strong macroeconomic performance in 2024 and R-Finance capitalised on the favourable conditions. The company recorded outstanding growth, with

Financial Services

its loan portfolio rising by 85% to KZT 34.5 billion. This performance affirms LOLC's ability to scale rapidly in promising markets through disciplined execution and customer-driven innovation.

LOLC MOLIYA (TAJIKISTAN)

Tajikistan's economy expanded steadily in 2024, supported by infrastructure projects and remittance flows. LOLC Moliya delivered phenomenal growth, with a 125% YoY increase in its loan portfolio to TJS 89.8 million. Deposits rose 74% to TJS 40.3 million, showcasing rapid market acceptance and institutional maturity.

KARAT (TAJIKISTAN)

KARAT, LOLC's flagship pawnshop business in Tajikistan, continued to lead the market. In 2024/25, it expanded its branch network by three, taking its total to 22 locations across the country. As the largest player in its category, KARAT remains central to LOLC's consumer finance strategy in Central Asia, offering short-term liquidity solutions to underserved communities with speed and transparency.

Agriculture and Plantations

AGRICULTURE AND PLANTATIONS

BROWNS PLANTATIONS MARKED A SIGNIFICANT MILESTONE DURING THE YEAR UNDER REVIEW – EMERGING AS THE WORLD’S LARGEST TEA MANUFACTURER FOLLOWING ITS LANDMARK ACQUISITION OF LIPTON TEAS AND INFUSIONS’ ESTATES ACROSS KENYA, RWANDA AND TANZANIA. THIS HISTORIC TRANSACTION ELEVATED THE COMPANY’S ESTIMATED ANNUAL EXPORT VOLUME TO APPROXIMATELY 100 MILLION KILOGRAMS, CONSOLIDATING ITS DOMINANCE ON THE GLOBAL TEA STAGE

LOCAL

BROWNS PLANTATIONS

Browns Plantations marked a significant milestone during the year under review – emerging as the world’s largest tea manufacturer following its landmark acquisition of Lipton Teas and Infusions’ estates across Kenya, Rwanda and Tanzania. This historic transaction elevated the company’s estimated annual export volume to approximately 100 million kilograms, consolidating its dominance on the global tea stage and reflects the strategic foresight of Browns Investments (the investment arm of the LOLC Group and the Browns Group), under whose umbrella Browns Plantations operates. The acquisition underscores the Group’s unwavering commitment to sustainable growth, sectoral leadership and global value creation in the fields of cultivation, production and export of tea.

With origins dating back to 1875, Browns evolved from a pioneering manufacturer of plantation machinery into one of Sri Lanka’s most respected players in the plantation sector. The company’s transformation accelerated in 2011 following its acquisition by LOLC Holdings PLC, marking the beginning of a new era of innovation, synergy and scale.

Today, Browns Group is a diversified conglomerate with operations spanning automotive, power generation, agriculture,

pharmaceuticals, marine, manufacturing, leisure and strategic investments. In line with its broader growth trajectory, Browns Plantations acquired Udupussellawa Plantations PLC and Hapugastenne Plantations PLC from Finlays in December 2021. Together with Maturata Plantations Limited, these entities were brought under a unified operating structure, thereby strengthening the Group’s leadership position in Sri Lanka’s plantation industry.

Spanning a total extent of 32,725 hectares, including 11,072 hectares under tea cultivation, the three regional plantation companies have demonstrated consistent operational excellence. The plantation companies’ performance has been acknowledged through both local and international accolades, including the Social Dialogue Award, the Responsible Care Award, top recognition at the Grand Charity Auction and the Gold Award at the Ceylon Tea Specialty Estate of the Year Competition. These honours affirm the company’s commitment to industry leadership, community engagement and sustainable value creation. Recognising the company’s digital drive, its website was adjudged as the Most Popular Corporate Website Award at the BestWeb Awards 2024, organised by the LK Domain Registry.

With the recent acquisition of Pussellawa Plantations Limited and Tea Smallholder Factories PLC, the total extent of Browns Plantations exceeded 88,000 hectares

globally. Moreover, Browns Plantations continues to uphold rigorous compliance with international benchmarks. Its operations are certified under Rainforest Alliance, ISO 22000 and HACCP standards, affirming adherence to global protocols on environmental sustainability, food safety and hazard control across the production cycle. These certifications serve as a testament to the Group’s responsible practices and its ability to meet the expectations of discerning international markets.

During the year under review, Browns Plantations delivered exceptional results, with tea production volumes reaching approximately 100 million kilograms, significantly contributing to the Group’s overall financial performance. This success is attributed to the Browns Plantations’ strategic direction, commitment to quality, and alignment with evolving global consumer preferences. Innovation continues to play a central role in driving efficiency and productivity across the plantations. Latest technological advancements have enabled Browns Plantations to modernise traditional processes, optimise performance and strengthen its position as a globally competitive plantation operation.

Looking ahead, Browns Plantations remains focused on long-term sustainable growth, continued technological advancement and global excellence. The company is committed to diversifying its operations,

Agriculture and Plantations

embedding sustainability across the value chain and investing in R&D-led solutions that future-proof its business. Its strategic priorities are centred on innovation and industry transformation, aimed at delivering not only shareholder value but also broader socioeconomic impact.

Maturata, Udapussellawa & Hapugastenne Plantations

Maturata Plantations Limited is a leading player in Sri Lanka's plantation sector, recognised for its scale, diversity and operational strength. The company is one of the country's foremost producers of tea and boasts the largest cinnamon plantation in Sri Lanka. With a total of 19 estates and a land bank spanning nearly 17,000 hectares, Maturata's processing capacity is supported by seven functioning factories, enabling it to maintain high-quality production standards while preserving the integrity of its agricultural heritage.

In addition, Udapussellawa and Hapugastenne Plantations have also cultivated a rich agricultural legacy in Sri Lanka's upcountry regions. Udapussellawa's diversified portfolio includes tea, coffee, commercial forestry, cardamom, coconut and cocoa, while Hapugastenne focuses on tea, rubber, commercial forestry, pepper, cinnamon and cocoa. Both companies steward significant land holdings, which include vital water catchment areas and high conservation value zones.

Understanding the environmental importance of these ecosystems, the companies have adopted a proactive approach to conservation. Initiatives have been launched to engage the younger generation in protecting these sensitive landscapes. Educational programmes and community-based environmental events are organised to foster awareness, encourage local stewardship and promote long-term sustainability.

GAL OYA

Gal Oya Sugar Industries endured a challenging year during 2024/25, largely due to adverse market conditions across the sugar and ethanol sectors. Although operational performance showed progress, the business reported a loss for the financial year, marking

a reversal of the positive trend seen in previous years. The company completed a major milestone with the successful commissioning of its new factory project in December 2024. While commissioning and trials occupied the first quarter of 2025, revenue contributions from the new facility are expected to commence in earnest during the 2025/26 financial year.

Despite increased production volumes (crushing close to 370,000 tonnes of sugarcane, yielding approximately 26,000 metric tonnes of sugar and producing six million litres of Extra Neutral Alcohol [ENA]), the steep decline in market prices adversely impacted financial outcomes. Ethanol prices plummeted from Rs. 1,200 to around Rs. 500-550 per litre and sugar prices fell from Rs. 260-270 to as low as Rs. 170. This erosion in pricing nullified the benefits of operational efficiency gains. Nonetheless, the business remains integral to the regional economy, supporting a substantial farming community and maintaining critical agricultural infrastructure. The Government of Sri Lanka has since intervened to stabilise commodity prices, recognising the sector's socio-economic significance. With the commissioning of the new facility and prospects for price stabilisation, Gal Oya is optimistic about a recovery in 2025/26 and beyond.

TROPICAL ISLAND COMMODITIES

Although Tropical Island Commodities recorded another year of financial losses in 2024/25, the magnitude of the loss declined compared to the previous year, with operational metrics showing signs of recovery. While market conditions continued to suppress profitability across the sector, there was a gradual improvement in sentiment towards the end of the year. The company took several decisive steps to diversify its income streams and reduce dependency on traditional operations. Strategic partnerships were formed with two leading Sri Lankan export companies, positioning Tropical Island Commodities as a key back-end manufacturer for cinnamon-based products. These ventures are expected to deliver stable order volumes and improved financial performance in the coming year. The company is also playing a lead role in establishing the supply network

for SunYield BioIngredients Pvt Ltd, a high-value extraction venture under LOLC Advanced Technologies. This initiative will enable Tropical Island Commodities to broaden its reach within the agri-export value chain, expanding its commercial footprint and enhancing operational synergies. With these partnerships and new ventures underway, the company is confident of returning to profitability in the 2025/26 financial year.

AGSTAR PLC

The financial year 2024/25 proved to be a particularly challenging period for AgStar PLC, as the company navigated macroeconomic headwinds, elevated input costs and persistent market volatility. While net sales recorded a notable year-on-year growth of 24% to reach Rs. 9.52 billion, this topline expansion was insufficient to offset bottom-line pressures. AgStar posted a net loss of Rs. 366.62 million for the year, a sharp reversal from the net profit of Rs. 159.69 million recorded in the previous financial year. The company's gross margins eroded significantly to 6.7%, driven primarily by a 31% surge in cost of sales. This escalation in input costs was compounded by intense price competition in the chemical fertiliser segment, which placed downward pressure on pricing and contributed to shrinking margins across the board. The challenging environment was further exacerbated by a reduction in other income and rising finance costs, which cumulatively contributed to operating losses of Rs. 208 million. Adding to the financial strain was the prolonged delay in recovering approximately Rs. 400 million in government fertiliser subsidies - a situation that continued to weigh heavily on working capital and liquidity management throughout the year.

Operationally, AgStar continued to defend its market presence amidst aggressive competition and industry-wide margin compression. Despite these pressures, the company was able to maintain a degree of operational stability, aided in part by the rebranding to Browns Fertilizer and the deployment of a dedicated market development team. While these initiatives strengthened brand visibility and market reach, their full financial benefits have yet to be realised. Nevertheless, efforts

to streamline the cost base yielded some positive results, with operating expenses remaining contained despite inflationary pressures and supply chain uncertainties.

Key milestones during the year included the retention of critical distributor relationships, sustained delivery of products during peak cultivation seasons and continued engagement with farmers despite a highly constrained operating environment. Importantly, progress was also made in the area of research and development, particularly in coated and blended fertiliser formulations aimed at enhancing product performance and meeting the evolving needs of Sri Lankan agriculture. AgStar remained committed to its long-term sustainability objectives. The company continued to adhere to ISO 9000 and 14000 standards, reinforcing its dedication to quality assurance and environmental management. Investments in infrastructure enhancements - such as upgrades to cold storage and warehousing facilities - further underscored this commitment. The in-house laboratory continued to play a pivotal role in maintaining product quality, while initiatives in environmental compliance and community outreach remained integral components of the company's operating ethos.

BROWNS AGRI SOLUTIONS

During 2024/25, the company recorded a gross profit of Rs. 858 million, reflecting a 17% increase over the previous year. This growth was primarily driven by the strong performance of the Seeds division, which contributed 24% to the total gross profits. The Seed division generated a turnover of Rs. 451 million, underpinned by the successful launch of new seed varieties such as watermelon, white bitter gourd, luffa and brinjal. These products were well received in the local market, contributing significantly to the division's strong top-line performance.

A key initiative during the year was the commencement of the corn multiplication project, through which seed production will be undertaken locally in partnership with a foreign supplier. This project is expected to improve seed availability, reduce import dependency and promote greater self-reliance in local agriculture. In the crop protection category, Browns Agri Solutions retained its market leadership in the non-

selective herbicide segment. The launch of 'Rapid', a novel pre-mix weedicide, further strengthened the Company's product portfolio and market position in 2024/25.

Among the year's notable milestones was the successful registration of Selontra, a high-performance rodenticide manufactured by BASF, the world's leading chemical producer. This addition enhances the company's pest control portfolio and underscores its continued commitment to introducing world-class agrochemical solutions to the Sri Lankan agricultural sector.

The company also made significant strides in sustainability and operational excellence. During the year, Browns Agri Solutions maintained its ISO 9001:2015 Quality Management System, ISO 14001:2015 Environmental Management System, and ISO 45001:2018 Occupational Health and Safety Management System. These certifications were retained under the scope of storing and distributing agrochemicals, following a rigorous audit by SGS Lanka, a leading third-party certification body.

In keeping with the requirements of ISO 14001:2015, the company also secured the Environmental Protection License and the Scheduled Waste Management License, demonstrating full compliance with national environmental regulations and reinforcing its dedication to responsible and sustainable operations

GLOBAL

BROWNS PLANTATIONS KENYA

Browns Plantations Kenya (BPK), Browns East Africa Plantations (BEAP), Browns Plantations Tanzania (BPT), Browns Plantations Rwanda (BPR) and Browns Plantations (Guizhou) Tea (BPG) together form the foundation of a globally integrated tea enterprise. Their expansive presence across Africa and Asia allows Browns Plantations to leverage scale, operational synergies and product diversity. Driven by a commitment to ESG, innovation and value creation, the global plantations strategy is aligned with the Group's long-term ambition of leading the global tea industry in quality, sustainability and reach.

Browns Investments' strategic acquisition of Finlay's Kenya has firmly established the Group as a major force in the global tea industry. Finlay's, one of the oldest plantation operations managed by the Swire Group of Scotland, comprises about 10,000 hectares and employs over 5,000 individuals. Now operating under the name 'Browns Plantations Kenya (BPK)', the estate represents a pivotal component of the Group's global expansion in tea. Highly mechanised in nature, BPK conducts over 90% of its tea harvesting using machines, significantly enhancing productivity across its operations. The company houses four black tea factories with a combined capacity to produce 26 million kilograms of made tea annually, primarily serving established markets such as Pakistan, Egypt and the United Kingdom.

In addition to its core tea operations, BPK manages 3,000 hectares of forestry - primarily Eucalyptus and Cypress - ensuring self-sufficiency in biomass for energy needs, while also exploring further value-added opportunities such as timber. The company has also dedicated 600 hectares to organic tea cultivation, capitalising on growing demand from markets in Europe. In line with its strategic vision, BPK is actively working to expand orthodox tea processing, which is expected to enhance sale averages by targeting premium price segments.

Certifications including Rainforest Alliance, ISO 22000 and Food & Drug Administration (FDA) endorsement reflect BPK's adherence to global benchmarks for food safety, environmental sustainability and ethical sourcing. The operation is supported by five hydropower plants and two solar farms, enabling a high degree of energy self-sufficiency. Complementing its environmental efforts, BPK also undertakes numerous sustainability initiatives and corporate social responsibility programmes, including those under the Finlays Community Trust, which is set to be renamed 'Browns Community Trust'. These initiatives include scholarships and continued educational support for school and university students within the plantation communities.

Additionally, the company is introducing more efficient heat transfer systems in tea processing to reduce firewood consumption.

This initiative aims to channel a greater portion of timber plantations toward high-value outputs and reduce carbon monoxide emissions.

In a parallel development during the year under review that reflects its eastward expansion, Browns Investments made its entry into China's tea sector through Browns Plantations (Guizhou) Tea Co., Ltd. (BPG). Browns Investments rebranded James Finlay Guizhou, forming BPG, thereby marking LOLC's official entry into the Chinese tea industry. Located in Guizhou (China's largest tea-producing province), BPG serves as a key tea refining and packing hub. Its location in proximity to premium tea-growing regions gives the company the ability to scale production in response to global demand efficiently and effectively.

In the year under review, BPG became the largest tea exporter in Guizhou Province. The company delivered robust growth, with revenue rising by 93% and sales volumes increasing by 83% compared to the previous year. This growth was driven by a combination of operational excellence and rising global demand for value-added tea products. With Guizhou holding immense potential to produce teas that are compliant with European Union standards, BPG is collaborating closely with local authorities to promote sustainable cultivation practices and support smallholder farmer development.

In the context of rising domestic tea demand, China's tea imports reached 54,200 metric tons in 2024 - a 38.5% increase year-on-year. Within this dynamic environment, BPG has positioned itself as a critical link between origin production and downstream markets, providing customised tea solutions across the food service, tea extract and ready-to-drink (RTD) segments

BROWNS EAST AFRICA PLANTATIONS, BROWNS PLANTATIONS TANZANIA AND BROWNS PLANTATIONS RWANDA

[Formally the Lipton Portfolio]

Further strengthening its international presence, Browns East Africa Plantations (BEAP), Browns Plantations Tanzania (BPT) and Browns Plantations Rwanda (BPR) were established following the 2024 acquisition of a significant portfolio of estates formerly owned by Lipton. This acquisition elevated Browns Plantations to the status of the world's largest tea manufacturer. With estates located in Kenya, Tanzania and Rwanda, this portfolio is strategically positioned to optimise synergies, manage operational costs and enhance productivity across its diversified tea operations. Collectively, the holdings encompass a land mass of 35,127 hectares, including 13,167 hectares under tea, 4,007 hectares of timber and fuelwood, and 8,836 hectares designated for forest conservation and other uses.

The combined operation is expected to produce approximately 37 million kilograms of made tea per annum. The use of high-output, motorised harvesters with tracks is being scaled across the estates, increasing mechanised harvesting beyond the current 75% and significantly lowering per-unit harvesting costs. Meanwhile, BEAP is upgrading its hydropower infrastructure, with the current generation capacity of 2.9 megawatts from four hydro stations targeted to be doubled to 5.8 megawatts through the utilisation of high-elevation water sources and natural river gravity flow.

Committed to responsible growth, BEAP is embedding transparency across its supply chain and aligning with global environmental, social, and governance (ESG) standards. This approach ensures the company continues to meet the rigorous expectations of international buyers and positions BEAP as a trusted supplier in key global markets.

SUNBIRD SIERRA LEONE

Sunbird Sierra Leone demonstrated significant operational progress during the year under review, increasing sugarcane crushing volumes by over 60% year-on-year to reach 150,000 metric tonnes. This marked improvement reflected well on the company's operational efficiency, although the business continued to operate at a negative EBITDA. The shortfall against expectations was largely due to severe and unforeseen weather conditions which affected approximately 1,200 hectares of plantation area (among the most severe incidents in over a decade), thereby curtailing expected yields and output. Despite the setback, average selling prices of ethanol saw notable improvement, rising from USD 0.85 to USD 1.10 - 1.15 per litre.

Recognising the limitations of relying solely on ethanol, particularly in seasonal markets with periodic demand fluctuations, the company initiated a major expansion strategy to diversify into sugar production. Agreements were signed in March 2025 to establish a sugar processing facility, with commissioning expected in November 2026. This move will enable the company to produce both sugar and ethanol, shifting the product mix toward essential commodities with strong domestic and regional demand. With 100 percent of sugar in Sierra Leone being imported, this new facility will unlock significant revenue potential and reduce reliance on seasonal ethanol sales. The company expects that this transformation will drive strong profitability in the years ahead and position Sunbird Sierra Leone as a key player in West Africa's sugar economy.

Leisure

LEISURE

LOLC'S LEISURE SEGMENT DELIVERED ITS MOST PROFITABLE YEAR TO DATE, DESPITE TOURIST ARRIVALS STILL TRAILING 2018 FIGURES. CONTRIBUTING TO THIS SUCCESS WERE SEVERAL STRATEGIC INITIATIVES, INCLUDING A LEAN AND OPTIMISED WORKFORCE, TARGETED REFURBISHMENTS AND CONSISTENT SERVICE ENHANCEMENTS.

The global travel and tourism industry made a significant recovery in 2024, driven by pent-up demand, easing of travel restrictions and increased consumer confidence. With most international routes operating at near-full capacity, many destinations reported a return to pre-pandemic activity levels. Sri Lanka too reaped the benefits of this global resurgence, welcoming two million tourist arrivals in 2024, up from 1.5 million in the previous year. This figure is approaching the island's historic high of 2.3 million visitors recorded in 2018.

LOCAL

BROWNS HOTELS AND RESORTS

Against this favourable backdrop, LOLC's leisure segment delivered its most profitable year to date, despite tourist arrivals still trailing 2018 figures. Every operating property - except for the newly-launched Ayugiri - recorded strong financial and operational performance. Contributing to this success were several strategic initiatives, including a lean and optimised workforce, targeted refurbishments and consistent service enhancements. Across the portfolio, guest satisfaction scores were at an all-time high, reflecting a strategy focused on efficiency without compromising on the guest experience. The staffing structure was rationalised, allowing for enhanced productivity, with the introduction of technology and equipment upgrades where necessary. A clear outcome of this leaner, more efficient model was the substantial improvement in service charge payouts. In parallel, staff engagement initiatives such

as overnight stays at sister hotels, family getaways and welfare activities contributed to high team morale and retention. Sustainability and CSR were also embedded into operations, with each property contributing to community upliftment and environmental conservation in meaningful ways.

Eden Resort & Spa

Eden posted positive earnings before interest and tax (EBIT), of Rs 171.2Mn for 2024/25 financial year, compared to Rs 78.4Mn EBIT reported in the previous year, reflecting its operational strength. A major addition in 2024 was the launch of 'Sippy', a modern 24-hour café offering an à la carte menu that spans global cuisines. With Eden hosting guests from over 60 nationalities, Sippy was designed to cater to diverse palates and extended-stay visitors. Complementing this was a new beverage menu featuring eight signature cocktails crafted with Sri Lankan ingredients - exclusive to Eden.

Club Hotel Dolphin

Dolphin had a standout year, reporting an PBT of Rs 230.1Mn, crowned 'South Asia's Top All-Inclusive Resort' at the SATA Awards 2024 in Nepal. Enhancements included the refurbishment of villas and the introduction of a revamped à la carte restaurant, 'Waves', offering a curated international menu. The hotel also hosted a popular 'Indian Food Festival', featuring two guest chefs flown in from India. Dolphin maintained strong guest satisfaction with improvements to both the buffet and à la carte offerings.

Thaala Bentota Resort

The financial year 2024/25 was a defining period for Thaala Bentota, which recorded a strong and sustained operational performance following its full transition into a standalone Sri Lankan hospitality brand. The Company reported an EBIT of Rs 159.7 Mn for 2024/25 financial year. This was the resort's first complete year operating under the Thaala identity, after moving away from its previous international branding. The rebranding allowed the resort to craft a more personalised and culturally authentic guest experience - positioning it as a distinctive player in the competitive coastal leisure market. Throughout the year, Thaala Bentota maintained high occupancy levels and a consistently healthy bottom line. The hotel experienced heightened demand, driven by its refined service delivery, attention to individual guest preferences, and the architectural appeal of the property itself. As one of the first hotels developed by the Group, Thaala Bentota combines heritage with modern luxury, contributing to its enduring popularity among both local and international guests. The rebranding initiative emerged as a key milestone for the business during the year. The transition not only allowed the hotel to reflect a more homegrown identity but also contributed to improved guest satisfaction scores and enhanced brand recognition. Focused efforts on delivering elevated service standards and improving the average room rate led to strong revenue growth and profitability.

Dickwella Resort & Spa

Dickwella experienced year-round high occupancy, moving beyond its traditional seasonal peak. Renovations continued in phases to upgrade rooms and improve guest comfort. The launch of a new Instagram-worthy à la carte menu included creative fusion dishes such as Buffalo curd cheesecake and Ambul thiyal tacos. Sustainability was a key focus, with turtle-shaped plastic disposal units installed along the beach to raise awareness and protect the nearby turtle nesting sites. The Company is having a standout year in terms of profitability, while recording an EBIT of Rs 163.1Mn for 2024/25 financial year.

Hotel Sigiriya

Hotel Sigiriya posted excellent occupancy levels, with the Ayurveda spa performing exceptionally well. F&B revenues rose with the reintroduction of Duma, a jungle-themed BBQ experience featuring oil lamps and bonfires, alongside a tree-hut dining concept facing Sigiriya Rock. The hotel also launched a community-based bee honey project, where beehives were distributed to nearby households. The harvested honey is purchased by the hotel and offered to guests - supporting livelihoods while enhancing the guest experience with local produce. The Company concluded the financial year with an PBT of Rs 101.3 Mn for the year under review.

The Calm Resort & Spa Passikudah

Calm Resort & Spa delivered one of its strongest financial performances in 2024/25, achieving notable improvements in profitability across the board, while reporting an EBIT of Rs 30.6Mn. As one of the top-performing properties within the Group's leisure portfolio, Calm recorded a healthy bottom line, underpinned by disciplined cost management and steady operational efficiency. The positive performance allowed the resort to distribute a significantly high service charge to its staff during the year, a testament to its strong financial footing and commitment to employee well-being. Operational consistency and effective resource utilisation contributed to this result, positioning Calm Resort & Spa as a standout performer among the Group's coastal properties.

The Occidental Paradise Dambulla

Occidental Paradise continued to demonstrate stability as a key contributor to the leisure cluster, recording a significant recovery in performance compared to the previous year. Operational efficiency and consistent occupancy levels, driven by steady demand from both local and international guests, supported this marked improvement.

Reveal the Collection - Mirissa

Reveal Collection properties in Mirissa - Beach House and Ubuntu - recorded a healthy bottomline. The hotels introduced new à la carte menus available from 10 a.m. to 10 p.m., enhancing culinary choice for guests. At Beach House, major public area renovations improved ambience and guest experience. Reveal the Collection, reported a EBIT of Rs 88.4Mn for 2024/25 financial year

Sheraton Kosgoda Turtle Beach Resort

Sheraton Kosgoda Turtle Beach Resort, located along Sri Lanka's picturesque South Coast, continued to offer guests an unparalleled 5-star beach getaway, complemented by its proximity to the renowned Kosgoda Turtle Conservation Project and the region's scenic attractions.

During the financial year under review, Sheraton Kosgoda Turtle Beach Resort navigated a challenging operating environment, balancing the impacts of rising operational costs with strategic efforts to streamline processes and enhance service delivery. Despite these headwinds, the property achieved a commendable growth in Gross Profit, increasing from Rs. 1.26 billion to Rs. 1.39 billion, reflecting a 10.32% year-on-year rise. This growth underscores the resilience of the resort's topline performance, driven by targeted marketing initiatives, curated guest experiences and a renewed focus on service excellence.

The management has initiated a series of measures aimed at optimising cost structures, improving operational efficiencies, and further elevating the guest experience. By leveraging its distinctive location, premium brand positioning the resort is poised to strengthen its market presence and achieve a positive performance turnaround in the coming financial year.

SUSTAINABILITY INITIATIVES

During the financial year 2024/25, Browns Hotels & Resorts demonstrated a deepened commitment to environmental stewardship, biodiversity protection and community engagement. Across its diverse portfolio of properties, the Group implemented wide-ranging Corporate Social Responsibility (CSR) and sustainability projects aligned with global conservation goals and local development priorities. These initiatives were grounded in long-term ecological vision, active collaboration with academic and conservation institutions, and inclusive participation of hotel guests, staff, students, and community stakeholders.

Club Hotel Dolphin emerged as a leader in ecosystem conservation through the launch of the Nipa Palm Conservation Project in collaboration with Wayamba University and the Wildlife & Nature Protection Society (WNPS). Initiated in July 2024, the project aims to restore the fragile riverbank habitats along the Gin Oya by nurturing over 500 Nipa Palm seeds in an in-house nursery. These seedlings were planted along the riverbanks following biodiversity surveys conducted by Horizon Campus and WNPS experts. The first transplanting event was held on 4th February 2025, coinciding with World Wetlands Day and Sri Lanka's Independence Day, underscoring the symbolic and ecological importance of the initiative.

To commemorate Earth Day, Club Hotel Dolphin hosted an awareness session on mangrove restoration led by WNPS marine specialists. Students from Bolawatta Gonsalvez school, together with hotel guests, participated in planting activities, fostering early environmental education and hands-on conservation experience. The hotel also marked Earth Hour with symbolic actions to promote energy awareness and climate consciousness.

Thaala Bentota Resort spearheaded an ambitious reforestation initiative titled the '500 Jack Trees Project'. Launched in July 2024 and led by General Manager Rohan Gamage, the project was rolled out in partnership with school nature societies such as the Parisara Kawayya network. As of March 2025, the project successfully planted 502 jackfruit trees across multiple

schools, including Dharmapala Kanishta Vidyalaya, Elakaka Maha Vidyalaya, Warapitiya Kanishta Vidyalaya and D.S. Senanayake National School in Beruwala. This initiative promoted biodiversity, food security and youth environmental leadership. Tree growth is being actively monitored, ensuring long-term ecological impact. Thaala Bentota also celebrated Earth Hour, reinforcing its conservation credentials. The highlight of Thaala Bentota's sustainability initiatives is the Rathamilla Endangered Mangrove Conservation Project, which encompasses community engagement sessions, signage installations and guest education through visits to the mangrove estuary. This impactful conservation effort was internationally recognised with the International Gold Winner title in the Hospitality and Travel: Conservation and Wildlife category at the Green Apple Environment Awards 2024 in the UK.

The Dickwella Resort & Spa partnered with the Marine Environment Protection Authority (MEPA) to host a Coral and Beach Cleanup programme under the Clean Sri Lanka National Programme. Conducted on 2nd January 2025, this activity involved staff, guests and local volunteers uniting the community in safeguarding coastal ecosystems and promoting marine biodiversity.

On 28th January 2025, the resort inaugurated the Sea Turtle Conservation Hub, an educational space dedicated to raising awareness about sea turtle protection. This initiative, supported by the Department of Wildlife Conservation, brought together schoolchildren from Batheegama Maha Vidyalaya and NVTI Thalalla, as well as hotel guests to engage in conservation learning and artistic expression. The programme culminated in a symbolic baby turtle release. The Hub aims to evolve into a long-term platform for marine education and youth engagement.

Hotel Sigiriya marked World Wildlife Day 2025 with an art competition on the theme of human-elephant conflict for students of Sigiriya Central College. The event began with an educational session led by the Department of Wildlife Conservation and encouraged students to translate their community-based experiences into creative artwork. The

initiative aimed to deepen understanding of wildlife-human interactions and promote coexistence through dialogue and awareness.

Complementing this, Ayugiri Ayurveda Wellness Resort conducted a panel discussion on the causes and mitigation of the human-elephant conflict, attended by students, local community members and conservation experts. The discussions underscored the impact of habitat loss and deforestation and highlighted strategies such as sustainable land-use planning and community engagement.

Furthering its commitment to biodiversity, Browns Hotels & Resorts launched the second season of its Naturalist training programme at Hotel Sigiriya on Endangered Species Day 2025. The programme engaged team members from Hotel Sigiriya, Occidental Paradise Dambulla and Ayugiri Ayurveda Wellness Resort in immersive training, supported by the Department of Wildlife Conservation. The initiative seeks to cultivate in-house conservation champions capable of delivering enriched guest experiences and driving ecological awareness.

The Green Initiative for Waste Reduction and Pollution Control at The Calm Resort & Spa in Pasikuda focuses on minimising pollution and managing waste through structured, sustainable strategies. These include recycling, composting, staff training and guest awareness programmes. The initiative also involves site assessments, infrastructure enhancements and collaborations with certified waste collectors to ensure responsible and effective waste management across the property.

Reveal Mirissa, part of the Reveal Collection, continued to operate the only turtle hatchery in Kamburugamuwa. Over the past two-and-a-half years, the hatchery has nurtured more than 40,000 eggs, with the 80th batch of hatchlings released in early 2025. This conservation initiative is supported by the Department of Wildlife Conservation and Beach House by Reveal and contributes significantly to the protection of sea turtles.

The team at Lantern Boutique Hotel also conducted a beach cleanup in Mirissa, engaging staff and guests in efforts to

maintain the natural integrity of one of Sri Lanka's most iconic beaches. These ongoing programmes reflect a strong marine conservation ethic embedded within the Reveal brand.

All properties under Browns Hotels & Resorts marked Earth Day on 22nd April 2025, with dedicated programmes, ranging from tree planting and awareness sessions to coastal cleanups and educational workshops. Similarly, Earth Hour was commemorated on 22nd March, with symbolic energy conservation activities aimed at reinforcing the Group's commitment to climate action.

The 2024/25 financial year saw Browns Hotels & Resorts deepen its integration of sustainability into its business ethos. From mangrove restoration and reforestation to marine biodiversity protection and human-wildlife conflict education, each initiative was crafted to deliver tangible ecological value and inspire behavioural change. With strong partnerships, grassroots participation, and a vision for long-term environmental impact, Browns Hotels & Resorts continues to set the benchmark for responsible tourism in Sri Lanka.

MARINA HOTEL HOLDINGS

Marina Hotel, strategically located within the Colombo Port City adjacent to the Colombo Marina, is envisioned to be developed as a landmark luxury hospitality offering. Designed to cater to high-end leisure and business travellers, the hotel will be positioned as a premier destination in Sri Lanka's emerging urban waterfront.

With its commanding views of both the ocean and the city skyline, the property will feature a refined classical-contemporary design, aimed at delivering a distinctive and sophisticated guest experience. The development is expected to contribute significantly to the growth of Colombo's luxury tourism sector, supporting the broader vision of positioning Sri Lanka as a world-class travel and business hub.

GLOBAL

RADISSON BLU POSTE LAFAYETTE - MAURITIUS

The Group's Radisson Blu Poste Lafayette hotel in Mauritius continued to demonstrate resilience and operational excellence in 2024/25. Despite macroeconomic pressures and the competitive nature of the regional hospitality industry, the property maintained a stable financial and operational performance.

Margin optimisation and cost discipline to sustain profitability amidst external challenges were the two main focus areas during the year. Meanwhile, revenue streams remained steady, supported by robust occupancy rates, effective pricing strategies and optimised operational costs. In addition, diligent efforts were made to maximise RevPAR and contain non-essential expenses, allowing the property to safeguard profitability and maintain positive EBITDA margins.

The property continued to uphold high service standards and operational excellence throughout the year. Guest satisfaction was a key priority, with ongoing investments in staff training, facility maintenance and culinary innovation. The hotel operated at healthy occupancy levels through the period under review, supported by a favourable mix of international leisure and business travellers. Service quality, sustainability integration and team morale were prioritised, ensuring a seamless guest experience across all operational touchpoints.

The Group's commitment to talent development and excellence in service was reinforced through significant recognitions during the year. Two employees of the hotel secured 1st and 2nd place at the National Bread Competition held in April and May 2024, an achievement that reflects the Group's investment in promoting skills enhancement and culinary excellence within the hospitality team.

During the year under review, Radisson Blu Poste Lafayette undertook several impactful activities to advance sustainability and community engagement goals. Key environmental actions included strengthening adherence to Green Key International

standards, partnering with Green Impact Collection for recycling, and maintaining a zero food-waste policy in staff canteens. The property also sourced eco-labelled products, such as BE.Eau water bottles and recyclable coffee capsules, to reduce their operational carbon footprint.

Additionally, the hotel actively participated in a beach clean-up at Poste Lafayette Public Beach, reinforcing its commitment to marine conservation. On the social front, all female staff were given a day's leave to celebrate International Women's Day, promoting gender inclusivity and work-life balance. The property also supported community upliftment through the donation of linen to Caritas in the Flacq District, and also extended both in-kind and CSR financial contributions to the SOS Children's Village of Beau Bassin.

Looking ahead, Radisson Blu Poste Lafayette will continue to build brand equity, enhance operational efficiencies and deliver memorable experiences for guests, supported by a foundation built on service excellence, sustainability and community partnership

MALDIVES HOTELS

The Barcelo Whale Lagoon, featuring 100 rooms, successfully completed its second year of operations, marking a strong entry into the Maldivian hospitality market with impressive occupancy rates. In December 2024, Barcelo Nasandhura Male', formerly known as Nasandhura Hotel, opened its doors to the public. This iconic establishment in the capital of Maldives boasts 136 rooms and 118 serviced apartments, making it the largest hotel currently operating on the island. Plans are also underway to develop a sprawling 470-room resort across three islands in the North Male' Atoll.

Barcelo Whale Lagoon Maldives experienced a transformative year in 2024/25, marked by a strategic transition in its operational model, a strong rebound in performance and international recognition for service excellence. Despite a challenging start to the financial year, the resort demonstrated resilience and adaptability, positioning itself as a standout hospitality destination in the Maldives.

Operationally, the most significant development during the year was the resort's successful transition to a fully 'All-Inclusive' model on 15th November 2024. This strategic move aligned with regional trends and elevated the value proposition for guests, leading to improved satisfaction and more streamlined operational processes. Enhancements to the guest experience included a range of premium, revenue-generating offerings. These included seafood barbecues at Aqua Restaurant, romantic 'Glamping Dinners' on the beach and Sundowners Private Dinners, all of which enhanced the resort's positioning as a luxury destination.

In order to increase guest engagement and optimise F&B operations, the resort introduced thematic daytime events such as the Paella Pool Party and Burger Madness, which added vibrancy while helping to manage buffet-related costs. The Breeze Bar menu was refreshed with a variety of creative snacks, while the Magical Restaurant expanded its offerings to include healthy, wellness-focused options, reflecting evolving guest preferences. Several infrastructure improvements were also completed.

The property earned significant recognition during the year, winning the Best Emerging Resort in the Maldives at the Travel Trade Maldives Awards 2024. In addition, three members of the team received nominations at the Hotelier Maldives Awards, which celebrate excellence in hospitality across the country. These nominations included Sales Personality of the Year, Young Hotelier of the Year and Housekeeper of the Year. At the Haute Grandeur Global Hotel Awards 2024, Barcelo Whale Lagoon Maldives secured six accolades, including Best New Resort (Global), Best Beach Resort, Best Beach Villa, Destination Wedding Retreat, Honeymoon Hideaway and Best Newly Appointed General Manager in the Indian Ocean region.

The resort also reached several notable milestones during the year. In July 2024, it was officially nominated for the Best Emerging Resort title at the Travel Trade Maldives Awards, while in August it won the six awards listed above. In February 2025, the resort became a featured sponsor of Visit Maldives' 'World's Biggest Giveaway',

reinforcing its growing brand visibility and strategic market positioning.

Sustainability continued to play a vital role in the resort's agenda. In June 2024, the Global Wellness Day and World Oceans Day were jointly celebrated through a lagoon clean-up and educational marine awareness session led by expert Koomas. The Mandara Spa organised a bottle upcycling workshop and natural skincare product-making sessions using locally sourced ingredients, encouraging guests to engage in eco-conscious practices. Culinary initiatives focused on reducing food miles by incorporating more local ingredients into Maldivian cooking classes, while outdoor cocktail events showcased sustainable spirits and opened discussions on environmental responsibility. To enhance awareness, the resort launched an Environmental Cinema series featuring documentaries such as 'Chasing Coral', which helped guests better understand the importance of coral reef conservation.

Looking ahead, the leisure sector is poised for a new phase of growth, driven by strategic investments and continued emphasis on guest-centric innovation. With a strong pipeline of upgrades, partnerships and property enhancements across Sri Lanka and key regional markets, the Group remains focused on delivering exceptional value to guests while strengthening its position as a leader in the hospitality and leisure space.

ENTERTAINMENT

CEYLON ROOTS AND BROWNS TOURS

Ceylon Roots continued to consolidate its presence in Sri Lanka's inbound tourism sector together with Browns Tours Inbound, delivering stable financial performance and operational resilience despite industry headwinds. For the financial year ending 31st March 2025, the inbound travel operations generated consolidated revenue of Rs. 1.8 billion and concluded the year with a net profit of approximately Rs. 36 million.

This outcome reflects the Group's strategic focus on optimising its high-performing segments and maintaining operational discipline, even as macroeconomic and

industry-specific challenges persisted. Throughout the year, Ceylon Roots remained committed to streamlining operations across all departments. Efforts were directed toward managing credit risk and improving cash flow stability. By revalidating supplier agreements to limit credit exposure and integrating alternative digital payment platforms such as I Pay UPI and WeChat Pay, the company strengthened its financial position while enhancing convenience for global travellers. These initiatives contributed to improved working capital efficiency and bolstered resilience across the business.

Tourist arrivals continued to recover during the year, supported by growing confidence in Sri Lanka as a destination. However, the expanding presence of the informal travel sector created heightened price sensitivity in the market, exerting pressure on formal operators to remain competitive without compromising service quality. In this environment, Ceylon Roots prioritised consistency, professionalism and superior guest experiences – reinforcing its reputation as a trusted name in curated inbound tourism.

Several milestones were achieved during the year that contributed to deeper organisational alignment and stronger market positioning. A renewed emphasis on employee engagement and cross-functional collaboration enhanced service delivery and ensured that the company's core values were effectively communicated to all stakeholders, particularly those involved in client-facing operations. This commitment to internal alignment played a key role in maintaining service excellence and elevating the overall customer experience.

The financial year also marked a significant deepening of the company's sustainability and community engagement agenda. One of the most impactful initiatives was the launch of the Brown Roots Reforestation Project in Ella. Designed to reduce the company's carbon footprint, this initiative focused on tree planting and ecological restoration, while also generating local employment. At least four families from the surrounding community were supported through jobs created by the project, reinforcing the principle of shared value and integrating sustainability with social upliftment.

In a further step toward environmental responsibility, Ceylon Roots initiated the Zero Plastic project in partnership with Eco Spindles. This initiative focused on the collection and responsible disposal of plastic waste and PET bottles, particularly in and around Ella. Collection bins were distributed to nearby villages, while systems were introduced to collect and transfer plastic waste generated during client tours to Eco Spindles for recycling. This project underscores the company's commitment to embedding circular economy principles within its operations and reducing its environmental impact across the travel value chain.

On the social front, the company partnered with Appe Lanka in January 2025 to deliver a high-impact community project in Kilinochchi. Under the banner 'Empowering Education, One Pedal at a Time', Ceylon Roots distributed 13 bicycles to students in the rural village of Poonakary, where schoolchildren often walk over seven miles to attend school. The initiative significantly improved student access to education, attendance and participation, demonstrating the company's dedication to meaningful, grassroots-level social impact. Looking ahead, Ceylon Roots remains focused on strengthening its core offerings, investing in sustainable tourism practices, and leveraging its digital and financial infrastructure to respond to the evolving demands of global travellers.

EXCEL WORLD

Excel World continues to serve as a vibrant family entertainment and leisure destination in the heart of Colombo. Offering a wide range of attractions including game arcades, a bowling alley, a popular food court and various rides, it has established itself as a multi-faceted urban entertainment hub. In 2024/25, Excel World maintained its upward trajectory despite rising competition from newer, upscale mall developments. The property recorded revenues of Rs. 404 million, building on the previous year's figure of Rs. 405 million, reflecting sustained public interest and operational resilience. As part of its long-term growth strategy, preparations are underway for the launch of a new international-standard theme park, scheduled to open by December 2025. This major upgrade is expected to redefine the

Leisure

entertainment offering at Excel World and position it as a top-tier leisure attraction in the region.

COLOMBO MARINA DEVELOPMENT

The Colombo Marina Project represents a landmark initiative by Browns Investments PLC, the Group's strategic investment arm, reinforcing the Group's long-term vision of participating in transformative, globally competitive developments.

Strategically located adjacent to the planned hotel development, the Colombo Marina is poised to serve as a catalyst for marine tourism and waterfront leisure in South Asia. Officially inaugurated on 10th January 2025, this development marks the inception of Sri Lanka's first integrated luxury marina complex. Spanning a land extent of 30,776 square metres, the Marina will offer a premium mix of lifestyle amenities, including sunset bars, fine-dining seaside restaurants, curated retail experiences, and vibrant entertainment venues.

Designed to accommodate up to 200 mid-to-large-sized vessels, the Marina is being developed with a dedicated investment of USD 120 million. Upon commissioning, the Colombo Marina is expected to significantly elevate Sri Lanka's positioning in regional nautical tourism, while establishing Port City as a key hub for luxury maritime experiences in the Indian Ocean region.

Digital Information & Technology

DIGITAL INFORMATION & TECHNOLOGY

OVER THE PAST YEAR, LOLC TECHNOLOGIES (LOLCTECH) INTENSIFIED ITS FOCUS ON ARTIFICIAL INTELLIGENCE (AI) AND THE DEPLOYMENT OF PROPRIETARY PRODUCTS ACROSS THE LOLC GROUP. AS A PIONEER AND EARLY ADOPTER OF EMERGING TECHNOLOGIES, LOLCTECH ESTABLISHED A DEDICATED AI UNIT TO DRIVE INNOVATION ACROSS THE ENTERPRISE. SEVERAL KEY INITIATIVES WERE ROLLED OUT UNDER THIS UNIT, INCLUDING THE IMPLEMENTATION OF LOLC GPT.

LOLC Technologies Limited (LOLCTECH) serves as the centralised IT services provider for the LOLC Group, delivering comprehensive Information Technology and Security solutions across Sri Lanka and over 25 countries spanning the Middle East, South Asia, Africa, Central Asia and Oceania. The company has developed four next-generation products, for which LOLC retains full Intellectual Property (IP) rights. These solutions are deployed internally across the Group, with select implementations also extending to external and international clients.

PERFORMANCE OVERVIEW

During the year under review, close to 20 business units completed more than 100 successful projects under LOLCTECH's leadership. These initiatives contributed significantly to the bottom line, with revenue surpassing Rs. 2.5 billion and Profit After Tax exceeding Rs. 600 million. In addition, strategic investments in multiple market entities helped LOLCTECH achieve a cumulative profit of over Rs. 1.1 billion for the financial year. During the fiscal year 2024/25, LOLCTECH onboarded four new customers, marking steady growth in its client base.

Further, the company expanded its FusionX product offerings by implementing several key modules, including Blacklist Management, Reward Management, Multi-Currency support, Loan Origination and Management and the Payment Hub covering ATM, USSD and Mobile channels.

LOLCTECH operates as a profit centre, with services charged back to each Group entity based on a defined service catalogue. Service contracts are renewed annually, and operational efficiency is measured through clearly agreed Service Level Agreements (SLAs). Impressively, open ticket volumes are consistently maintained below 5%. The Service Desk acts as the primary customer touchpoint, supported by a 24x7 call centre that ensures seamless assistance across local and international operations. The company powers the entire IT operations of Sri Lanka's largest financial institution, including its network of over 200+ branches.

Over the past year, the company also focused heavily on the plantation sector, successfully managing some of the largest plantation acquisitions in LOLC's history. These complex integrations were executed with smooth system migrations and minimal business disruption, all within the set timelines.

On the FusionX engineering front, significant progress was made with the successful technology migration in Authnex and Azure, alongside the implementation and integration of Fabric. The development of prebuilt integration connectors supported a plug-and-play model, facilitating seamless connections with services such as Elma and M-Pesa in Kenya. Additionally, ATM integration was achieved through connection with an external bank switch in Zambia.

With regard to sales and marketing efforts, LOLCTECH launched an enhanced website and showcased FusionX at an international IT conference. The company earned a Co-sell badge and advanced its presence in the local market through Microsoft Partner Network (MPN) registration and participation in external events. Marketing efforts were strengthened with updated collateral and partnerships with Microsoft and Crayons. Further, the ISV program registration was completed, FusionX was published on Capterra, and its trademark was officially registered in Sri Lanka.

Over the past year, LOLC Technologies (LOLCTECH) intensified its focus on Artificial Intelligence (AI) and the deployment of proprietary products across the LOLC Group. As a pioneer and early adopter of emerging technologies, LOLCTECH established a dedicated AI unit to drive innovation across the enterprise. Several key initiatives were rolled out under this unit, including the implementation of LOLC GPT (an internal AI-powered chatbot designed to enhance staff productivity) and the launch of Sri Lanka's first financial chatbot tailored for credit card customers. Other AI-driven advancements included the deployment of the country's first analytical reporting platform, and a predictive vehicle valuation system was deployed.

Simultaneously, LOLCTECH deployed next-generation technology for a unified Group-wide call centre and introduced a

Digital Information & Technology

centralised IT asset management system. A group-wide business process re-engineering [BPR] exercise was undertaken to optimise operational efficiency and standardise workflows.

On the international front, LOLCTECH continued to support the Group's global expansion by deploying the FusionX Core Banking solution in Kenya, implementing the Digital ME platform in Indonesia, launching a gold loan solution in Pakistan, and rolling out country-level information security control enhancements across multiple regions.

SECURITY AND GOVERNANCE

LOLCTECH has adopted a multi-layered and future-ready approach to ensure scalability and cybersecurity across its digital infrastructure. Central to this effort is the achievement of three internationally recognised certifications from Quality Austria Central Asia - ISO 9001:2015 [Quality Management System], ISO 27001:2022 [Information Security Management System], and ISO 20000-1:2018 [IT Service Management]. A milestone achievement during the year was the certification of the entire LOLCTECH operation under these standards for the first time in its history. Initially secured last year, the certifications have since been sustained and expanded, reflecting the organisation's consistent evolution and pursuit of best-in-class standards across all service lines. Scalability has been enhanced through strategic partnerships with third-party data centres and leading cloud providers, ensuring the company's core infrastructure is resilient, agile and capable of supporting global operations across more than 25 countries. This infrastructure is built to accommodate growth while safeguarding against emerging digital threats.

STRATEGIC PARTNERSHIPS

LOLCTECH has sealed a series of strategic alliances to strengthen its technological capabilities and expand its product reach across local and international markets. A key partnership with Microsoft enables the company to harness the power of the Azure cloud ecosystem, ensuring the delivery of secure, scalable, and globally compliant cloud-native solutions. Collaborations with

Crayon [an international Microsoft reseller] and Huawei [a global technology leader] have further enhanced LOLCTECH's infrastructure capabilities and global deployment capacity.

Furthermore, partnerships with digital transformation specialists such as ATDXT, along with Global Frontier and Sampath IT, have been instrumental in driving innovation, supporting regional integration, and elevating delivery excellence. A notable initiative is the strategic collaboration with Sanfer Technologies Pvt Ltd, a fully-owned subsidiary of South Asian Technologies. This partnership centers on accelerating the growth and market reach of OASYS[^], LOLCTECH's proprietary no-code Business Orchestration Automation Technology [BOAT]. By leveraging Sanfer's extensive distribution network and deep-rooted IT operational expertise, LOLCTECH has strengthened OASYS[^]'s Go-to-Market strategy, both in Sri Lanka and beyond. The partnership ensures robust product training, continuous feature enhancements and elevated customer support, paving the way for greater adoption, customer satisfaction and sustainable growth in the digital automation domain.

FINTECH & ENTERPRISE SOLUTIONS

LOLCTECH is playing a pivotal role in enabling LOLC Holdings' global growth trajectory by serving as its core digital solutions partner, with a strategic focus on FinTech and Enterprise Solutions. The company's technology-led approach is geared towards supporting rapid, scalable, and regionally customised digital transformation across LOLC's financial services footprint in Asia and Africa.

EXPANDING DIGITAL FINANCIAL SERVICES

To power the Group's financial inclusion agenda, LOLCTECH has developed cloud-native FinTech platforms tailored for Banks & Financial Institutions. These platforms are engineered for rapid deployment and adaptability, offering multilingual functionality and region-specific compliance features. Innovations such as digital customer onboarding, CASA account opening, ATM integration and digital collections are already in place across Pakistan, Indonesia and the Philippines, enabling efficient and scalable market entry for LOLC's financial services.

CORE BANKING AND FINANCIAL SYSTEMS

As LOLC enters underbanked and emerging markets, LOLCTECH supports operations with bespoke core banking systems that follow a mobile-first design philosophy. These platforms are often integrated with biometric authentication and Smart ME features to streamline customer acquisition, reduce manual processes and facilitate exponential portfolio growth.

ERP WITH ORACLE E-BUSINESS SUITE

To ensure operational consistency and efficiency across geographies, LOLCTECH delivers enterprise solutions built on the ORACLE Financial platform. These solutions provide end-to-end automation for finance, inventory and procurement management, enabling LOLC's global entities to operate seamlessly while maintaining financial discipline and process uniformity.

ADVANCED ANALYTICS AND AUTOMATION

With a strong focus on intelligent technologies, LOLCTECH has invested in robotic process automation [RPA] and business intelligence [BI] solutions. These tools provide predictive analytics that improve decision-making, enhance credit risk evaluation, identify emerging market trends, monitor non-performing loans [NPLs] and streamline back-office workflows.

CYBERSECURITY OPERATIONS

On the cybersecurity front, LOLCTECH has taken a proactive stance in advancing payment security. The LOLC Group is currently in the process of re-validating its payment-related applications and systems under the Payment Card Industry Data Security Standard [PCI-DSS] v4.0.1, the most rigorous global standard for protecting cardholder data. As the Group expands internationally, ensuring regulatory compliance and robust data security is paramount. LOLCTECH addresses this by implementing cybersecurity protocols and compliance frameworks aligned with global standards, fostering trust and regulatory adherence. Their core banking solutions also integrate transaction monitoring and sanctions screening systems, safeguarding a secure and compliant customer base across the Group.

TECHNOLOGY INFRASTRUCTURE AND CLOUD SERVICES

To enable global scalability, LOLC Technologies prioritises cloud-based architectures that facilitate rapid deployment of digital services in new markets, while optimising cost efficiency and ensuring high system availability.

DIGITAL EXPANSION STRATEGY

Modular FinTech Platforms: LOLCTECH deploys flexible, modular digital financial solutions that adapt rapidly to evolving market needs. These platforms support digital lending, savings, mobile banking, and other essential services tailored for microfinance operations in developing countries.

Cloud-First Infrastructure: Cloud-based architectures enable LOLC to enter new markets swiftly without heavy upfront investments in local IT infrastructure. This approach supports fast deployments and centralised operational control.

Mobile-Centric Approach: With high mobile penetration across target regions, digital services are optimised for both smartphones and feature phones (via USSD), ensuring financial inclusion reaches a broad user base.

LOCALISATION

LOLCTECH employs comprehensive localisation strategies to ensure smooth integration across diverse markets. The company collaborates closely with local legal and financial experts to tailor its solutions, ensuring full compliance with each country's banking regulations, data protection laws and KYC/AML requirements. Platforms are also fully localised for native languages, for example, Urdu in Pakistan, and user interfaces, along with customer service tools, are adapted to align with cultural norms and communication styles, as seen in the Philippine market, thereby enhancing usability and building trust. Additionally, LOLCTECH integrates its systems with local financial infrastructures such as national ID databases, credit bureaus and mobile money services like M-Pesa in Kenya, One-Link, JazzCash, and Easypaisa in Pakistan, and ECPay in the Philippines, enabling seamless and secure financial transactions.

KEY INTEGRATIONS:

- » Kenya: Deployment of digital payouts and mobile banking disbursement platforms including M-Pesa wallet integration, Elma mobile banking, and SMS gateway services.
- » Zambia: Ongoing rollout of USSD and mobile-based financial solutions.
- » Pakistan: Integration with national biometric ID systems to streamline KYC and sanctioning processes.

FINTECH PLATFORMS

IPAY

During the year under review, LOLCTECH implemented a series of key enhancements to the iPay platform, aimed at improving user experience, strengthening security and ensuring greater operational efficiency. Among the most significant upgrades was the integration of a video-based Know Your Customer (vKYC) solution, which allows remote customer identity verification, thereby streamlining the onboarding process. The Gold Loan Top Up feature was introduced to enable existing gold loan customers to apply for additional credit based on their gold value without branch visits. To enhance transaction security, 3D Secure (3DS) authentication was implemented for card payments.

iPay Deals was launched as a centralised space within the app to showcase curated offers from card providers and merchants, encouraging engagement and cross-selling. Google Tag Manager was integrated to capture behavioural analytics, allowing continuous improvements in user experience. The platform was also connected to the Government Digital Payment Platform (GDPP) to support secure and compliant digital transactions. Merchant communications were overhauled with redesigned emails, alerts, SMS and notifications to enhance clarity and branding.

Customer onboarding was expanded to allow registration with international mobile numbers, supporting Sri Lankans overseas and widening the app's user base. In terms of compliance and infrastructure, the company introduced automated mobile number validation for JustPay registrations and enabled pull-and-push transaction data

transmission with CBSL, currently pending final approval.

Furthermore, the platform achieved PCI-DSS certification, ensuring robust data security for cardholder information. Usability was further enhanced through features such as copy-paste functionality for account details and improvements to the user experience around pending and failed transactions. A new service, iParking, also entered live beta testing, offering smart parking solutions integrated into the app.

On the backend, LOLCTECH upgraded its MySQL database to version 8.1, enhancing system performance, scalability and security. These enhancements supported the consistent growth of iPay's monthly active users, transactions and total transaction value over the financial year.

OASYS^

OASYS^, an intelligent no-code AI-powered automation platform in the Business Process Orchestration (BPO) space, enables enterprises to digitise and streamline complex workflows at scale. FY2024/25 was a landmark year with the launch of a global partner programme. The platform onboarded its first strategic partner and began accelerating partner expansion across high-growth regions. Today, OASYS^ serves over 35 enterprise clients in more than 15 countries, supporting 50,000+ users across banking, government, insurance, and service sectors.

Major platform enhancements in 2024/25 include:

- » GPT-AI Assistant (GPT-4) delivering context-aware task support
- » OpenForm for secure, public-facing workflow intake
- » Enhanced E-Signature featuring OTP authentication and role-based routing
- » Upgrades to Document Intelligence, Integration Hub, and Dynamic Reporting capabilities

The platform processes over 100,000 workflows monthly, executes 2 million API calls per month and maintains 99.9% uptime. Looking ahead, OASYS^ will focus on expanding its partner ecosystem, launching

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an AI-driven Process Recommendation Engine and introducing vertical-specific accelerators tailored for HR, Finance, Legal and Procurement functions. OASYS^ remains committed to driving enterprise transformation at scale, powered by intelligence and strengthened through strategic collaboration.

FusionX

FusionX is an innovative core banking system engineered to empower financial institutions to swiftly adapt to rapidly evolving market conditions using advanced technology. At its core, FusionX serves as a catalyst for growth and advancement, developed with a composable architecture that allows banks and financial institutions to maintain flexibility and quickly enter highly competitive markets. The platform encompasses a broad suite of modules including Mobile Teller, Mobile Consumer, Payment Cards, Lending, Deposit, Bill Presentment, Remittances, Sales Force, and CRM, while supporting multiple channels such as Internet banking, Mobile, Trade Finance, POS, Self-Service KIOSKs and AML compliance tools.

The overarching goal of FusionX is to establish a dedicated operating system tailored for the financial services and banking sector, enabling ecosystem participants to seize opportunities and create shared value. The guiding design principle is 'Simplification to all stakeholders' – aiming to make banking seamless and intuitive for everyone involved, from customers and bank tellers to staff, agents, managers and banking partners. By integrating the customer experience into the core design philosophy, FusionX places the customer at the centre of the platform, recognising that all stakeholders are customers in their own right within this ecosystem.

FusionX operates on three core principles: facilitating the store of value, the transfer of value and access to value. Its value propositions include exceptional usability and accessibility, a well-defined content strategy, robust information architecture, comprehensive functionality, seamless platform integration and an intuitive user interface.

ESG & SUSTAINABILITY

In 2024, LOLCTECH continued its focus on community empowerment through education and youth development. The company donated school shoes to 140 students in need at Sacred Heart Church, Rajagiriya, helping remove a basic barrier to their education. Furthering its commitment to holistic development, LOLCTECH also supported sports by donating a full cricket kit to Velapura Maha Vidyalaya's emerging school team. This initiative aimed to nurture young athletic talent and promote values such as teamwork, discipline, and perseverance. Together, these efforts reflect the company's dedication to creating equal opportunities and uplifting future generations through meaningful corporate social responsibility initiatives [CSR].

In 2024, LOLCTECH reaffirmed its steadfast commitment to Environmental, Social, and Corporate Governance [ESG] principles through a series of impactful and independently executed CSR initiatives. Despite not partnering with government entities or non-government entities (NGOs), the company continued to deliver high-impact community development projects, driven by a strategic and self-sustained approach. Among key initiatives was the donation of school shoes to 140 students in need at Sacred Heart Church, Rajagiriya. Recognising the fundamental role of proper footwear in enabling a child's education, this effort aimed to eliminate a basic barrier to school attendance and participation.

Extending its focus beyond the classroom, the company also contributed to the development of youth through sports. A complete cricket playing and practice kit was donated to the emerging school cricket team of Velapura Maha Vidyalaya, providing aspiring young athletes with the resources needed to train effectively and compete with confidence. This initiative highlighted the company's commitment to holistic development, helping nurture vital life skills such as teamwork, discipline and resilience.

These initiatives are part of a broader ESG strategy that focuses on education, inclusivity and youth empowerment, key pillars aligned with LOLCTECH's long-term vision. Operating

without external collaborations has enabled the company to maintain full autonomy in identifying community needs, responding swiftly and implementing initiatives with precision. This direct and hands-on approach has ensured that resources are channelled efficiently to areas of highest impact.

Projects such as the Spread Love campaign and the Revamp of Computer Lab initiative further demonstrate LOLCTECH's ability to deliver meaningful change independently. Whether it is supporting differently-abled children or modernising digital learning environments, each effort reflects a proactive understanding of the social landscape and a commitment to inclusive progress.

FUTURE OUTLOOK

Looking ahead, LOLCTECH remains dedicated to driving innovation across its digital ecosystem while expanding its presence in transformative technologies. With cumulative profits exceeding Rs. 1.1 billion this financial year, the company's strategic investments in diverse market entities reflect its forward-looking, value-driven approach. LOLCTECH is committed to deepening investments in high-growth sectors such as FinTech and Artificial Intelligence. These fields are revolutionising the global technology landscape and align closely with the organisation's vision of delivering inclusive, intelligent and future-ready digital solutions.

Artificial Intelligence is a key focus area, with plans to embed AI capabilities into core platforms and services. This will include intelligent automation, predictive analytics, and enhanced customer experiences spanning financial services, enterprise operations, and digital ecosystems. Furthermore, LOLCTECH is exploring emerging technologies such as blockchain, cloud-native development and advanced cybersecurity to future-proof its offerings and strengthen its competitive advantage. By actively pursuing partnerships and equity stakes in promising FinTech startups, LOLCTECH aims to accelerate financial inclusion, digital payments and smart banking solutions across emerging markets.

Engineering and Construction

ENGINEERING AND CONSTRUCTION

SIERRA CABLES DELIVERED ITS HIGHEST-EVER TURNOVER SINCE INCEPTION, RECORDING LKR 9.2 BILLION IN REVENUE - A 14% INCREASE YEAR-ON-YEAR. THIS EXCEPTIONAL PERFORMANCE CAME DESPITE A CHALLENGING CONSTRUCTION ENVIRONMENT, WITH GROWTH DRIVEN BY A ROBUST EXPANSION IN EXPORT VOLUMES AND A 100% SURGE IN THE LOCAL RETAIL MARKET. THE COMPANY'S EXPORT CONTRIBUTION NOW EXCEEDS 20% OF TOTAL TURNOVER.

During the year under review, Browns Investments continued to strengthen its footprint across multiple sectors. The strategic diversification of its portfolio enabled the Group to weather sectoral challenges while pursuing operational efficiencies and long-term value creation.

BROWNS ENGINEERING AND CONSTRUCTION

During the financial year, Browns Engineering and Construction recorded a revenue of LKR 5.6 billion, representing a 25% decline compared to the previous year's LKR 7.5 billion. The reduction was largely due to the completion of the Sri Lanka Telecom fibre optic infrastructure project, which had been a major revenue driver in prior periods. Additionally, the slowdown and the delayed recovery of Sri Lanka's wider construction sector further impacted new project inflows.

Despite these challenges, the company maintained operational stability and demonstrated strong resilience through proactive cost management, strategic resource allocation, and a continued focus on delivering value across ongoing projects. Browns Engineering and Construction remains committed to navigating the evolving market landscape while positioning itself for growth as industry conditions improve.

A notable milestone during the year was the soft opening of the Nasandhura Palace Hotel in Malé, Maldives, on 29th January 2025. As the largest hotel in the capital island with 118 apartments and 136 rooms across two towers, the property represents a flagship investment for the Group. Operated by the Barcelo Group, the hotel is already receiving positive guest feedback and is expected to make a strong contribution to revenue in the years ahead.

BROWNS METAL & SANDS

Browns Metal and Sands has not yet commenced commercial production due to prevailing industry conditions and a slow revival in the local construction market. Nevertheless, the company remained proactive by renewing necessary licenses and progressing groundwork for future growth. Plans are underway to manufacture engineering sand and aggregates as a sustainable alternative to river sand, aligning with environmental commitments. In addition, the business is exploring new opportunities in cooperative export and is evaluating the commercial potential of a unique dark green granite deposit identified in its quarry site. Preliminary discussions with international buyers have been encouraging, positioning this as a potential high-value export stream in the future.

SIERRA CABLES

Sierra Cables delivered its highest-ever turnover since inception, recording LKR 9.2 billion in revenue - a 14% increase year-on-year. This exceptional performance came despite a challenging construction environment, with growth driven by a robust expansion in export volumes and a 100% surge in the local retail market. The company's export contribution now exceeds 20% of total turnover, a remarkable improvement from under 2% at the time of acquisition.

Sierra Cables maintained its A+ [Stable] rating for the fourth consecutive year and secured the prestigious UL44 certification, enabling it to meet high international standards for commercial and residential power distribution in the USA. Notably, it is now the leading exporter of cables to USA from Sri Lanka. The company also embarked on backward integration by initiating in-house raw material production through energy-efficient technologies, enhancing both sustainability outcomes and profitability. These steps align with the Group's overarching Environmental, Social & Governance [ESG] agenda and strengthen its circular economy model.

Manufacturing and Trading

MANUFACTURING AND TRADING

THE BROWNS BATTERY & TYRE STRATEGIC BUSINESS UNIT (SBU) RECORDED A STRONG PERFORMANCE DURING THE FINANCIAL YEAR ENDED 31ST MARCH 2025, REAFFIRMING ITS MARKET LEADERSHIP AND DRIVING FORWARD WITH INNOVATION AND EFFICIENCY. IN THE AUTOMOTIVE BATTERY SEGMENT, THE COMPANY ACHIEVED A 7% GROWTH IN VOLUME, REFLECTING CONSISTENT DEMAND AND AN EFFECTIVE MARKET PRESENCE.

BROWNS BATTERY & TYRE SBU

The Browns Battery & Tyre Strategic Business Unit (SBU) recorded a strong performance during the financial year ended 31st March 2025, reaffirming its market leadership and driving forward with innovation and efficiency. In the automotive battery segment, the company achieved a 7% growth in volume, reflecting consistent demand and an effective market presence. The tyre category emerged as the top performer for the year, posting an impressive 36% growth in quantity sold - the highest turnover recorded within the SBU during the period. These results were driven by enhanced customer engagement, strategic pricing and streamlined distribution operations across the island.

The SBU continued to strengthen its product offering with the introduction of Enhanced Flooded Batteries (EFB) catering to start-stop vehicle systems and Lithium-Ion batteries for golf carts, expanding its reach across both automotive and industrial battery applications. These new additions supported the company's efforts to meet evolving market demands while also aligning with emerging global trends in energy storage and efficiency.

In recognition of its exceptional sales performance and team capabilities, Browns Battery was honoured at the SLIM NASCO 2024 Awards, securing five accolades: one Gold, one Bronze, and two Merit Awards in the Front Liners category, and a Bronze Award in the Corporate Sales/Territory Manager category. These achievements reflect the

division's deep-rooted sales excellence and dedication to nurturing talent across all levels of the organisation.

The year also marked a series of unprecedented milestones. In March 2025, the SBU recorded its highest ever monthly battery sales volume, exceeding 79,000 units. An individual Front Liner made history by surpassing 10,000 battery units in a single month, setting a new company benchmark. Similarly, a Regional Manager reached a record 22,000 battery sales within the same month, the highest monthly performance ever recorded at that level. In a significant industry-first, Browns Battery pioneered the introduction of an E-Warranty for automotive batteries - digitising the warranty process to enhance customer convenience, improve efficiency and reinforce the brand's innovation credentials.

Sustainability remained a key area of focus throughout the year. The division implemented battery recycling and safe disposal practices in line with national and global environmental standards. Efforts were made to reduce emissions in logistics through optimised delivery planning and maintenance protocols, while the introduction of lithium-ion technology supported the transition toward more eco-friendly product solutions. The E-Warranty initiative also contributed to environmental goals by reducing paper usage and supporting the company's ongoing digital transformation. These initiatives, taken together, reinforce Browns Battery's

commitment to responsible business practices and long-term value creation.

GENERAL TRADING SBU

During the financial year ended 31st March 2025, the Browns General Trading Division delivered a robust performance, achieving a top-line revenue exceeding Rs. 1.3 billion. This outcome reflects the division's strategic focus on portfolio diversification, brand partnerships and enhanced customer outreach across its key markets.

Operationally, a key highlight was the complete revamp of the Makita flagship store's main service centre, which was upgraded with state-of-the-art technology to provide an elevated and more responsive after-sales service experience. This move not only strengthened customer satisfaction but also reinforced the division's position as a trusted distributor of premium tools and equipment in the Sri Lankan market.

During the year, the division earned industry recognition by winning the award for the Best Displayed Stall in the Hardware & Power Tools category at the Construct Exhibition Awards Night, underscoring its commitment to excellence in product presentation and customer engagement.

Several milestones marked the division's efforts to expand its footprint and offerings. A notable development was the partnership with a reputed waterproofing solutions provider from New Zealand, enhancing the division's

construction-related product portfolio. In addition, a high-quality vacuum cleaner range was introduced to the domestic market at competitive pricing, targeting growing demand in the home appliance segment.

Sustainability initiatives also played a central role during the year under review. A series of nationwide awareness programmes were conducted for tilers, masons and plumbers, to educate them on the importance of waterproofing in residential and commercial construction. These training sessions not only helped enhance industry knowledge but also contributed to the division's commitment to responsible product usage and long-term customer value creation.

BROWNS THERMAL ENGINEERING SBU

During the year under review, Browns Thermal Engineering (BTEL) recorded a revenue of Rs. 1.14 billion, marking a relatively stable topline performance despite persistent macroeconomic and sector-specific challenges. Gross profit for the year improved to Rs. 344 million, demonstrating enhanced operational efficiency and cost management compared to the previous year. However, the company closed the year with a net loss of Rs. 13.1 million, largely reflecting industry headwinds and input cost pressures.

Operationally, BTEL continued to deliver resilience and consistency. The factory functioned without interruption, ensuring uninterrupted supply to the domestic market while fulfilling the component requirements of Associated Battery Manufacturers Ltd. BTEL maintained its dominant 80% market share in the copper-brass auto radiator segment and 85% in the copper-brass industrial radiator space. The aluminium-plastic radiator range also gained traction, with market share increasing to 30%, reflecting a growing demand for these products.

During the year, BTEL shifted its RADCO radiator and plastic injection moulding factory to a new, purpose-built facility in Katunayake. This strategic move enhanced overall production capacity and operational efficiency. The product portfolio of aluminium-plastic radiators was expanded to over 125 models, while production capacity reached one million cubic inches of radiators per month. The injection moulding segment

saw its output increase to 34,000 kg per month, strengthening the company's ability to meet evolving market demand. BTEL also introduced the RADCO wiper blade range, catering to both steel frame and hybrid types, ranging from 12 to 28 inches, thereby diversifying its product portfolio.

Sustainability and long-term product reliability remained key focus areas. The company emphasised product development across radiators and plastic products to maintain high quality standards and customer satisfaction. Efficient inventory management of both raw materials and finished goods played a crucial role in sustaining market share during a volatile period.

BROWNS AGRICULTURE SBU

During the financial year ended 31st March 2025, Browns Agriculture SBU reaffirmed its role as the market leader in mechanised agriculture in Sri Lanka, delivering strong financial and operational results while continuing to innovate and uplift the agricultural ecosystem across the country. The Strategic Business Unit recorded a total revenue of Rs. 10.1 billion for the year under review, representing a significant year-on-year growth of 44%. The division's net contribution rose to Rs. 1.245 billion, marking a 63% increase over the previous year.

Browns Agriculture maintained its undisputed market leadership in both the tractor and harvester segments. The division retained a dominant 40% market share in the tractor segment and achieved an unparalleled 75% market share in the harvester category, reinforcing its status as the preferred mechanisation partner for the nation's farmers. These outcomes are a testament to the trust placed in Browns by generations of agricultural stakeholders.

The operational excellence of Browns Agriculture was recognised internationally during the year under review. Yanmar Agribusiness named Browns a 'Crucial Partner' at the Yanmar Global Distributor Meeting 2024 held in Osaka, Japan. Furthermore, the division was honoured with the 2024 Annual Outstanding Distributor 'Market Sales Growth Award' at the FM World 2025 Global Partners Business Negotiation Conference hosted by Jiangsu World

Agriculture Machinery Co., Ltd. in Danyang City, Jiangsu Province, China. Locally, Browns Agriculture was recognised with the Special Bronze Award in the Agriculture Sector at INCO-2025, Sri Lanka's premier industrial exhibition.

The year under review was marked by the successful launch of two key products under the campaign titled "Raja Wadakaray". The event, held in January 2025 at the Sirasa Stein Studio, unveiled the new TAFE Dyna Track 4WD Tractor and the Browns Sumo Combined Rice Mill. The launch was attended by over two hundred dealers from across the island, along with senior leadership from LOLC, Browns Group, and TAFE India, reflecting the scale and importance of this initiative. As a special recognition, dealers who achieved the highest sales in 2024 were awarded with Gold, honouring their outstanding contributions and reinforcing Browns' strong dealer partnership model.

The division also executed two island-wide free service campaigns to strengthen customer engagement and operational reliability. The "Track Tech" Free Service Campaign, conducted in collaboration with TAFE India, offered comprehensive after-sales and post-warranty care for tractor owners. Nine service camps were held across the island during pre-season periods, ensuring minimal machine downtime during peak cultivation times. Similarly, doorstep service was provided to harvester customers, reinforcing the division's long-standing commitment to customer care. In line with global trends in smart farming, Browns Agriculture also made strategic progress in precision agriculture by introducing drone-operated agricultural services - demonstrating its forward-thinking approach and readiness to integrate advanced technology into local farming practices.

The division's sustainability agenda was advanced through the distribution of 'Mee Plants' during the Track Tech campaign, reinforcing its commitment to environmental regeneration. Additionally, a series of free health camps, along with the provision of medicine, were conducted for farmers and their families in tandem with service activities, delivering holistic value to rural communities.

Manufacturing and Trading

The 'Sisu Nena Pahana' educational initiative was continued throughout the year, with Browns partnering local universities, agricultural schools, and technical colleges to train students on modern agricultural machinery, its applications, and maintenance. In parallel, the 'Govi Nena Pahana' programme targeted the farming community, agricultural officers, and other sectoral stakeholders, offering technical knowledge, awareness, and capacity building.

Browns Agricultures' market leadership, technological collaborations, and strong customer engagement model have positioned the division as a key enabler of modern, resilient and inclusive agriculture for the future.

BROWNS POWER SYSTEMS SBU

In the financial year 2024/25, the Browns Power Systems Division recorded net sales of Rs. 701 million, maintaining its position as a leading provider of power generation and engineering solutions across Sri Lanka. With over three decades of trusted service, the division continued to support the nation's critical sectors by executing turnkey projects across a wide range of industries, including garments, F&B, livestock, healthcare, finance, hospitality, manufacturing and education. These successful implementations underscored the division's reputation for engineering excellence and its ability to customise power solutions to meet diverse client needs.

Driven by a commitment to sustainability and innovation, the division invested heavily in new technologies that promote cleaner and more efficient power systems. Emphasis was placed on reducing emissions, minimising noise pollution and integrating IoT-enabled aftersales systems that ensure responsible and sustainable equipment usage throughout the lifecycle. These forward-thinking initiatives reflect Browns' continued dedication to environmental stewardship and customer-centric operations, reinforcing its leadership in the evolving power solutions landscape.

BROWNS AIR-CONDITIONING SOLUTIONS SBU

The Browns Air-Conditioning Solutions Division further cemented its position as a leading provider of premium air-conditioning and climate control solutions across Sri Lanka. With nearly two decades of expertise serving both the private and public sectors, the division successfully executed several large-scale turnkey projects in hospitality, residential, commercial and government segments. These milestones reflect the division's deep-rooted technical expertise, customer-focused approach, and reputation for delivering customised, reliable solutions across diverse environments.

Reinforcing its commitment to sustainability, the division rolled out several environmentally responsible initiatives during the year. A key highlight was the introduction of R32 wall-mounted air conditioners under the BG brand; these units use an advanced refrigerant with a lower global warming potential and improved energy efficiency. Complementing this, the division also launched a new range of energy-efficient and economical range wall-mounted air conditioners under the Hyundai brand, designed for enhanced cooling performance and long-term reliability.

Operationally, the division invested in building technical capabilities by expanding its specialised service team, particularly for high-end VRF (Variable Refrigerant Flow) systems. This strategic enhancement ensures quicker response times, predictive maintenance and IoT-enabled monitoring - delivering greater efficiency and seamless customer support. Collectively, these efforts underscore Browns AC's ongoing drive for sustainable innovation and its mission to provide future-ready, energy-efficient cooling solutions to Sri Lanka's evolving built environment.

BROWNS HEAVY MACHINERY

During the financial year 2024/25, Browns Heavy Machinery strategically broadened its product portfolio to address diverse requirements in the logistics, construction, and mining sectors. The division introduced key models such as the MAN TGX Prime Mover sourced from MAN Top Used UK, and the Hall Master Haulage Tractor supplied by Mahindra Construction Equipment. These additions

were well-aligned with growing demand for high-performance machinery in infrastructure and resource-based industries.

Looking ahead to 2025/26, the division is poised for further growth through planned tie-ups with FORCE Motors India. The expanded range will include both light and heavy commercial vehicles to cater to emerging opportunities in tourism, logistics, and material handling. By strategically aligning with globally reputed manufacturers, Browns Heavy Machinery aims to solidify its market presence and deliver enhanced value across multiple industrial verticals.

MARINE & LEISURE SBU

In 2024/25, Browns Marine recorded a revenue of Rs. 215.1 million, reflecting a 20.1% growth over the previous year's figure of Rs. 179.1 million. The division continued to maintain its market leadership in the inboard engine segment, sustaining a 30% market share. This performance was driven by a strong focus on community engagement, enhanced accessibility to products, and responsive customer service.

Among the key milestones achieved during the year was the launch of the Marinized TAFE Inboard Engine, a cost-effective, budget-friendly solution developed specifically for the northern fishing community. Introduced through a series of awareness programmes conducted in partnership with the Cey-Nor Foundation across Mannar, Jaffna, and Mullaitivu, the initiative aimed to familiarise local fishermen with emerging marine technologies while strengthening community livelihoods.

Browns Marine also strengthened its aftersales service offering through a collaborative initiative with Suzhou Parsun Power Machine Co., Ltd. A free service campaign for outboard motor (OBM) users was conducted in Kinniya, Muttur, and Negombo, where two Parsun technical experts engaged directly with customers to address technical concerns. The programme reinforced Browns Marine's commitment to customer care and further deepened its partnership with Parsun.

The Marine SBU's strategy is to blend product innovation with grassroots outreach, enabling both market growth and the empowerment of coastal communities.

VETERINARY & PHARMACEUTICAL SBU

During the financial year 2024/25, Browns Veterinary Pharmaceuticals Division continued to strengthen its presence in Sri Lanka's animal healthcare sector, delivering consistent growth and expanding its portfolio in line with evolving market needs. A notable operational achievement was the successful launch of Bawwa Bites, an exclusive Browns-owned dog food brand. Designed as an affordable, complete and balanced food for dogs, Bawwa Bites offers high nutritional value and reflects Browns' commitment to accessible, quality pet nutrition.

Further demonstrating its dedication to advancing animal well-being, the Division also introduced Skincure Advance, a natural, side-effect-free wound spray formulated to accelerate healing and prevent the development of secondary infections. Suitable for both companion and large animals, Skincure Advance offers a safe and effective solution for managing wounds and skin-related conditions, aligning with Browns' mission to provide holistic, science-based care across all categories of animal health.

The division also continued to uphold its sustainability and community-focused ethos through multiple impactful initiatives. Under the Plant a Tree – Plant a Life campaign, fruit tree saplings were distributed to staff and senior management during the Sinhala & Tamil New Year, promoting environmental awareness and green living. Complementing this, a large-scale beach cleanup was conducted at the Dehiwala-Mount Lavinia beach in collaboration with the Central Environmental Authority (CEA), commemorating World Environment and Oceans Day. The event drew participation from over 100 school students and reaffirmed the division's ISO 14001-certified commitment to environmental stewardship.

Supporting its core clientele, Browns Veterinary Pharmaceuticals enhanced its technical support services aimed at small and medium-scale farms. These services included free veterinary consultations,

third-party laboratory access, vaccination and audit services, and continuous farm management training delivered through over 100 service engagements annually. Monthly customer education programmes – featuring both local and international experts – were also conducted, addressing current disease outbreaks, biosecurity measures and operational best practices to empower local farmers and improve productivity. Additionally, Browns extended its reach into public health through anti-rabies vaccination drives, donating vaccines to welfare societies for street dog immunisation. This not only contributes to safer communities but also aligns with the company's broader social, environmental and economic sustainability goals.

INTEGRATED ENGINEERING SOLUTIONS SBU

Industrial Engineering Solutions posted a turnover of Rs. 316 million in 2024/25, delivering a gross profit of Rs. 141 million (before commissions) and recording its highest-ever net contribution of Rs. 51 million. The operational focus during the year was on diversifying the product portfolio to better serve industrial and automotive clients.

Key achievements included the addition of raw chemicals from Indian supplier Taanmay to the product basket, enhancing sales potential across industries. The division also introduced wheel care equipment and accessories from Manatec (India) and signed a strategic partnership with Gulf Lubricants (India) to supply lubricants to the automotive and industrial sectors. These initiatives mark a significant step in strengthening the company's position in the engineering solutions market.

BROWNS DEALS SBU

Browns Deals recorded a turnover of Rs. 657 million for the financial year ended 31st March 2025, delivering a gross profit of Rs. 139 million (before sales commissions) and a net contribution of Rs. 23 million. Operationally, the business focused on expanding its market presence by introducing value-oriented consumer electronics. A major highlight was the launch of Sanford televisions at competitive price points, which significantly boosted product appeal across price-sensitive customer segments.

A notable milestone during the year was the achievement of the highest-ever monthly sales in December 2024, with turnover exceeding Rs. 105 million. This achievement underscores the brand's growing traction and customer acceptance in the retail electronics domain. Sustainability initiatives during the year remained minimal, with focus primarily on business performance and portfolio expansion.

BOILER SBU

During the year under consideration, the Browns Boiler Division strengthened its operational capabilities by expanding its product portfolio to include Thermic Fluid Heaters and Paddy Husk Boilers. This strategic enhancement allowed the division to better cater to diverse customer needs, particularly in industries seeking energy-efficient and sustainable heating solutions.

The division achieved significant milestones by successfully installing new boiler systems at key client locations. Notably, the Richlight boiler installation contributed to a cleaner and more energy-efficient production process, aligning with industry demands for sustainable operations. Additionally, the tailored boiler solution implemented at Sewmini Rice Mill enabled the use of paddy husk as a renewable biomass fuel, underscoring the company's commitment to environmentally responsible practices.

The division also prioritised continuous employee development through robust education programs. Beyond internal and outsourced training, specialised sessions were conducted by suppliers from India, equipping engineers with the latest knowledge on advanced boiler technologies, operational safety, energy efficiency and maintenance best practices. These efforts reinforce the division's focus on quality, innovation and sustainability, positioning it well for future growth and enhanced market relevance.

BROWNS TECH SOLUTIONS

During the financial year ended 31st March 2025, Browns Tech Solutions recorded stable financial performance, supported by continued demand in the mobile device category. While specific turnover and profitability figures are not disclosed, the

Manufacturing and Trading

business maintained its market position within the telecommunications and electronics segment. The division focused on strengthening its product offering and widening its market presence. A new feature phone model was introduced and strategically launched through Browns' extensive distributor network across the island. This move aimed to meet the growing demand in price-sensitive rural and semi-urban markets, reinforcing the division's accessibility and nationwide coverage. The division's performance reflects its commitment to agile market response and channel-driven growth.

AJAX

Ajax recorded a loss of Rs. 1.36 billion in 2024/25. Despite this challenging financial outcome, the company successfully completed the Brandix office complex building in Colombo 03, a significant project valued at approximately Rs. 662.8 million. The company secured two major new contracts expected to be completed in the 2025/26 financial year. These include the Maritime Facilitation Center in Colombo 02, valued at USD 785,770 and the Sasakawa Memorial Sri Lanka Japan Cultural Center in Colombo 08, valued at Rs. 351 million. These wins reflect the company's ongoing commitment to growth and its ability to secure strategic projects within the construction sector.

With the completion of key projects and acquisition of new contracts, Ajax is well-positioned to improve its financial performance and operational footprint in the coming year.

GURIND

During the financial year 2024/25 ending 31st March 2025, Gurind maintained its operational focus amid a challenging business environment. The company sustained steady financial performance, supported by disciplined cost management and operational efficiency initiatives. Despite the absence of major awards or special milestones during the year, Gurind continued to deliver consistent value to its stakeholders. The company concentrated on strengthening its core activities, ensuring uninterrupted service delivery and client satisfaction throughout the year. Sustainability initiatives remained limited in this period, with no new programmes

launched. Looking ahead, Gurind aims to build on its existing strengths and explore opportunities for growth and sustainability in the coming financial years.

B. I. COMMODITIES & LOGISTICS

Within the manufacturing sector, B.I. Commodities and Logistics stood out as Sri Lanka's leading timber treatment provider to the construction industry and other timber users in providing a solution for durability.

BICL business comprises several revenue segments apart from timber treatment, kiln drying as a value-added service for timber treatment, manufacturing and supplying treated wooden pallets to the export industry in line with the international ISPM 15 regulation and for logistics operations, wooden flooring and as the new addition where door and window frames and sashes manufactured according to customers specifications.

The company's pallets meet stringent export requirements and also have the cortication in heat treating wooden packaging material according to ISPM standard. needs. During the period under review, B.I. Commodities recorded a 36% increase in operating profit, supported by improved operational efficiencies and over 80% reduction in finance costs through prudent financial management.

With the economic situation improving we expect an improvement in the construction and hospitality industry. This would increase the demand for timber treatment, Kiln seasoning and wooden flooring.

Advanced Technologies

ADVANCED TECHNOLOGIES

IN 2024/25, CEYLON GRAPHENE TECHNOLOGIES (CGT) CONTINUED TO BUILD MOMENTUM IN ITS EFFORTS TO COMMERCIALISE GRAPHENE, MAKING STEADY PROGRESS THROUGH ITS STRATEGIC INTERNATIONAL COLLABORATIONS.

The Advanced Technologies sector of LOLC Holdings represents the Group's forward-looking commitment to innovation, value addition and high-tech industrial development. Focused on converting Sri Lanka's natural resources into advanced materials and applications through strategic global partnerships and cutting-edge R&D, the sector continues to explore export-oriented opportunities in fields such as graphene, graphite and mineral-based technologies, positioning LOLC as a catalyst for technological transformation in Sri Lanka and beyond.

LOLC ADVANCED TECHNOLOGIES (LOAT)

The Pyrolysis Project, housed under LOLC Advanced Technologies as a Sustainable project, is one of the Group's most ambitious sustainability initiatives. The project was launched with the objective of converting non-recyclable plastic and polythene waste into pyrolysis oil - a sustainable alternative to furnace oil. The pilot facility, located at the Kerawalapitiya dumping yard, was successfully commissioned last year. However, operations were temporarily suspended following a mechanical incident early in 2025. Repairs are currently underway, with production expected to resume by August 2025.

In a major development, LOAT signed a MoU with Corsair, a Finnish pyrolysis technology leader operating in Finland and Thailand. This partnership aims to expand the plant footprint from the initial one-unit pilot to ten fully operational units over multiple phases. The collaboration includes technology transfer, with future production targeted at creating high-value plastic industry feedstock from pyrolysis oil - shifting from a fuel-based product (sold locally at USD 0.50 per litre) to a globally exportable raw material commanding USD 1.00-1.20 per litre.

This circular economy model positions the Pyrolysis Project as a solution to Sri Lanka's growing plastic waste crisis while also delivering high commercial value and ESG impact. The project is expected to generate revenue both locally and internationally, while contributing to sustainable waste management and innovation-led industrial development.

SUNYIELD BIO INGREDIENTS PVT LTD

SunYield BioIngredients Pvt Ltd, a flagship initiative under LOLC Advanced Technologies, entered its commissioning stage during the reporting period. The project, initiated two years ago, aims to capitalise on the global demand for high-value botanical extracts such as oleoresin, piperine, and essential oils derived from premium Sri Lankan agricultural inputs, particularly cinnamon, pepper, nutmeg and clove. The extraction facility was fully installed in April 2025 and began commissioning shortly thereafter, with commercial operations scheduled to commence by June 2025. The facility is expected to process 600 tonnes each of pepper and cinnamon in its first year, with additional capacity allocated to other spices. From the second year onwards, total input volumes are projected to increase to 1,800 tonnes annually, with 100 percent utilisation anticipated.

SunYield's products are fully export-oriented and compliant with international standards. With projected revenues of USD 15-18 million annually, the venture is poised to strengthen Sri Lanka's position in the global botanical extracts market. Approved under the BOI and supported by Tropical Island Commodities' supply network, SunYield BioIngredients represents a critical addition to LOLC's agri-tech portfolio and supports its strategic goal of increasing value-added exports.

CEYLON GRAPHENE TECHNOLOGIES (CGT)

In 2024/25, Ceylon Graphene Technologies (CGT) continued to build momentum in its efforts to commercialise graphene, making steady progress through its strategic international collaborations. The joint venture with Khalifa University's RC2D Research Centre in Abu Dhabi, initiated in the previous year, moved closer to operational status, with the setup of a small-scale manufacturing facility now well underway. This plant is intended to produce research-grade graphene material, supporting global research and commercial applications. Khalifa University remains CGT's key commercial partner in this initiative, which is expected to act as a springboard for a large-scale production facility in the region.

CGT has also maintained its collaborations with the University of Adelaide and the University of Melbourne, with several patents and application-ready materials in development. These are being integrated into the Abu Dhabi venture to fast-track market readiness. Further discussions with Invest Victoria are ongoing to secure state-level support for CGT's R&D efforts in Australia.

As in previous years, all core technological breakthroughs in graphene application remain led by Sri Lankan scientists - demonstrating the country's home-grown capabilities in this emerging frontier. CGT continues to operate at the intersection of innovation and value addition, reflecting the broader vision of LOLC Advanced Technologies to transform Sri Lanka's mineral resources into global solutions.

MINING

WITH A STRONG FOCUS ON SUSTAINABLE AND RESPONSIBLE PRACTICES, THE SECTOR COMPRISES KEY VENTURES IN GRAPHITE AND GOLD MINING POSITIONED TO GENERATE LONG-TERM FOREIGN CURRENCY INCOME WHILE CONTRIBUTING TO ENVIRONMENTAL PRESERVATION AND ECONOMIC DEVELOPMENT.

LOLC's mining portfolio reflects the Group's strategic commitment to unlocking value from high-potential natural resources, both locally and internationally. With a strong focus on sustainable and responsible practices, the sector comprises key ventures in graphite and gold mining - positioned to generate long-term foreign currency income while contributing to environmental preservation and economic development.

GEO TECHNOLOGIES

Geo Technologies continued to make promising strides in its graphite exploration activities during the year under review, positioning itself as a future-oriented, export-driven venture with the potential for 100% dollar-denominated income. With graphite becoming a critical component in the global energy transition - especially in electric vehicle (EV) batteries and energy storage systems - Sri Lanka's naturally occurring high-purity graphite offers a strategic advantage.

The company currently holds three exploration licences covering 46 grids situated in some of the most geologically prospective areas in the country. Initial exploration efforts are being carried out in Dodangaslanda, where over 270 feet have been excavated vertically and around 150 feet horizontally. Laboratory results have confirmed carbon purity levels exceeding 95%, a strong indicator of commercial viability and global competitiveness.

In line with geological findings, Geo Technologies has submitted a proposal to the government to acquire adjacent land on a long-term lease, as exploration data suggests that the existing graphite veins extend beyond current boundaries. If approved, the expansion would significantly enhance the project's operational scale and export capacity.

Geo Technologies is currently the only corporate entity in Sri Lanka actively involved in this sector, and the company is well-positioned to capitalise on the escalating global demand. Despite the inherent complexities and risks associated with the mining industry, the potential for high returns through export markets remains substantial.

GEM MINING

In a landmark move, the Group ventured into the gem mining sector, marking a first among Sri Lankan corporates. This strategic entry taps into an underexplored yet lucrative segment of the country's natural resources. While in early stages, the initiative reflects the Group's bold approach to innovation and value diversification.

URUMAYA RESOURCES (PVT) LIMITED

Urumaya Resources (Pvt) Limited, established to capitalise on gold mining opportunities in Zimbabwe, underwent a significant strategic transformation during the year under review. A comprehensive restructuring initiative was implemented to realign the company's operations towards long-term sustainability and profitability. The new operating model envisions three distinct mining operations,

complemented by robust river rehabilitation efforts to promote sustainable practices. A dual focus on underground and alluvial mining has been adopted, positioning the company to unlock greater value from its mineral assets.

During the year, Urumaya's gold mining operations in Zimbabwe were significantly impacted by an unexpected government-imposed ban on alluvial mining, halting activity for over seven months. This disrupted cash flows and delayed underground development plans. With the ban lifted in April 2025, full operations have resumed, and the first post-ban gold yield is expected soon. While 2025/26 may remain a recovery year, a return to growth is anticipated thereafter.

Operations initially commenced on a 5,000 sq. ft. site and have since expanded to 25,000 sq. ft., with plans in place to scale up further to 40,000 sq. ft. by the 2025/26 financial year. Mining activities have progressed from an initial depth of 40 feet to over 300 feet, reflecting the rapid and systematic growth of the operation. Urumaya Resources upholds a firm commitment to environmental stewardship. All water used in the washing and excavation processes is recycled and retained within the mining site, without discharge into natural waterways, an uncommon but deliberate practice in the sector. This closed-loop water management system, coupled with full regulatory compliance, underlines the company's commitment to responsible mining.

SUSTAINABILITY

AS PART OF LOLC GROUP'S STEADFAST COMMITMENT TO EMBEDDING SUSTAINABILITY INTO ITS CORE OPERATIONS, THE FORMATION OF THE BOARD SUSTAINABILITY COMMITTEE MARKS A SIGNIFICANT MILESTONE. THIS INITIATIVE UNDERSCORES THE ORGANIZATION'S DEDICATION TO ADVANCING ITS ENVIRONMENTAL, SOCIAL AND GOVERNANCE RESPONSIBILITIES, ALIGNING WITH GLOBAL SUSTAINABILITY STANDARDS. THE COMMITTEE IS TASKED WITH GUIDING AND OVERSEEING THE GROUP'S STRATEGIC EFFORTS TO PROMOTE SUSTAINABLE DEVELOPMENT, DRIVE POSITIVE SOCIAL IMPACT AND ENSURE ETHICAL BUSINESS PRACTICES THAT SUPPORT LONG-TERM ECONOMIC GROWTH.

To support the organization's ongoing commitment to sustainability and give direction to the Group Suscom, which was first established in 2007, the Board approved the formation of the Board Sustainability Committee in November 2024.

Dr R A Fernando, who's expertise was in sustainable development and environment responsibility, was appointed as its Chairperson, and Mr. F K C P N Dias and Mrs. K U Amarasinghe as members. The Group Chief Human Resources Officer, Dr. Pradeep Uluwaduge, was appointed as the Chief Sustainability Officer, LOLC Group to spearhead all related activities to ensure the organization's sustainability strategies are effectively integrated into the Group's operations and overall goals.

The scope of the Committee necessitates the following:

- Environmental : Resource management, waste reduction, energy efficiency, carbon footprint and biodiversity.
- Social : Community engagement, diversity and inclusion, employee well-being, supply chain responsibility and human rights.
- Governance : Ethical business practices, transparency, compliance and risk management in relation to sustainability.
- Economic : To develop a robust economic growth model for the organization;

and

- » Review, approve and monitor the organization's sustainability strategy and objectives.
- » Ensuring alignment with global sustainability frameworks and regulatory requirements.
- » Guiding the development of policies, initiatives and practices that promote environmental stewardship, social responsibility, and ethical governance.
- » Monitor performance and track progress against sustainability targets and goals.
- » Foster a culture of sustainability across all levels of the organization.
- » Reduce the carbon footprint of LOLC Group and differentiate the organization competitively on the global platform.

MASTERFUL LEADERSHIP; MEASURABLE ENHANCEMENT

STEWARDSHIP

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Annual Report of the Board of Directors

The Board of Directors of LOLC Holdings PLC takes pleasure in presenting its Annual Report together with the Audited Financial Statements for the year ended 31st March 2025.

PRINCIPAL ACTIVITIES

The Company's principal activities are monitoring and managing the Groups' investments and providing centralised services to its subsidiaries and associates.

REVIEW OF BUSINESS AND MARKETS SERVED

The Company's performance and that of its subsidiaries are reviewed in detail in the other sections of this Annual Report.

THE BOARD OF DIRECTORS

The Board of Directors for the year under review comprise the following:

Ishara Chinthaka Nanayakkara -

Executive Chairman

(Former Deputy Chairman, appointed as Executive Chairman with effect from 05.06.2025)

Waduthantri Dharshan Kapila Jayawardena -

Group Managing Director/CEO

Mrs. Kalsha Upeka Amarasinghe -

Executive Director

Francisco Kankanamalage Conrad Prasad

Niroshan Dias -

Non-Executive Director

Kandiah Sundararaj -

Senior Independent Director

(appointed with effect from 01.01.2025)

Kanthimany Sivanesan -

Independent Director

(appointed with effect from 12.03.2025)

Gayan Sanjaya Kalidasa -

Non-Executive Director

(appointed with effect from 16.06.2025)

Desamanya Minuwanpitiyage Dharmasiri

Dayananda Pieris -

Non-Executive Director

(retired with effect from 12.03.2025)

Dr. Ravindra Ajith Fernando -

Non-Executive Director

(resigned with effect from 31.03.2025)

The Directors' profiles can be found on pages 08 to 10.

Desamanya M D D Pieris and Dr R A Fernando have served the board for over 9 years.

During Mr. Pieris's tenure, his experience and expertise in governance and administration brought in great value to the deliberations of the Board. In October 2023 he was appointed to the position of the Senior Independent Director, which he held up to 31st December 2024. On 1st January 2025 the Board re-classified him as a non-executive director, as he no longer met the independence criteria of the Listing Rules. Having served 23 years on the Board, Mr. Pieris retired at the age of 87, on 12th March 2025.

During Dr. Fernando's tenure, his strategic insights in training, sustainable development and environmental responsibility, contributed immensely to make LOLC ahead of its time. On 01st January 2025 the Board re-classified him as a non-executive director, as he no longer met the independence criteria of the Listing Rules. Having served 25 years on the Board, Dr. Fernando resigned with effect from 31st March 2025.

The Board places on record its sincere gratitude and appreciation for the invaluable support and guidance provided by these two directors during their tenure at LOLC, which has been marked by a series of significant developments and achievements.

The Board warmly welcome Messrs Kandiah Sundararaj, Kanthimany Sivanesan and Gayan Sanjaya Kalidasa who were appointed as directors and anticipate benefiting from their expertise.

BOARD SUB COMMITTEES

The Board has appointed the following sub committees:

- The Audit Committee
- The Talent Development and Remuneration Committee
- The Related Party Transactions Review Committee
- The Nominations & Governance Committee

- The Integrated Risk Management Committee
- The Board Sustainability Committee

The mandate of each of these sub committees is provided by their regulatory guideline or Board approved Terms of Reference. The composition of these committees is as prescribed by the relevant regulation [where applicable] or as deemed most appropriate for effective functioning of the Committee. The reports of the respective Committees are included in this Report on pages 57 to 63.

The Board sub committees are empowered to call for additional information, and also to invite key management personnel to provide further details, or to facilitate a dialogue. This enables the Board to ensure that proposed initiatives, changes to procedures or enhancing of controls are practical and also clearly communicated to the senior management.

Committee Meeting minutes are tabled at Board meetings. Thus, while the entire Board is aware of Committee deliberations and decisions, they have the assurance of knowing that matters receive the focused attention of sub committees.

DIRECTORS INTERESTS IN CONTRACTS

The Company maintains an Interests Register in terms of the Companies Act No. 7 of 2007 and is available for inspection upon request. The disclosures made by Directors have been noted by the Board, recorded in the minutes and entered into the Interest Register.

The Directors confirm that all material interests in contracts involving the Company have been disclosed to the Board and wherever any Director is materially interested in a contract or proposed contract with the Company, they would refrain from voting on such contracts. During the year under review, the Company did not enter into any contracts in which any Director was materially interested.

Annual Report of the Board of Directors

The declarations made by the directors confirm that there are no financial, business, family or other material/relevant relationship[s] between Mr I C Nanayakkara, Chairman and Mr W D K Jayawardena, the Group Managing Director/CEO and/or amongst the other members of the Board, apart from the family relationship between Mr I C Nanayakkara and Mrs K U Amarasinghe, Executive Director.

Other directorships held by the Directors in Sri Lanka are disclosed on pages 53 to 54 Directors of subsidiaries and associate companies are given on pages 339 to 358.

FIT AND PROPER ASSESSMENT OF DIRECTORS

In terms of Rule 9.7.4 of the Listing Rules of the Colombo Stock Exchange, declarations were obtained from the Directors who confirmed that they have continuously satisfied the fit and proper assessment criteria of the Listing Rules during the financial year under review and as at the date of such declaration.

DIRECTORS REMUNERATION

The remuneration is disclosed on page 284 under note 50.1.1. The Company has a Board approved Remuneration Policy. This policy stipulates that remuneration should be linked to competence and contribution, while serving to incentivise and motivate. This policy has been taken into account when determining remuneration for both staff and directors.

The Report of the Talent Development & Remuneration Committee is on page 61.

APPRAISAL OF BOARD PERFORMANCE

The Performance of the Board and its Committees have been appraised through a formalised process where each individual director assess their performance as a member of the Board and in terms of the Committees they serve.

Responses to the self-assessment questionnaire are evaluated by the Chairman and recommendations or concerns are discussed with the Board of Directors and appropriate actions taken accordingly.

DIRECTORS' SHAREHOLDINGS

Directors' shareholdings are as given below.

As at 31st March	2025		2024	
	No. of Shares	%	No. of Shares	%
I C Nanayakkara	75,306,213	15.847%	75,306,213	15.847%
I C Nanayakkara [Commercial Bank of Ceylon PLC/I C Nanayakkara]	79,000,000	16.625%	79,000,000	16.625%
I C Nanayakkara [Sampath Bank PLC/I C Nanayakkara]	72,124,000	15.178%	72,124,000	15.178%
I C Nanayakkara [Nations Trust Bank PLC/I C Nanayakkara]	5,957,579	1.254%	5,957,579	1.254%
W D K Jayawardena	-	-	-	-
Mrs. K U Amarasinghe	19,322,000	4.066%	19,322,000	4.066%
Mrs. K U Amarasinghe [Seylan Bank PLC/Mrs. K U Amarasinghe]	4,438,000	0.934%	4,438,000	0.934%
Desamanya M D D Pieris [RWEF 12.03.2025]	-	-	-	-
Dr. R A Fernando [RWEF 31.03.2025]	3,000	0.001%	3,000	0.001%
F K C P N Dias	-	-	-	-
K Sundararaj [AWEF 01.01.2025]	-	-	N/A	N/A
K Sivanesan [AWEF 12.03.2025]	-	-	N/A	N/A
G S Kalidasa [AWEF 16.06.2025]	N/A	N/A	N/A	N/A

RE-ELECTION OF DIRECTORS

In accordance with Article 88 (j) of the Company's Articles of Association, Mr. I C Nanayakkara retires by rotation and being eligible seek re-election as a director.

In accordance with Article 95 of the Company's Articles of Association, Messrs. Kandiah Sundararaj, Kanthimany Sivanesan and Gayan Sanjaya Kalidasa who were appointed to the Board after the last annual general meeting will retire and seek re-election.

With the advice of the Nominations & Governance Committee, the Board recommend their re-election.

CAPITAL STRUCTURE AND DEBENTURES

The stated capital of the Company is Rs. 475,200,000/- divided into 475,200,000 shares.

The shareholding structure is given on pages 359 to 361 together with the 20 largest shareholders. During the year, the share price ranged from Rs. 749.00 /- to Rs. 577.00. As at the end of trading on 31st March 2025, the share price was Rs. 594.75/-.

The details of the Debentures in issue as at 31st March 2025 are set out in Note 38.5 to the Financial Statements on page 261.

COMPLIANCE WITH LAWS AND REGULATIONS

Through participation in various workshops/ forums and updates from the Company Secretaries and the Management, the Board of Directors keeps abreast of laws, rules, regulations and changes thereto, particularly to Listing Rules and applicable capital market provisions.

To the best of the knowledge of the Directors, the Company has not engaged in any activity that contravenes any applicable law or regulation, and has been in compliance with all prudential requirements, regulations and laws. Furthermore, the Directors confirm that there were no fines which are material imposed on the Company by any Governmental or regulatory authority in the country.

The Company was fully compliant with the Listing Rules of the Colombo Stock Exchange, as at 31st March 2025.

CORPORATE GOVERNANCE

As the highest decision-making body within the Company, the Board keeps pace with the responsibility of overseeing strategic objectives in adherence to evolving regulatory reforms upholding a resilient and relevant governance framework amidst a dynamic business environment.

Accordingly, the Company's governance framework is regularly reviewed and updated to reflect stakeholder needs and regulatory/statutory requirements to enhance oversight, accountability and operational effectiveness.

The Company is committed to full compliance with all statutory obligations mandated by regulators and abides by its Code of Conduct applicable to all directors and employees.

The Corporate Governance Report on pages 66 to 74 provide information to aid understanding of how the Company has applied the principles in the Corporate Governance Rules of the Colombo Stock Exchange. With effect from 31st March 2025, the Company is compliant with the requirements of Section 9 of the Listing Rules of the Colombo Stock Exchange.

TRANSACTIONS WITH RELATED PARTIES

The Directors declare that the Company is in compliance with the Listing Rules of the Colombo Stock Exchange pertaining to Related Party Transactions during the financial year ended 31st March 2025 and that such transactions with the Company if any, have been disclosed while abstaining from voting on any matters of material interest.

In terms of LKAS 24, the Directors have disclosed transactions which are classified as related party transactions under Note 50 on pages 283 to 291 of the Financial Statements.

HUMAN RESOURCES

Human Capital Strategies of the Company are based on respected HR practices to attract

and retain right people. Policies are in place to develop and motivate the workforce for current and future business needs of the Company.

The number of persons employed by the Company and Group as at 31 March 2025 was 747 and 9,221 respectively.

Disciplinary matters are dealt according to the board approved policies in compliance with labour regulations. There was no occurrence of any issue detrimental to the harmonious industrial relations of the Company during the year under review which required disclosure under Rule 7.6 (vii) of the Listing Rules.

CODE OF ETHICS

The Board sets the tone from the top to instil the right behaviours across all levels, from directors to staff, based on the Company's Code of Business Conduct and Ethics, which provides guidance to ensure duties are carried out with the highest standards of integrity. This also enable the Company to manage any potential impact with fair treatment. The Board confirms that there has not been any material breach of the Code during the year under review.

FAIR TREATMENT FOR STAKEHOLDERS

The Company has taken necessary measures to ensure fair and equitable treatment for all its stakeholders.

ENVIRONMENTAL PROTECTION

The Company complies with the relevant environmental laws and regulations applicable in the country of operation.

ENTERPRISE RISK MANAGEMENT AND INTERNAL CONTROLS

The Board through the Audit Committee and the Integrated Risk Management Committee conducts a review of internal controls covering financial, operational and compliance controls.

The Enterprise Risk Management Division [ERM] regularly reviews practices against laid down policies/procedures on internal controls and risk management. ERM findings are submitted to the Audit Committee or the Integrated Risk Management Committee as

Annual Report of the Board of Directors

appropriate. Any deficiencies or weaknesses detected are discussed with the relevant operational staff to ensure that the gravity of the position is understood by all and to expedite remedial action. Decisions made are followed up at subsequent Committee or Board meetings. The Directors declare that a reasonable assurance of their effectiveness and successful adherence has been obtained for the year under review.

The Risk Management Report is on pages 78 to 80.

GOING CONCERN

During the year, the Directors reviewed the interim financials and the year-end financials. They have also regularly reviewed operations, and the environment within which the Company and the Group operated, including the macro environment, potential risks and resource allocation.

Having reviewed the outlook for each sector and after due consideration of the range and likelihood of outcomes, the Directors are satisfied that the Company, its subsidiaries and associates have adequate resources to continue in operational existence for the foreseeable future and continue to adopt the going concern basis in preparing and presenting these Financial Statements.

FINANCIAL STATEMENTS

The Directors are responsible for the preparation of Financial Statements of the Company to reflect a true and fair view of the state of its affairs.

The Financial statements together with the Notes thereon, found on pages 88 to 329 are in compliance with Sri Lanka Accounting Standards and the requirements of the Companies Act No. 7 of 2007.

AUDITORS' REPORT

Deloitte Partners have carried out the audit of the Consolidated Financial Statements for the financial year ended 31st March 2025 and their Report on the Financial Statements appear on pages 83 to 87 of this Annual Report.

SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted when preparing these Financial Statements and any changes thereof if applicable are given on pages 112 to 329.

AUDITORS

Ernst & Young who were group Auditors since 2008/2009 resigned on 20th February 2025, due to challenges in group audit coverage triggered by the required mandatory audit firm rotation of the subsidiary company LOLC Finance PLC and the expansion of global operations of the LOLC Group.

Therefore, at an Extraordinary General Meeting held on 20th February 2025, the shareholders of the Company appointed Deloitte Partners, Chartered Accountants as the statutory auditor for the financial year ending 31st March 2025.

Deloitte Partners will retire, and offer themselves for re-appointment. The Board recommend their re-appointment for the year 2025/26 at a fee to be decided upon by the Board.

The fees paid to the Auditors are disclosed in the Notes to the Accounts on page 133.

As far as the Directors are aware, the Auditors do not have any other relationship (other than that of an auditor) with the Company or any of its subsidiaries nor do they have any interest in contracts with the Company or any of its subsidiaries.

RESPONSIBILITY STATEMENTS

The Chief Executive Officer's and Chief Financial Officer's responsibility statement appears on page 56. The Directors' statement on responsibility for financial reporting appears on page 55.

STATUTORY PAYMENTS

For the year under review, all known statutory payments have been made and all retirement gratuities have been provided for. Further, all management fees and payments to related parties for the year under review have been reflected in the accounts. Details are given in Note No. 7 and 8 of page 127 to 128.

POST BALANCE SHEET EVENTS

Refer Note No 47 to the Financial Statements of page 281.

ANNUAL GENERAL MEETING

The Annual General Meeting of the Company will be held on Friday, 26th September 2025 at 10:00 a.m. as a virtual meeting and the Notice of Meeting is on page 362.

By order of the Board



Kapila Jayawardena
Group Managing Director/CEO



Ishara Nanayakkara
Executive Chairman



LOLC Corporate Services (Private) Limited
Secretaries

31st August 2025

Directors' Declarations

Name of the Director	Number of Board Seats held in Listed and Unlisted Companies in Sri Lanka	Designation
Mr I C Nanayakkara	L O L C Holdings PLC	Executive Chairman
	Brown & Company PLC	Executive Chairman
	Browns Investments PLC	Executive Chairman
	Agstar PLC	Non-Executive Chairman
	Sierra Cables PLC (AWEF 28.05.2025)	Non-Executive Chairman
	LOLC Capital (Private) Limited	Non-Executive Director
	Ceylon Graphene Technologies (Pvt) Ltd	Non-Executive Chairman
	LOLC Advanced Technologies (Pvt) Ltd	Non-Executive Director
Mr W D K Jayawardena	LOLC Holdings PLC	Group Managing Director/CEO
	Eden Hotel Lanka PLC	Non-Executive Chairman
	Palm Garden Hotels PLC	Non-Executive Chairman
	Serendib Hotels PLC	Non-Executive Chairman
	Dolphin Hotels PLC	Non-Executive Chairman
	Hotel Sigiriya PLC	Non-Executive Chairman
	Brown & Company PLC	Non-Executive Director
	Browns Investments PLC	Non-Executive Director
	LOLC Securities Limited	Non-Executive Chairman
	LOLC Life Assurance Limited	Non-Executive Director
	LOLC Advanced Technologies (Pvt) Ltd	Non-Executive Chairman
	Ceylon Graphene Technologies (Pvt) Ltd	Non-Executive Director
Mrs. K U Amarasinghe	LOLC Holdings PLC	Executive Director
	Palm Garden Hotels PLC	Non-Executive Director
	Eden Hotel Lanka PLC	Non-Executive Director
	Brown & Company PLC	Non-Executive Director
	Browns Investments PLC	Non-Executive Director
	Serendib Hotels PLC	Non-Executive Director
	Hotel Sigiriya PLC	Non-Executive Director
	LOLC General Insurance PLC	Non-Executive Director
	Browns Holdings Limited	Non-Executive Director
	Green Paradise (Pvt) Ltd	Non-Executive Director
	Danya Capital (Pvt) Ltd	Non-Executive Director
	Ultimate Sports (Pvt) Ltd	Non-Executive Director
	Melana Capital (Pvt) Ltd	Non-Executive Director
	Three Tips Ella (Pvt) Ltd	Non-Executive Director
Mr. F K C P N Dias	LOLC Holdings PLC	Non-Executive Director
	LOLC Finance PLC	Non-Executive Chairman
	Sanasa Development Bank PLC	Non-Executive Director
	Digital Mobility Solutions Lanka PLC	Non-Executive Director
	LOLC Technologies Limited	Non-Executive Chairman
	I Pay Ceylon (Pvt) Ltd	Non-Executive Director
	oDoc (Private) Limited	Non-Executive Director
	Oxygen House (Pvt) Limited	Non-Executive Director

Directors' Declarations

Name of the Director	Number of Board Seats held in Listed and Unlisted Companies in Sri Lanka	Designation
K Sundararaj	LOLC Holdings PLC	Senior Independent Director
	Brown & Company PLC	Senior Independent Director
K Sivanesan	LOLC Holdings PLC	Independent Director
	Browns Investments PLC	Senior Independent Director
	Agstar PLC (AWEF 01.07.2025)	Independent Director
	LOLC Life Assurance Limited	Independent Director
Mr. G S Kalidasa	LOLC Holdings PLC	Non-Executive Director
	Gal Oya Holdings [Pvt] Ltd	Non-Executive Director
Desamanya M D D Pieris	L O L C Holdings PLC [Retired WEF 12.03.2025]	Non-Executive Director
	Mercantile Merchant Bank Ltd	Non-Executive Director
	MMBL Money Transfer [Pvt] Ltd	Non-Executive Director
	Sanasa Campus Co Ltd	Non-Executive Director
	Informatics Institute of Technology	Non-Executive Chairman
Dr. R A Fernando	Regional Centre for Strategic Studies	Non-Executive Director
	L O L C Holdings PLC [RWEF 31.03.2025]	Non-Executive Director
	Dilmah Ceylon Tea Company PLC	Independent Non-Executive Director
	Aitken Spence Hotel Holdings PLC	Independent Non-Executive Director
	MelstaCorp PLC	Independent Non-Executive Director
	Distilleries Company of Sri Lanka PLC	Independent Non-Executive Director
	Aitken Spence PLC	Independent Non-Executive Director
	Elpitiya Plantations PLC	Independent Non-Executive Director
	Madulsima Plantations PLC	Independent Non-Executive Director
	Balangoda Plantations PLC	Independent Non-Executive Director
	Browns Beach Hotels PLC	Independent Non-Executive Director
	Ceylon Asset Management Ltd	Independent Non-Executive Director
	Global Strategies Corporate Sustainability [Pvt] Ltd	Chairman/CEO
	UN Global Compact	Non-Executive Director
Aitken Spence Plantations Ltd	Independent Non-Executive Director	
Ceylon Graphene Technologies [Private] Limited	Non-Executive Director	

Directors' Responsibility for Financial Reporting

The responsibility of the Directors in relation to the Financial Statements is set out in the following statement. The responsibility of the auditors, in relation to the financial statements prepared in accordance with the provision of the Companies Act No. 7 of 2007, is set out in the Report of the Auditors.

They believe that the Financial Statements present a true and fair view of the state of the affairs of the Company and of the Group as at the end of the financial year.

The Directors also accept responsibility for the integrity and accuracy of the Financial Statements presented and confirm that appropriate accounting policies have been selected and applied consistently and reasonable and prudent judgement has been exercised so as to accurately report transactions.

The Directors have taken reasonable steps to safeguard the assets of the Company, to prevent, deter and detect fraud, and to ensure the integrity, accuracy and safeguarding of operational and financial records.

These control measures are reviewed, evaluated and updated on an ongoing basis. Reasonable assurances that the established policies and procedures of the Company have been consistently followed were provided by periodic audits conducted by Group's internal auditors. However, there are inherent limitations that should be recognised in weighing the assurances provided by any system of internal controls and accounting.

The Audit Committee of the Company meets periodically with the Internal Auditors and the Independent Auditors to review the effectiveness of the audits and to discuss auditing, internal control and financial reporting issues. The Independent Auditors and the Internal Auditors have full and free access to the Audit Committee to discuss any matter of substance.

The Directors confirm that to the best of their knowledge, all statutory payments due in respect of the Company and its subsidiaries as at the Balance Sheet date have been paid for, or where relevant, provided for.

The Directors believe that the Company is in a position to continue its operations in the foreseeable future. Accordingly, the Financial Statements are prepared on the basis that the Company is a going concern.

The Financial Statements were audited by independent external auditors, Deloitte Partners, Chartered Accountants. Their report is given on page 83 to 87.



Mr. Kapila Jayawardena
Group Managing Director/CEO

31st August 2025

Chief Executive Officer's and Chief Financial Officer's Responsibility Statement

The Financial Statements of LOLC Holdings PLC and the Consolidated Financial Statements of the Group for the year ended 31 March 2025 have been prepared and presented in compliance with:

- » Sri Lanka Accounting Standards (SLFRS/ LKAS) issued by CA Sri Lanka;
- » Companies Act No. 07 of 2007;
- » Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995;
- » Listing Rules of the Colombo Stock Exchange;
- » Code of Best Practice on Corporate Governance (2023) issued by CA Sri Lanka; and
- » Sectoral and jurisdictional regulatory requirements applicable to Group entities (including regulations and directions issued by the Monetary Board of the Central Bank of Sri Lanka under the Finance Business Act No. 42 of 2011, where relevant).

All significant accounting policies adopted by the Company and the Group are set out in the Notes to the Financial Statements. There were no changes to the Group's accounting policies during the year under review other than the change disclosed in Note 2.12. For all periods up to and including the year ended 31 March 2025, the Group prepared its financial statements in accordance with SLFRS/LKAS, with no departures from the prescribed standards. The accounting policies applied are appropriate to the Group's circumstances and have been applied consistently.

Judgements and estimates have been made prudently and on a reasonable basis so that these Financial Statements present fairly, in all material respects, the Company's financial position and performance and faithfully reflect the substance of transactions. The Company has designed, implemented, and maintains internal controls and accounting records to safeguard assets and to prevent and detect fraud and other irregularities. These controls are reviewed and evaluated on an ongoing basis and strengthened as necessary.

The Internal Audit function conducts periodic, risk-based reviews and reports its findings to the Audit Committee, providing reasonable assurance that policies, procedures, and controls are designed and operating effectively and are consistently followed. The Audit Committee meets regularly with both the Internal Auditors and the External Auditors to review the effectiveness of financial reporting, internal controls, and the audit process, and to consider observations arising from their work.

The Financial Statements of LOLC Holdings PLC and the Consolidated Financial Statements of the Group have been audited by Deloitte Partners, Chartered Accountants, the Company's External Auditors. The External and Internal Auditors have unrestricted access to the Audit Committee and may meet privately, without management present, to discuss any matters they consider important. The Company complies with the mandatory guidelines for audits of listed companies and has obtained written confirmations from the External Auditors regarding their independence and adherence to applicable ethical and professional requirements. We also confirm compliance with all other relevant regulatory and professional guidelines.



Mr. Kapila Jayawardena
Group Managing Director/CEO



Mr. Imraz Iqbal
Chief Financial Officer - LOLC Group

31st August 2025

Report of the Audit Committee

COMPOSITION

The Audit Committee comprises the following Directors:

- » **K Sundararaj** –
Committee Chairman [Senior Independent Director, appointed to the Committee on 01.01.2025]
- » **K Sivanesan**
[Independent Non-Executive Director, appointed to the Committee on 12.03.2025]
- » **F K C P N Dias**
[Non-Executive Director]
- » **Desamanya M D D Pieris**
[served as Chairman from 01.04.2024 – 31.12.2024]
- » **Dr. R A Fernando**
[served as a member from 01.04.2024-12.03.2025]

As at 31st March 2025, all members of the Committee were non executive directors with a majority, including the chair, being independent. All have membership in a recognised professional accounting body and relevant financial management and or accounting experience.

ATTENDEES

Following officers are permanent invitees to the Audit Committee Meetings:

- Group Managing Director/CEO
- Executive Director
- Group Chief Financial Officer
- Chief Risk Officer
- Chief Human Resources Officer
- Head of Tax Management & Compliance
- Chief Information Officer
- Chief Information Security Officer

The Committee is governed by its Board approved Terms of Reference which is subject to periodic review. The Committee's primary function is assisting the Board in fulfilling its oversight responsibilities in preparation, presentation and review of financial reporting of the Company and the Group including transparency, integrity, accuracy

and compliance with accounting standards, laws and regulations prior to forwarding the Financial Statements for approval by the Board.

The Committee has discharged its duties during 2024/25 in accordance with its terms of reference. To facilitate carrying out the said duties, the Committee reviewed the scope of the external and internal audit functions, processes, procedures, and controls including monitoring, reporting and controlling risks for the year under review to ensure adequacy and effectiveness.

During the year the Committee assisted the Board discharge its responsibility for the preparation and release of the quarterly and annual Financial Statements to reflect a true and fair view of the affairs of the Company in conformity with the Sri Lanka Accounting Standards, the Sri Lanka Financial Reporting Standards, the Companies Act No.7 of 2007, Sri Lanka Accounting & Auditing Standards Monetary Board Act no.15 of 1995, rules and regulations of CSE and SEC. The Committee obtained guidance from the external auditors on the effects of new accounting standards that came into effect and the preparations required to enable compliance. The External Auditor's Management Letter including key audit matters and Management's responses thereto were also reviewed. The External Auditors were invited for four (04) Audit Committee meetings during the year under review enabling the Committee to hear their views, and discuss their insights on regulatory and compliance requirements. The Committee has reviewed and recommended to the Board the fees to be paid to the External Auditors.

With regard to the quarterly and annual Financial Statements, the Committee has obtained and reviewed the assurance received from the CEO and CFO that the financial records have been properly maintained and the Financial Statements give a true and fair view of the Company's and Group's operations and finances in compliance with applicable accounting standards and other regulatory requirements.

The Committee approved the Internal Audit Plan for the Company and the Group presented by the DGM Enterprise Risk Management at the commencement of the financial year followed by quarterly review of internal audit reports submitted by the Enterprise Risk Management Division (ERM). These reports cover operational issues, processes and controls, including IT systems. Relevant members of the management are invited to attend the meetings, so that the identified risk or control weakness and their mitigation were discussed and implemented in a meaningful manner. The Committee reviewed the annual internal control sign off report tabled by the ERM based on confirmations provided by process owners on compliance with the established internal processes, procedures and controls, including deviations. Rectification measures prescribed have been agreed to by the management to address control or procedural weaknesses. No material deviations had been detected requiring further investigation.

The Committee assessed the performance of the internal and external audit function at the end of the year and was satisfied that it is independent of the activities it audits and that it is performed with impartiality, proficiency and due professional care.

Minutes of the Meetings of the Audit Committee are tabled at the meetings of the Board. This facilitates a flow of information to the Board, and enables further discussion, if thought necessary on any issue or proposed solution. The effectiveness of the Committee was evaluated at the conclusion of the period under consideration by each member of the Committee and the results communicated to the Board.

Ernst and Young, who were appointed as auditors in June, 2008, resigned with effect from 20th February 2025 in terms of section 161 of the Companies Act No. 7 of 2007, due to challenges in audit coverage of the Group, triggered by the required mandatory audit firm rotation of the subsidiary company LOLC Finance PLC and the expansion of global operations of the LOLC Group. As reviewed

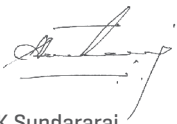
Report of the Audit Committee

by the Committee and recommended by the Board, the shareholders approved the appointment of Deloitte Partners, Chartered Accountants, as the statutory auditor for the financial year ending 31st March 2025 at an EGM held on 20.02.2025. Their letter of engagement and the audit scope were reviewed and discussed by the Committee prior to commencement of the audit. Furthermore, the Committee met with the auditor to discuss matters of significance and resolution actions before the conclusion of the audit.

The Audit Committee is satisfied that the Auditor's independence has not been impaired by any event or service that may give rise to a conflict of interest. This determination was arrived at after reviewing other services provided by the Auditor to the group to ensure independence as auditors has not been compromised; that neither the quantum of fees paid nor non-audit services rendered are of sufficient quantum to impair their independence; and the assurance issued by the Auditor confirming that they are and have been independent throughout the conduct of the audit engagement in compliance with the Code of Ethics of the Institute of Chartered Accountants of Sri Lanka.

In accordance with the Company's Audit Charter, the Committee, has recommended that Deloitte Partners, Chartered Accountants be re-appointed as External Auditors of the Company for the ensuing financial year ending 31st March 2026, subject to approval by the shareholders at the Annual General Meeting.

The Committee met seven [07] times during the financial year 2024/25.



K Sundararaj
Chairman - Audit Committee

31st August 2025

Report of the Nominations and Governance Committee

The Nominations and Governance Committee comprises the following Directors:

- » **K Sundararaj**
Committee Chairman [Senior Independent Director, appointed to the Committee on 01.01.2025]
- » **K Sivanesan**
[Independent Non-Executive Director, appointed to the Committee on 12.03.2025]
- » **F K C P N Dias**
[Non-Executive Director appointed to the Committee on 25.03.2025]
- » **Desamanya M D D Pieris**
[served as Committee Chairman from 01.04.2024 – 31.12.2024]
- » **Dr R A Fernando**
[served as a member from 01.10.2024-12.03.2025]

LOLC established a Corporate Governance Committee in 2007 voluntarily, as part of a stated intention to strengthen governance and monitor compliance with applicable statutory and regulatory requirements. In compliance with the revised rules on Corporate Governance, the Committee was reconstituted and renamed as stated above in March 2024. The Committee has adopted Section 9.11 of the Listing Rules of the Colombo Stock Exchange as its Terms of Reference.

The Policy in place mandates the Committee to adopt best practices in ensuring that the Company maintains the highest standard of ethics while building value for all stakeholders. The Committee lead the process of all board nominations, board and subcommittee appointments taking into consideration their experience, skills, age, gender and independence/relationships; re-election and re-appointment; Board induction, evaluation and discussion of outcomes at Board level; periodic succession planning for Board members in consultation with the Chairman; and review the CG framework considering applicable laws, rules and regulations, and continue to strengthen the Company's governance practices to promote transparency, accountability and shareholder confidence.

The Committee has a pre-approved agenda, which ensures that the following matters are discussed:

- » Review of Compliance with applicable laws on corporate governance and regulatory guidelines.
- » Review of the Company's activities and stand on significant Corporate Sustainability and Public Policy issues that impact its employees, investors, customers and communities.
- » Evaluation of possible Conflicts of Interest of Board Members and of Senior Management and recommendations for the Board.

During the year under review, the Committee reviewed the governance requirements of the Colombo Stock Exchange, violations and timelines applicable for compliance; reviewed governance policies and procedures and recommended revisions for adoption; and established improvements for monitoring governance in terms of the rapid expansion undertaken by the Group. While also broadly reviewing current affairs, socio-economic and geopolitics impacting Group entities, detailed discussion and implementation of necessary strategies were taken up during the Audit and Risk Management Committee meetings.

At each Annual General Meeting, one-third of the Directors, or if their number is not a multiple of three the number nearest to (but not greater than) one-third must retire by rotation from office; apart from the Directors appointed to fill casual vacancies or as additional directors who will hold office only until the next Annual General Meeting and be subject to re-election.

The Committee has reviewed the fitness and propriety of the following board members' re-election presented for shareholder approval:

- » **Mr I C Nanayakkara**
[date of first appointment as a Director – 24.01.2002/ date of last re-appointment as a Director - in 2021].

Having reviewed his strategic investment in the Company, years of service, contribution to the Group's expansion, the last re-election, other principal obligations/positions held at present and over the last three years in listed entities and close family relationships, the Committee has recommended his re-election.

- » **Mr K Sundararaj***,
Appointed on 01.01.2025 being subject to re-election.
- » **Mr K Sivanesan****,
Appointed on 12.03.2025 and being subject to re-election
- » **Mr G S Kalidasa**
Appointed on 16.06.2025 and being subject to re-election

Having reviewed their independence/non independence, collective skills and expertise that add value to the strategic needs of the Board and or its subcommittees, other principal obligations/positions held at present and over the last three years in listed entities, the Nominations & Governance Committee has recommended their re-election.

The Committee Chair* and its Committee Member** abstained from their own review which was carried out by the remaining members.

Evaluation of the Board Members including the Group MD/CEO on performance, is undertaken annually. Responses are evaluated by the Chairman and recommendations or concerns discussed with the Board at a meeting and appropriate actions taken. Led by the SID, the performance of the Chairman is also assessed separately by the Non-Executive Directors and addressed by the SID.

The Executive Directors as a practice, discuss key issues relating to the Company/Group and obtain feedback from the independent directors prior to implementation of decisions.

The Company Secretaries and the Management ensure that the Board of Directors are kept updated of changes to laws, rules, regulations including the Listing Rules and applicable capital market provisions.

Report of the Nominations and Governance Committee

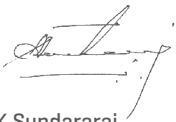
Furthermore, the Directors participate in related regulatory forums when necessary.

Subject to the transitional provisions provided for the age limit and years of service till 1st January 2025, all other criteria specified by the Listing Rules of the Colombo Stock Exchange have been met by the independent directors.

Key concerns of the Committee are escalated to the Executive Board members immediately for necessary action. Minutes of meeting were tabled at the next Board Meeting, thereby enabling the Board as a whole to be kept informed. The effectiveness of the Committee was evaluated at year end by each member and results reviewed and gaps communicated to the Board.

The Committee has reviewed the management report confirming compliance with the Corporate Governance Framework and confirms that all applicable requirements under Section 9 of the Listing Rules have been met as described in the Corporate Governance Report on pages 66 to 77.

The Committee met once [01] during the year.



K Sundararaj

Chairman - Nominations and Governance Committee

31st August 2025

Report of the Talent Development and Remuneration Committee

The Talent Development and Remuneration Committee comprises the following Directors:

» **K Sundararaj**

Committee Chairman (Senior Independent Director, appointed to the Committee on 01.01.2025)

» **K Sivanesan**

(Independent Non-Executive Director, appointed to the Committee on 12.03.2025)

» **F K C P N Dias**

(Non-Executive Director appointed to the Committee on 25.03.2024)

» **Dr R A Fernando**

(served as Chairman from 01.04.2024 - 31.12.2024 and as member from 01.01.2025 - 12.03.2025)

» **Desamanya M D D Pieris**

(served as a member from 01.04.2024-12.03.2025)

As at 31st March 2025, the Committee composition complied with the requirements of the Colombo Stock Exchange.

Following officers are permanent invitees to its committee meetings:

- Group Managing Director/CEO
- Chief Human Resources Officer
- Senior Manager Human Resources

The Committee is governed by a Policy which has vested it with powers to evaluate, assess and recommend to the Board for approval any fee, remuneration and ex gratia to be paid out to its directors including the Chief Executive Officer based on: the need of the Company to be competitive; the need to attract, motivate and retain talent; and the need to encourage and reward high levels of performance with sound focus in bringing on board the best and the right talent to complement the Company's growth plans.

The scope of the Committee meets the requirements set out in the Listing Rules of the Colombo Stock Exchange.

During the year under review the Committee focused on the following areas:

- » Management Training to support expanded scope of the Group both locally and internationally.
- » Knowledge forums for group wide staff to enhance knowledge on new developments.
- » Capacity building of the top 10 performers of the Group based on sector requirements
- » Specialised training required for developing AI and precision agriculture strategies for Group operations.
- » Succession planning of key management personnel
- » Building a cadre of "21st Century Board Leadership Model Masterclass" Training that encompass development of strategies to respond to Climate, Health, Social and Economic emergencies; challenges/opportunities in terms of New Technology; Geo-Politics and Governance.

Manager, Sustainability at Browns Plantations and the DGM, LOLC Corporate Services (Private) Limited attended the 21st Century Board Leadership Model Master Class during the year.

Key issues that required deliberation were discussed among Committee members without the presence of the invitees. The activities and views of the Committee have been communicated to the Board of Directors quarterly through verbal briefings, and by tabling the minutes of the Committee's meetings. The effectiveness of the Committee was evaluated at the conclusion of the period under review by each member of the Committee and the results communicated to the Board.

The Committee met two (02) times during the year under review.



K Sundararaj

Chairman - Talent Development and Remuneration Committee

31st August 2025

Report of the Related Party Transaction Review Committee

The Related Party Transaction Review Committee comprises the following Directors:

- » **K Sundararaj**
Committee Chairman [Senior Independent Director, appointed to the Committee on 01.01.2025]
- » **K Sivanesan**
[Independent Non-Executive Director, appointed to the Committee on 12.03.2025]
- » **W D K Jayawardena**
[Group Managing Director/CEO]
- » **F K C P N Dias**
[Non-Executive Director]
- » **Desamanya M D D Pieris**
[served as Chairman from 01.04.2024 – 31.12.2024]
- » **Dr R A Fernando**
[served as a member from 01.04.2024- 12.03.2025]

As at 31st March 2025, the Committee composition complied with the requirements of the Colombo Stock Exchange.

Following officers are permanent invitees to its meetings

- Group Chief Financial Officer
- Head of Tax Management & Compliance

The Committee has adopted Section 9.14 of the Listing Rules of the Colombo Stock Exchange as its Terms of Reference. The Company's existing policies and procedures have been established in conformance with the Code of Best Practice on Related Party Transactions of the Securities and Exchange Commission of Sri Lanka.

The Committee relies on systems and processes which are subject to periodic review to ensure compliance with applicable rules, accounting standards and reporting by the management. This system generates comprehensive reports for management review and for quarterly review of the Committee reflecting all related party transactions including expenses, income, lending and amounts outstanding. As a policy the Committee has set a threshold for facilities that must be reviewed by it prior

to Board approval. When reviewing such facilities to related parties, the Committee considers the nature of the transaction, value, terms, reporting and disclosure requirements (under recurrent or non recurrent classifications) and monitors if such transactions will be carried out on normal commercial terms for maintaining fairness and transparency. If considered necessary the Committee will obtain professional and expert advice from qualified persons to assess proposed related party transactions.

The Committee met quarterly to review all related party transactions of the Company in consultation with the Group Chief Financial Officer and the Head of Tax Management & Compliance to determine whether the transactions have been carried out in conformance to the requirements of the Listing Rules and the Sri Lanka Accounting Standards. Reviewing and approval of RPTs are either at its quarterly meetings with a majority of the members present to form a quorum or by circulation consented to by a majority. Where a member of the Board has an interest in the proposed transaction, he/she will refrain from participating in the decision.

The effectiveness of the Committee was evaluated at year end by each member and results reviewed and gaps communicated to the Board. The activities and views of the Committee have been communicated to the Board of Directors quarterly through verbal briefings, and by tabling the minutes of the Committee's meetings. A declaration by the Board of Directors as an affirmative statement of compliance with the Listing Rules pertaining to RPTs is given on page 51 of this report.

The Committee met four (04) times during the year under review.



K Sundararaj
Chairman - Related Party Transactions Review Committee

31st August 2025

Report of the Integrated Risk Management Committee

The Integrated Risk Management Committee comprises the following Directors:

- » **K Sundararaj**
Committee Chairman [Senior Independent Director, appointed to the Committee on 01.01.2025]
- » **W D K Jayawardena**
[Group Managing Director/CEO]
- » **Desamanya M D D Pieris**
[served as Committee Chairman from 01.04.2024 – 31.12.2024]

The following attend by invitation:

- the Chief Risk Officer
- the Chief Financial Officer
- the Chief Credit Officer
- the Chief Treasury Officer
- the CEO Recoveries
- the Chief Information Officer
- the Chief Information Security Officer
- the Chief Legal Officer
- the Chief Human Resources Officer

This Committee was first set up when the Company was engaged in leasing and was licensed by the Central Bank of Sri Lanka. While this is no longer a requirement, the Committee is being retained voluntarily by the Board which believes that this sub-committee has an important role to play in terms of risk management and contributing to good governance.

Accordingly, primary functions of the Committee are, to assist the Board of Directors in understanding and exercising regular oversight on risk identification and

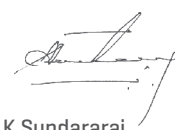
management adopted by the Management in operating the Group's business sectors; to ensure that each sector has overall risk guidelines and risk management procedures which are monitored regularly; to review management's assessment of all risk types i.e. operational, liquidity, market, credit etc through appropriate risk indicators and management information; to review risks under stress scenarios and the capacity to withstand such risks; and ensure that the Board of Directors is continuously informed of the Group's risk indicators and exposure.

During the year under review, risks monitored by Business Unit/Sector heads were reported to the Chief Risk Officer, to perform an independent and selective scrutiny of relevant matters and issues. These risks were then reviewed and summarised reports submitted to the Committee for concurrence and/or specific directions in order to ensure that the risks were managed appropriately. The reviews were wide ranging and take into consideration both micro and macro environments, and both local and global trends and implications.

The Committee assessed the following risk categories the Group was exposed to: systemic risk, strategy risk, financial and liquidity risk, information technology risk and cyber security. Mitigation methods were discussed to ensure that a healthy balance is achieved between risk mitigation and operational efficiency. The Risk Management Policy and Processes were reviewed including the adequacy of overall controls, and the controls in areas of significant risk. The Committee further recommended corrective strategies to mitigate the effects of significant specific risks, and the need for updating the business continuity policy of the Company and related plans of significant group entities.

Minutes of Committee meeting were tabled at the subsequent Board Meeting, thereby enabling the Board as a whole to be kept informed. The effectiveness of the Committee was evaluated at the conclusion of the period under review by each member of the Committee and the results communicated to the Board.

The Committee met once [01] during the year.



K Sundararaj
Chairman - Integrated Risk Management Committee

31st August 2025

Report of the SID

Considering the executive role performed by the Chairman (previously as Deputy Chairman) the Company formalised the appointment of the SID on 31.10.2023.

In terms of criteria prescribed by the Exchange and based on the declarations submitted, the Board has concluded that the following directors are independent:

- » K Sundararaj
- » K Sivanesan


The independent directors as a practice meet periodically when necessary, although informally, to discuss matters of importance in relation to the Company and its Group operations and advise the executive directors on emerging issues in terms of governance, evolving regulatory reforms, geopolitical developments, including recommendations on employee welfare and corporate social responsibilities. In addition, this is a culture in LOLC where any matter of concern which comes to the notice during functioning of other committees are brought to the attention of and discussed with the Chairman and the Group Managing Director promptly without waiting for formal meetings.

Furthermore, key business decisions of the Group intended by the top management were discussed with the independent directors, and responses provided, for any concerns raised by the independent directors. The independent directors had access to reach out to the Company's key management personnel to obtain clarifications for matters raised. On such occasions, consensus was reached between the executive Board members and the independent directors, and the advice provided has been implemented in its decision making/businesses. The independent directors were also kept advised on the progress of key investments and strategic initiatives.

The independent directors have also paid regular attention to succession planning at Board and Senior Management Level and the performance and delivery of key executive leaders.

The independent directors met on three (03) occasions without the presence of the other Board members at their Committee Meetings in Talent Development & Remuneration and Nominations & Governance and feedback from such meetings were provided to the Chairman and the Managing Director.

The independent directors wish to thank the Chairman, the Group Managing Director and members of the management for their cooperation in promptly addressing matters raised by the independent directors.



K Sundararaj
Senior Independent Director

31st August 2025

Terms of Reference of the Senior Independent Director

PURPOSE

The Board of Directors shall appoint one of the Independent Non-Executive Directors to be the Senior Independent Director in the following circumstances:

- » In the event the Chairperson is not a non-executive director,
- » The Chairperson and the CEO are the same person
- » The Chairperson and CEO are close family members* or related parties

**shall mean the spouse, parents, grandparents, children, brothers, sisters and grandchildren of director/CEO of a listed entity and any person who is financially dependent on and or acting in concert with such director/CEO, as defined by the CSE.*

KEY RESPONSIBILITIES

The Senior Independent Director should (in addition to the responsibilities of a Non-Executive Director, and the general responsibilities of a Director):

To Shareholders

- 1 Be available to shareholders if they have concerns which contact through the normal channels of Chair, Group Chief Executive Officer or Chief Financial Officer has failed to resolve or for which such contact is inappropriate.
- 2 Attend meetings with major shareholders and financial analysts to obtain an understanding of shareholders' views on governance and performance against strategy and support the Chair in ensuring the Board is aware of the views of stakeholders.

To the Chair

- 1 Together with the Chair, act as a sounding board for the Chair and Group Chief Executive Officer on Board and shareholder matters.
- 2 Chair the Nominations and Governance Committee when it is considering succession to the role of Chair of the Board.
- 3* Lead an annual session of the Non-Executive Directors (excluding the Chair), to agree the Chair's objectives and appraise the Chair's performance and conduct the Chair's annual performance appraisal.

To the Board/Directors

- 1 Act as a trusted intermediary for Non-Executive Directors where this is needed to help them to challenge and contribute effectively.
- 2 Take the initiative in discussion with the Chair or other Board members if it seems that the Board is not functioning effectively.
- 3 Be the focal point for Board members for any concerns and intervene where appropriate to maintain Board and Company stability.
- 4* Lead an annual session of the Independent Directors, or as deemed necessary to exclusively discuss entity-related matters.

**The Senior Independent Director shall be entitled to a casting vote at the meetings specified above in 3* and 4*.*

For the Group

Liaise and collaborate with the Senior Independent Director wherever appropriate.

ADDITIONAL REQUIREMENTS

Conflicts of interest

In the event of any conflict of interest on the part of the Senior Independent Director in relation to any particular aspect of their role, another Independent Director will be required to perform that aspect of the Senior Independent Director's role.

Time commitment

The Senior Independent Director will be expected to commit sufficient time as required to the role, which will include committing significantly more time to the role in exceptional circumstances.

Tenure

The Senior Independent Director should stand for election at the first AGM following their appointment and, absent any objection from the Board or the Senior Independent Director's desire to retire, should stand for re-election as per Section 88 (i) of the Articles of Association.

Independence

The Senior Independent Director should be independent on appointment and throughout their tenure.

Corporate Governance Report

9	Section 9 of the Listing Rules	Effective date of applicability and Level of Compliance
9.1.3	Listed entities shall publish a statement confirming the extent of compliance with the Rules set out herein	01.10.2023 As detailed below, with effect from 31st March 2025, the Company is in compliance with the Listing Rules of the Colombo Stock Exchange.
9.2	Policies	01.10.2024
9.2.1	Listed Companies shall maintain the prescribed policies and disclose the fact of existence of such policies together with the details relating to the implementation of such policies by the Entity on its website;	The Company's governance framework is regularly reviewed and updated to reflect stakeholder needs and regulatory/statutory requirements to enhance oversight, accountability, and operational effectiveness. Accordingly, LOLC revised its existing policies to align with the requirements of the Exchange and are available on the Company's website. Extracts of these policies are set out on pages 72 to 74.
9.2.2	Waivers from compliance with the Internal Code of Business Conduct and Ethics or exemptions granted by the listed entity shall be fully disclosed in the annual report.	01.10.2024 There has not been any material breach of the Code during the year under review.
9.2.3	i) list of policies in place in conformity of Rule 9.2.1 above with reference to its website ii) details pertaining to any changes to policies adopted by the listed entity in compliance with Rule 9.2 above	01.10.2024 There has not been any material changes made to the policies during the year under review.
9.2.4	Listed entity shall make available all such policies to shareholders upon a written request being made for any such Policy	01.10.2024 Shareholders have access to the detailed policies which are hosted on the Company's website. Extracts of same are set out on pages 72 to 74.
9.3	Board Committees	01.10.2023 [*01.01.2025]
9.3.1	Listed Entities shall ensure that the following Board committees are established and maintained at a minimum and are functioning effectively: - Nomination & Governance Committee* - Remuneration Committee - Audit Committee - Related Party Transactions Review Committee	The required Committees have been established and are functioning effectively. These Committees assist the Board with its role of oversight of the Company's performance, conformance, and sustainability.
9.3.2	Listed Entities shall comply with the composition, responsibilities and disclosures required in respect of the above Board Committees as set out in the Rules	01.10.2023 Refer sections 9.11, 9.12, 9.13, and 9.14 below for details on compliance.
9.3.3	The Chairperson of the Board of Directors of the Listed Entity shall not be the Chairperson of the Board Committees referred to in Rule 9.3.1 above.	01.10.2023 The Chairman is not the chairperson of any of the board sub committees. All Board Sub-Committees are chaired by the Senior Independent Director.

9	Section 9 of the Listing Rules	Effective date of applicability and Level of Compliance
9.4	Adherence to principles of democracy in the adoption of Meeting Procedures and the conduct of all General Meetings with shareholders	01.10.2023
9.4.1	Listed entity shall maintain records of all resolutions and the following information upon a resolution being considered at any general meeting of the entity. The entity shall provide copies of the same at the request of the Exchange and or the SEC: a) the no. of shares in respect of which proxy appointments have been validly made; b) the no. of votes in favour of the resolution; c) the no. of votes against the resolution; and d) the no. of shares in respect of which the vote was directed to be abstained.	The stipulated records of all shareholder meetings have been maintained by the Company.
9.4.2	Communication and relations with shareholders and investors a) listed entity shall have a policy on effective communication and relations with shareholders & disclose the existence of the same in the Annual Report and the Website of the listed entity. b) Listed entity shall disclose the contact person for such communication. c) The policy on relations with shareholders and investors shall include a process to make all directors aware of major issues and concerns of shareholders and such process shall be disclosed by the Entity in the Annual Report and the Website of the entity. d) Listed entities that intend to conduct shareholder meetings through virtual and hybrid means shall comply with the guidelines issued by the Exchange.	01.10.2024 The Company has established methodologies to ensure effective communication and relations with shareholders. Details of same are set out in the policies on Relations with Shareholders & Investors and Stakeholder Communication and Corporate Disclosures adopted by the Company. Designated personnel have been identified as contact persons in these policies for such inquiries/ communication. Any significant/material issues raised by the shareholders/investors are escalated to the Board where necessary in a transparent manner. The Company conducted its shareholder meetings online/ virtual means while complying with the guidelines issued by the CSE.
9.5	Policy on matters relating to the Board of Directors	01.10.2024
9.5.1	Listed entities shall establish and maintain a formal policy governing matters relating to the Board of Directors with specific requirements prescribed by the Exchange (a) to (j)	The Company has revised its Board Charter to align with the requirements prescribed by the Exchange.
9.5.2	Listed entity shall confirm compliance with the requirements of the Policy referred to in 9.5.1 above in the Annual Report and provide explanations for any non compliance with any of the requirements with reasons for such non compliance and the proposed remedial action	01.10.2024 Requirements set out in the Policy have been complied with, by the members of the Board.
9.6	Chairperson & CEO	01.10.2023
9.6.1	The Chairperson of every listed entity shall be a Non-Executive Director and the position of Chairperson and CEO shall not be held by the same individual.	The Chairman of the Company is an Executive Director. The positions of Chairman and Managing Director/CEO are held by two individuals.
9.6.2	A listed entity that is unable to comply with Rule 9.6.1 shall make a market announcement within a period of 1 month from the date of implementation of these Rules or an immediate market announcement from the date of non compliance (if such date falls subsequent to the implementation of these Rules)	01.10.2023 The prescribed announcements were made by the Company in November 2023.

9	Section 9 of the Listing Rules	Effective date of applicability and Level of Compliance
9.6.3	<p>The Requirement for a SID</p> <p>a) The listed entity shall appoint an independent director as the SID in the following instances:</p> <p>i) The Chairperson and the CEO are the same person</p> <p>ii) The Chairperson and the CEO are close family members or related parties</p> <p>Such appointment shall be immediately disclosed with reasons for such appointment by way of a market announcement.</p> <p>b) The independent directors shall meet at least once a year chaired by the SID (without the presence of the other directors) to discuss matters of concerns relating to the entity or the operation of the Board. The SID shall provide feedback and recommendations from such meetings to the Chairperson and the Board members</p> <p>c) The SID shall chair a meeting with the NEDs without the presence of the Chairperson at least annually, to appraise the Chairperson's performance</p> <p>d) The SID shall be entitled to a casting vote at the meetings specified in b) and c) above</p> <p>e) The SID shall make a signed explanatory disclosure in the Annual Report demonstrating the effectiveness of duties of SID</p>	<p>01.10.2023</p> <p>As the Chairman [previously the Deputy Chairman] serves in the capacity of an executive director, the Board appointed Desamanya M D D Pieris to the position of SID on 31.10.2023 with Terms of Reference specified by these rules.</p> <p>Upon his status changing to a Non Executive Director [at the end of transitional provisions on 31.12.2024] the Board appointed Mr K Sundararaj as its SID on 01.01.2025.</p> <p>These appointments were promptly announced to the market.</p> <p>The report of the SID is set out on pages 64 to 65.</p>
9.6.4	<p>Until Listed Entities comply with Rule 9.6.1 above, such entities shall explain the reasons for non compliance in the Annual Report</p>	<p>01.10.2023</p> <p>The Board is of the view that the Chairman who is a major shareholder, should continue in the capacity of an Executive Director taking into consideration his business acumen which navigated the Group to become one of the most diversified profitable multinationals in Sri Lanka.</p>
9.7	<p>Fitness of Directors and CEO</p>	<p>01.10.2023</p>
9.7.1	<p>The listed entity shall ensure that its directors and CEO are at all times fit and proper in terms of criteria set out by these Rules in 9.7.3</p>	<p>The Board members met the criteria set out in these Rules during the year under review and up to the date of this report.</p>
9.7.2	<p>Listed entity shall ensure that persons recommended by the Nominations & Governance Committee as directors are fit and proper before such nominations are placed before the shareholders meetings</p>	<p>01.10.2023</p> <p>The Committee has recommended the re election of directors retiring placed before the AGM, having considered their fit and propriety; and taking into consideration their strategic contribution, integrity, competencies, financial soundness and other commitments.</p>
9.7.3	<p>The directors and the CEO of the entity shall not be considered fit and proper if they do not meet the criteria specified in sections</p> <p>a) honesty, integrity and reputation</p> <p>b) competence and capability and</p> <p>c) financial soundness respectively</p>	<p>01.04.2024</p> <p>The Board members meet the criteria set out in these Rules</p>

9	Section 9 of the Listing Rules	Effective date of applicability and Level of Compliance
9.7.4	Listed entity shall obtain declarations from its directors and CEO on an annual basis confirming that each of them have continually satisfied the fit and proper assessment criteria set out in these Rules during the financial year concerned and as at the date of such confirmation	01.10.2023 Duly signed declarations have been made by each Board member confirming the criteria set out in Rule 9.7.4
9.7.5	Disclosures in the Annual Report Listed entity shall include the following disclosures in the Annual Report: a) A statement that the directors and the CEO of the entity satisfy the fit and proper criteria stipulated in the Listing Rules b) Any non compliance/s by a director or CEO of the listed entity of the fit and proper assessment criteria during the financial year and remedial action taken by the entity to rectify such non compliance/s	01.10.2023 Refer pages 49 to 52 of the Report of the Board of Directors for the statement of compliance. Profiles of the directors are on pages 8 to 10.
9.8	Board Composition	01.10.2024
9.8.1	The Board of Directors of a Listed Entity shall, at a minimum, consist of five [05] Directors	As at the date of this report, the Board consists of seven [07] directors
9.8.2	Minimum Number of Independent Directors a) The listed entity shall include at least two [02] independent directors or such number equivalent to one third 1/3 of the total number of directors at any give time, which ever is higher. b) any change occurring to this ratio shall be rectified within 90 days from the date of change	01.10.2024 The Board consist of two [02] independent directors
9.8.3	Criteria for determining independence	01.10.2023
9.8.4	A director shall not be considered independent if he/she does not fulfil the criteria defining independence under sections 9.8.3 and 9.8.4 of the Rules.	The Board determined that Desamanya M D D Pieris and Dr R A Fernando were independent until 31.12.2024 in terms of transitional provisions permitted by the Exchange. Messrs K Sundararaj and K Sivanesan who were subsequently appointed to the Board, meet the criteria for independence set out herein.
9.8.5	The listed entity shall ensure a) Each independent director submits a declaration with criteria specified by the Exchange b) The Board shall make an annual determination as to independence / non independence and set out the names of directors determined to be independent in the Annual Report c) If the Board determines that the independence of and independent director has been impaired against any criteria set out in 9.8.3 it shall make an immediate market announcement thereof	01.10.2023 The Company has established a process for determination of independence based on the criteria of this rule. Instances where independence was impaired [due to age/years of service] were announced to the Exchange promptly during the year under review.
9.9	Alternate Directors Listed entities that provides for the appointment of Alternate Directors, it must comply with the requirements set out by this Rule and such requirements shall be incorporated into the Articles of Association of the Entity	01.01.2024 No alternate Directors have been appointed to the Board during the year under review. Requirements prescribed in these Rules have been incorporated to the Articles of Association of the Company on 26th September 2024.

9	Section 9 of the Listing Rules	Effective date of applicability and Level of Compliance
9.10	Disclosures Relating to Directors	01.10.2023
9.10.1	Policy on the maximum number of directorships its board members shall be permitted to hold	A director shall hold office as director in any number of companies/societies/bodies including subsidiaries and associates of the Company, subject to however, in the case of listed entities, such appointments being limited to 20.
9.10.2	Immediate market announcement upon appointment of new director setting out resume, capacity of directorship, statement indicating if such appointment has been reviewed by the Nominations & Governance Committee	01.10.2023 Announcements were made to the CSE on new appointments covering the criteria set out herein.
9.10.3	Immediate market announcement regarding any changes to the composition of the: i) Board of Directors ii) Board Committees specified in Rule 9.3 With details of changes including, appointments, resignations and the capacity of directorship with the effective date thereof.	01.10.2023 During the year under review, changes to the directorate and committee compositions of the Board have been duly announced to the Exchange.
9.10.4	Listed entities shall disclose the following in relation to Directors in the Annual Report: a) name, qualifications, brief profile, b) nature of expertise in relevant functional area c) whether either the director or close family member/s has any material business relationship with the directors of the listed entity, d) whether executive, non executive and or independent. e) Total number of names of companies in which the director concerned serves as a director/KMP indicating if these are listed f) Number of board meetings of the listed entity attended during the year g) Names of board committees in which the director serves as chairperson or member h) Details of attendance of committee i) Terms of reference and powers of the SID	01.10.2023 Refer pages 8 to 10 for directors' profiles; pages 53 to 54 for directors interests in contracts pages 75 to 77 for details of Board and Committee membership/meeting attendance details page 64 for the SID's report page 64 to 65 for TOR of the SID
9.11	Nominations & Governance Committee	01.10.2024
9.11.1-6	The listed entity shall have a Nominations & Governance Committee conforming with the requirements set out in Rule 9.11	Refer the Nominations & and Governance Committee Report on pages 59 to 60.
9.12	Remuneration Committee	01.10.2023
9.12.1 -6	For the purposes of Rule 9.12 the term remuneration shall make reference to cash and non-cash benefits whatsoever received The listed entity shall have a Remuneration Committee conforming with the requirements set out in Rule 9.12	Refer the Talent Development & Remuneration Committee Report on page 61 for details The aggregate remuneration paid to executive and non executive directors is disclosed on page 284 of the report

9	Section 9 of the Listing Rules	Effective date of applicability and Level of Compliance
9.13	Audit Committee	01.10.2024
9.13.1-5	The listed entity shall have an Audit Committee conforming with the requirements set out in Rule 9.13	<p data-bbox="980 443 1425 499">Refer pages 57 to 58 for the Report of the Audit committee for details.</p> <p data-bbox="980 520 1471 653">All members of the Committee are non executive directors with a majority, including the chair being independent. The quorum of a majority was maintained for all its meetings during the year under review.</p> <p data-bbox="980 674 1487 758">SID, K Sundararaj Chairs the Audit Committee. The Group Managing Director and Group Chief Financial Officer are permanent invitees to committee meetings</p> <p data-bbox="980 779 1487 856">All the Committee Members have membership in a recognised professional accounting body and relevant financial management/accounting experience</p> <p data-bbox="980 877 1317 898">Refer their profiles on pages 8 to 10.</p>
9.14	Related Party Transactions Review Committee	01.10.2023 -01.04.2024
	The listed entity shall have a Committee that conforms to the requirements set out in Rule 9.14	<p data-bbox="980 953 1438 1010">Refer page 62 for the Report of the Related Party Transactions Review Committee for details</p> <p data-bbox="980 1031 1451 1087">There were no RPTs during the year which required Shareholder approval as set out in Rule 9.14.6.</p> <p data-bbox="980 1108 1468 1186">There were no RPTs during the year which required immediate market announcement as set out in Rule 9.14.7.</p> <p data-bbox="980 1207 1455 1346">Refer Report of the Board of Directors on pages 49 to 52 for the affirmative declaration by the Board of Directors in the Annual Report that these Rules pertaining to Related Party Transactions have been complied with .</p> <p data-bbox="980 1367 1479 1472">There were no Non recurrent RPTs exceeding 10% of Equity or 5% of Total Assets whichever is lower; nor Recurrent RPTs exceeding 10% of the Gross Revenue/ Income during the year.</p> <p data-bbox="980 1493 1468 1549">Please refer Note 50 to the Financial Statements on page 283.</p> <p data-bbox="980 1570 1471 1612">During the year there were no acquisition or disposal of substantial assets from / to Related Parties.</p>

9	Section 9 of the Listing Rules	Effective date of applicability and Level of Compliance
9.16	<p>Additional Disclosures</p> <p>The following additional disclosures by the BOD to be included in the Annual Report.</p> <p>i) Declared all material interests in contracts involving the entity and whether they have refrained from voting on matters in which they were materially interested;</p> <p>ii) Conducted a review of the internal controls covering financial, operational and compliance controls and risk management and have obtained reasonable assurance of their effectiveness and successful adherence therewith, and if unable to make any of these declarations, an explanation why it is unable to do so.</p> <p>iii) Made arrangements to make themselves aware of applicable laws, rules and regulations and are aware of changes particularly to listing rules and applicable capital market provisions</p> <p>iv) Disclosure of relevant areas of any material non compliance with law or regulation and any fines, which are material, imposed by any government or regulatory authority in any jurisdiction where the Entity has operations.</p>	01.10.2023 Refer Report of the Board of Directors on pages 49 to 52.

CORPORATE GOVERNANCE POLICIES ADOPTED BY THE COMPANY.

The Company revised its existing policies to align with Section 9.2.1 of the Listing Rules. The detailed policy of the following can be downloaded from the Company's website.

Policy on Matters Relating to the Board of Directors

The Board of Directors at LOLC Holdings PLC is responsible for providing strategic governance, overseeing financial performance, managing risks including sustainability related risks and ensuring compliance with laws and ethical standards. The Board integrates sustainability into its strategy, approves related policies and oversees transparent reporting and stakeholder engagement on environmental, social and governance (ESG) matters. Committees may be established to support these functions with clear roles and accountability. The Board's composition balances skills, experience, diversity, and independence with regular meetings and performance evaluations to ensure effective governance and sustainability outcomes. Comprehensive records are maintained and progress is reported regularly to stakeholders ensuring transparency and adherence to regulations and best practices.

Policy on Board Committees

Board of Directors of LOLC Holdings PLC may form Board and Management Committees to support its duties, delegate

powers, and ensure effective governance. The Company is required to establish key Board Committees including Nominations & Governance Committee, Talent Development & Remuneration Committee, Audit Committee, Related Party Transactions Review Committee, Integrated Risk Management Committee and Sustainability Committee, in line with Colombo Stock Exchange rules and relevant standards. Each committee must have clear terms of reference, at least three directors (including two Independent Directors) and be chaired by an Independent Director who is not the Chairperson of the Board. Committees should consist of members with relevant expertise, have a designated Secretary, rotate members to encourage diverse perspectives and report on their activities at the Annual General Meeting.

Policy on Corporate Governance, Nominations and Re-Election

The Policy on Corporate Governance, Nominations, and Re-Election of LOLC Holdings PLC outlines a transparent and structured process for appointing and re-electing board members to support strong governance and strategic alignment.

It applies to all board and committee appointments with a Nominations and Governance Committee comprised mainly of Independent, Non-Executive Directors responsible for identifying, evaluating and recommending candidates based on relevant skills, experience, independence, diversity and alignment with corporate goals. Re-election is based on periodic performance reviews and adherence to governance standards with recommendations made to the Board and ultimately approved by shareholders. The policy ensures full disclosure of nominee information and potential conflicts of interest and requires periodic review and Board approval for any amendments.

Policy on Remuneration

The Remuneration Policy of LOLC Holdings PLC expects to attract, retain and motivate talent by offering competitive compensation aligned with market standards and Company performance. Executive Directors receive a base salary, perquisites and performance-based bonuses, with remuneration levels reviewed annually and benchmarked against similar companies. Non-Executive Directors are paid a monthly retainer and meeting fees,

including additional fees for participation in Board Sub Committees. Alternate Directors are compensated per meeting in place of the Director they represent. The CEO's remuneration is performance-based and aligned with market standards. Bonuses for Executive Directors include both fixed and variable components, with the variable portion tied to performance.

Policy on Internal Code on Business Conduct and Ethics

The Internal Code on Business Conduct and Ethics of LOLC Holdings PLC outlines the expected ethical standards for directors and officers, emphasising integrity, loyalty, legal compliance and accountability. It guides proper handling of conflicts of interest, protection of confidential information, accurate financial reporting, fair use of Company assets and responsible trading of Company securities. Directors and officers must declare personal interests, avoid personal gain from Company opportunities and report unethical or illegal behaviour without fear of retaliation. Compliance with laws is mandatory and any violations may lead to disciplinary action. Annual declarations of compliance are required, and waivers of the Code, if any must be approved by the Board of Directors.

Policy on Risk Management and Internal Controls

LOLC Holdings PLC, as the parent company of a diversified conglomerate with an investment portfolio is committed to safeguarding its assets and investments through a robust risk management and internal control framework. This policy applies to all employees, departments and encourages stakeholders to support its provisions. The Company regularly identifies and assesses various risks including strategic, market, operational, regulatory, reputational and sector-specific risks and employs strategies like risk avoidance, reduction, sharing and acceptance to mitigate them. LOLC promotes a controlled culture with well-established processes, segregation of duties, authorisation controls and physical security measures to protect assets and ensure operational continuity. Compliance with laws and industry standards is maintained, with risk ownership assigned to business unit heads who regularly review controls. Internal audits provide independent

evaluations, and all employees are responsible for reporting any control weaknesses. The policy supports sustainable operations, informed decision-making, and continuous improvement and is reviewed periodically to remain effective.

Policy on Relations with Shareholders and Investors

LOLC Holdings PLC is committed to transparent, accurate and timely communication with its shareholders, investors and other stakeholders ensuring they receive all material information about the Company's governance, operations, financial performance and future prospects. Communication is managed through designated spokespersons and official channels such as the Company website, social media, press releases and annual general meetings with proper attention to confidentiality and regulatory compliance. The Company proactively addresses market rumours, provides access to analysts and the media and encourages shareholder engagement and feedback. Material information is disclosed promptly following a clear approval process while insiders are strictly regulated to prevent misuse of confidential data. Major developments and crisis situations are handled with special care, ensuring all stakeholders remain well-informed. The Company regularly updates its policies and provides multiple channels for stakeholders to connect and stay informed.

Policy on Environmental, Social and Governance Sustainability

The Environmental, Social, and Governance (ESG) Sustainability Policy of LOLC Holdings PLC outlines the Company's commitment to responsible, inclusive and forward-thinking business practices that balance economic growth, social responsibility and environmental protection. Guided by a clear vision and mission, the Company integrates sustainability into all aspects of its operations through initiatives that support employee well-being, community development, environmental conservation and sound corporate governance. The policy sets ambitious targets for 2030 across economic, environmental and social dimensions, including reducing emissions, promoting ethical sourcing, fostering innovation and enhancing board diversity. Progress is tracked

through defined key performance indicators and reported annually through a Sustainability Report, along with internal updates and stakeholder engagement to ensure transparency, accountability and continuous improvement.

Policy on Control and Management of Company Assets and Shareholder Investments

The Policy on Control and Management of Company Assets and Shareholder Investments of LOLC Holdings PLC outlines the commitment to efficiently managing, protecting and utilising its assets and shareholder funds. It applies to all employees, management and board members and covers the categorisation, acquisition, use, verification, transfer, depreciation and disposal of assets including physical, intangible and investment properties. All assets are recorded in a centralised register, tagged with unique identification and managed under strict approval and documentation processes. The policy ensures shareholder investments are used strategically with clear reporting, risk management and governance oversight. Regular audits, employee training and annual policy reviews are conducted to maintain compliance, transparency and effectiveness.

Policy on Stakeholder Communication and Corporate Disclosures

The Stakeholder Communication & Corporate Disclosure Policy of LOLC Holdings PLC ensures timely, accurate and transparent communication with all stakeholders including regulators, shareholders, customers, employees, suppliers, creditors and the community while complying with applicable laws and Colombo Stock Exchange (CSE) rules. The policy mandates that material information be disclosed fairly, prohibits selective disclosure or insider trading, and requires confidentiality of undisclosed material information. Communication channels include financial reports, press releases, websites, social media and direct communication with only authorised personnel permitted to speak on behalf of the Company. The policy also regulates interactions during blackout periods, ensures language accessibility for customers and upholds the Company's brand image across all platforms.

Policy on Anti-bribery and Corruption

The Anti-Bribery and Corruption Policy of LOLC Holdings PLC outlines the Group's strong commitment to ethical conduct, transparency and accountability, ensuring all operations are free from fraud and corruption. The policy is applicable to all employees (excluding interns) which defines fraud and corruption broadly including bribery, extortion, facilitation payments, conflicts of interest and misuse of resources and sets out procedures for prevention, detection, reporting and response. It emphasises strong leadership, internal controls, third-party due diligence, mandatory training and whistle-blower protection. Roles and responsibilities are clearly assigned across executive management, supervisors, ERM, IT, auditors and all employees ensuring compliance with national and international regulations. The policy includes clear mechanisms for confidential reporting and investigation with disciplinary actions for violations or retaliation. Regular reviews, monitoring by the Compliance Department and authority for justified exceptions (by Chief Human Resources Officer / Group Managing Director) ensure its effectiveness and alignment with evolving risks and legal requirements.

Policy on Whistleblowing

LOLC Holdings PLC is committed to promoting honesty, integrity and transparency by encouraging employees and stakeholders to report any unethical or illegal conduct without fear of retaliation. This whistleblowing policy covers all forms of fraud, misconduct, harassment, safety violations and breaches of laws or company policies. Reports can be made to immediate supervisors, the Head of Enterprise Risk Management and will be treated with strict confidentiality. The Company protects whistle-blowers from any retaliation and will take disciplinary action against anyone who retaliates. Upon receiving a report, a fair and impartial investigation will be promptly conducted and appropriate actions taken. This policy applies to all employees and stakeholders and is reviewed periodically to ensure its effectiveness.

Terms of Reference for Board Members

The Terms of Reference for Board Members of LOLC Holdings PLC define the general roles, responsibilities and appointment criteria for Executive, Non-Executive, Independent, Alternate Directors, the Chairman, the Managing Director/CEO, the Senior Independent Director (SID) and Senior Advisors in line with the Colombo Stock Exchange rules and the Companies Act. Executive Directors manage day-to-day operations and strategic direction while Non-Executive and Independent Directors contribute to oversight, governance and policy. The Chairman leads the Board, ensuring balance, effectiveness and stakeholder communication and the SID acts as an intermediary and shareholder liaison especially when the Chairman lacks independence. Alternate Directors may serve in exceptional cases and must meet independence criteria if substituting for an Independent Director. Senior Advisors offer non-binding, strategic counsel without voting rights to support Board deliberations. All roles are subject to formal appointment procedures, annual evaluations and ongoing compliance with governance standards.

Board and Board Sub Committee Composition

Name of Director	Executive/ Non- Executive	Independent Non- Independent	Board & Sub-Committee Composition						Date appointed to the Board	Tenure on the Board (Years)	Age	
			Board	AC	TD&RC	RPTRC	N&GC	IRMC				
I C Nanayakkara	ED	NID	√							24.01.2002	23	52
W D K Jayawardena	ED	NID	√				√		√	18.06.2007	18	66
Mrs. K U Amarasinghe	ED	NID	√							08.08.2002	23	55
F K C P N Dias	NED	NID	√	√	√	√	√	√		04.09.2019	6	54
K Sundararaj [AWEF 01.01.2025]	NED	ID	√	√*	√*	√*	√*	√*		01.01.2025	3 months	54
K Sivanesan [AWEF 12.03.2025]	NED	ID	√	√	√	√	√	√		12.03.2025	19 days	56
G S Kalidasa [AWEF 16.06.2025]	NED	NID	√							16.06.2025	-	47
Desamanya M D D Peiris [Retired WEF 12.03.2025]	NED	NID	√	√	√	√	√	√	√	26.09.2001	24	87
Dr. R A Fernando [Resigned WEF 31.03.2025]	NED	NID	√	√	√	√	√	√		27.12.1999	26	66

* Committee Chairman

Present Committee Composition in Gold

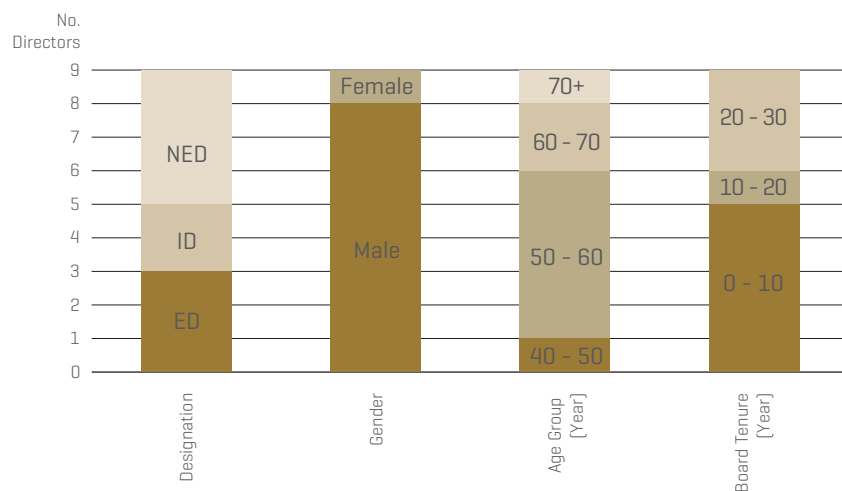
AC - Audit Committee

TD&RC - Talent Development and Remuneration Committee

RPTRC - Related Party Transaction Review Committee

N&GC - Nominations & Governance Committee

IRMC - Integrated Risk Management Committee



Board Meeting Attendance

Name of Director	31.05.2024	15.08.2024	13.11.2024	31.01.2025	14.02.2025
I C Nanayakkara	✓	✓	✓	✓	✓
W D K Jayawardena	✓	✓	✓	✓	✓
Mrs. K U Amarasinghe	✓	✓	✓	✓	✓
Desamanya M D D Pieris [RWEF 12.03.2025]	✓	✓	✓	✓	✓
Dr. R A Fernando [RWEF 31.03.2025]	✓	✓	✓	✓	✓
F K C P N Dias	✓	✓	✓	✓	✓
K Sundararaj [AWEF 01.01.2025]	n/a	n/a	n/a	✓	✓
K Sivanesan [AWEF 12.03.2025]	n/a	n/a	n/a	n/a	n/a
G S Kalidasa [AWEF 16.06.2025]	n/a	n/a	n/a	n/a	n/a

Audit Committee Meeting Attendance

Name of Director	10.04.2024*	31.05.2024*	15.08.2024	13.11.2024*	31.01.2025	14.02.2025	19.03.2025*
Desamanya M D D Pieris - Committee Chairman [Stepped down from the Committee WEF 01.01.2025]	✓	✓	✓	✓	n/a	n/a	n/a
Dr. R A Fernando [Stepped down from the Committee WEF 12.03.2025]	✓	✓	✓	✓	✓	✓	n/a
F K C P N Dias	✓	✓	✓	✓	✓	✓	✓
K Sundararaj - Committee Chairman [AWEF 01.01.2025]	n/a	n/a	n/a	n/a	✓	✓	✓
K Sivanesan [AWEF 12.03.2025]	n/a	n/a	n/a	n/a	n/a	n/a	✓

Date* - Meetings with External Auditors participation

Related Party Transaction Review Committee Meeting Attendance

Name of Director	31.05.2024	15.08.2024	15.11.2024	14.02.2025
Desamanya M D D Pieris - Committee Chairman [Stepped down from the Committee WEF 01.01.2025]	✓	✓	✓	n/a
W D K Jayawardena	✓	✓	✓	✓
F K C P N Dias	✓	✓	✓	✓
Dr. R A Fernando [Stepped down from the Committee WEF 12.03.2025]	✓	✓	✓	✓
K Sundararaj - Committee Chairman [AWEF 01.01.2025]	n/a	n/a	n/a	✓
K Sivanesan [AWEF 12.03.2025]	n/a	n/a	n/a	n/a

Talent Development and Remuneration Committee Meeting Attendance

Name of Director	02.07.2024	19.12.2024
Dr. R A Fernando - <i>Committee Chairman</i> [Stepped down from the Committee WEF 12.03.2025]	√	√
Desamanya M D D Pieris <i>[RWEF. 12.03.2025]</i>	√	√
F K C P N Dias	√	√
K Sundararaj - <i>Committee Chairman</i> <i>[AWEF 01.01.2025]</i>	n/a	n/a
K Sivanesan <i>[AWEF 12.03.2025]</i>	n/a	n/a

The Meeting of the NEDs was also held on the same date.

Nominations & Governance Committee Meeting Attendance

Name of Director	19.03.2025
Desamanya M D D Pieris - <i>Committee Chairman</i> <i>[RWEF. 12.03.2025]</i>	n/a
Dr. R A Fernando - <i>Committee Chairman</i> [Stepped down from the Committee WEF 12.03.2025]	n/a
F K C P N Dias	√
K Sundararaj - <i>Committee Chairman</i> <i>[AWEF 01.01.2025]</i>	√
K Sivanesan <i>[AWEF 12.03.2025]</i>	√

The Meeting of the NEDs was also held on the same date.

Integrated Risk Management Committee Meeting Attendance

Name of Director	25.11.2024
Desamanya M D D Pieris - <i>Committee Chairman</i> <i>[RWEF. 12.03.2025]</i>	√
W D K Jayawardena	√
K Sundararaj - <i>Committee Chairman</i> <i>[AWEF 01.01.2025]</i>	n/a

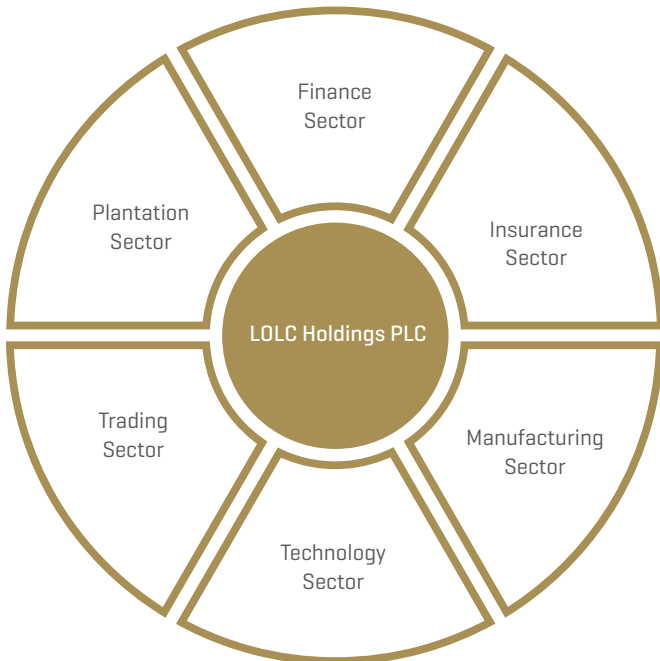
Enterprise Risk Management

RISK MANAGEMENT APPROACH

LOLC Holdings PLC is a diversified conglomerate with operations spanning the financial services, insurance, leisure, plantations, manufacturing and technology sectors, with a significant presence across the Asian and African continents. This broad geographical footprint, combined with its multi-sectoral exposure, gives rise to a wide spectrum of risks, including geopolitical risks.

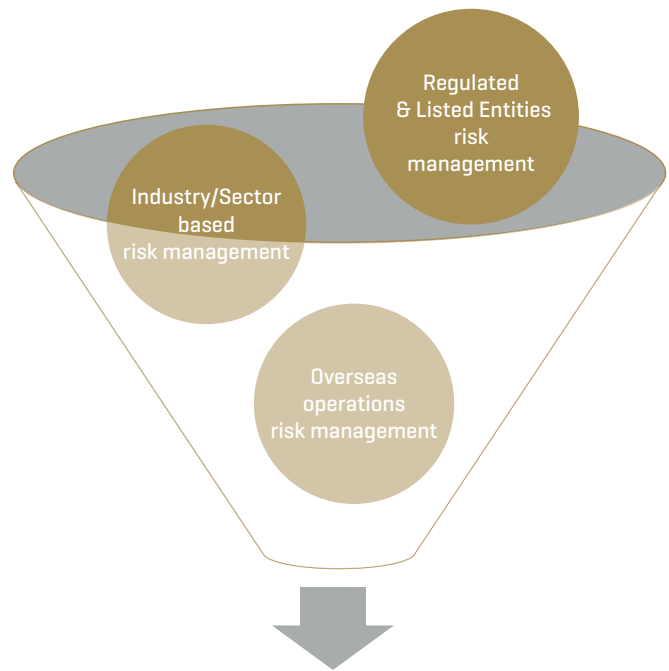
Risk, in the context of the Group, is defined as the exposures arising from the materialisation of probable events or conditions that could lead to deviations from expected outcomes. It is therefore essential to manage such risks within tolerable limits to provide reasonable assurance of achieving stated objectives.

Given the uniqueness of each operating environment, it is imperative that risk management initiatives address the specific risks inherent to each jurisdiction while remaining practical, adaptable and agile. At the Group level, risk management adopts a sectoral perspective, enabling the comparison of similar risks within an industry, as well as benchmarking across jurisdictions. LOLC Holdings PLC strongly upholds the autonomy and independence of its subsidiaries. This philosophy enables each subsidiary to design and implement its own risk mitigation framework, under the overarching guidance of the Holding Company, which intervenes solely in an advisory capacity.



RISK MANAGEMENT PROCESS

The Risk Governance structure at LOLC Holdings PLC is built on a streamlined model that emphasises entity-level risk management, complemented by sectoral and geographical oversight. At the entity level, dedicated risk functions are established where required by regulators, ensuring compliance and robust internal controls. At the industry sector level, entities with similar operations are grouped together, enabling the identification and management of shared risks. At the country level, the operating environments of overseas businesses are closely monitored for adverse conditions, safeguarding the Group's investments.



This multi-tiered framework enables the Holding Company to maintain a comprehensive, bird's-eye view of the conglomerate's risk landscape while ensuring that risk is actively managed at the most relevant operational levels.

The identification of risks is a critical component of any risk management initiative, and at LOLC Holdings PLC, this is undertaken through a structured three-tier approach. The process begins with self-risk identification by risk and process owners; reinforced by risk identification carried out by the Enterprise Risk Management (ERM) function; and further enhanced through peer group identification, where all units are granted the liberty to identify and report any risk, even if ownership of that risk resides with another unit.

All identified risks are subject to detailed analysis by the enterprise-level and Group-level risk management functions, with the objective of assessing the potential impact in the event such risks materialise. Any risk determined to be material is reported to the Board or, where applicable, to the Board-appointed Integrated Risk Management Committee. Risks identified as significant are addressed through



mitigation plans designed to reduce exposure to be within the individual company's risk appetite. The ERM function is entrusted with the ongoing monitoring and timely reporting of such risks to the Board of Management and the respective risk owners.

Across the LOLC Group, all entities operate in line with the Three Lines of Defence model, where the first line is constituted by risk owners and management supported by established internal controls, the second line comprises compliance and risk functions, and the third line is represented by the internal audit function, which provides independent assurance.

The synergy between the Group's core risk management functions is essential to sustaining an effective risk management strategy. This integration strengthens the overall risk framework by enabling operational-level monitoring of risks, while ensuring that the internal and IS audit functions evaluate the adequacy and effectiveness of existing risk controls. At the Group level, the Enterprise Risk Management and Internal Audit functions operate with full independence, reporting directly to the Board Audit Committee and the Integrated Risk Management Committee [IRMC].

At the entity level, process owners are responsible for managing risks arising from operations within their purview. Key Risk Indicators [KRIs], defined and approved by the Boards of Directors of companies within the LOLC Group, are continuously monitored against each entity's defined risk appetite. The limits and benchmarks established for these KRIs serve as early warning signals for the potential crystallisation of underlying risks, enabling proactive management. This process provides the Boards of each company with reasonable assurance that corporate objectives are on track to be achieved.

KRIs defined at the organisational or entity level form the foundation for sector-level risk monitoring. This approach facilitates the comparison of similar entities within an industry cluster, while also enabling the monitoring of sector-level risk exposures. Through this strategy, LOLC is able to identify material risks affecting specific industry clusters, as well as macro-level systemic risks, and take appropriate action to mitigate adverse effects.

Actions on risks are implemented at the entity level by the respective management teams, while the LOLC Holdings' IRMC maintains an overarching view of risk exposures and the corresponding mitigation measures. In this advisory role, the IRMC enables the Holding Company's Board of Directors to maintain effective oversight over subsidiary operations, ensuring that the Group's investments are protected and operations remain satisfactory.

The maturity levels of risk management functions vary across sectors, with financial services entities demonstrating the highest levels of complexity and sophistication. Current risk management practices are calibrated to match the scale, complexity and materiality of each entity or sector, as well as their potential impact on the financial stability of the Holding Company.

COMPLIANCE IN A COMPLEX ENVIRONMENT

The diversified nature of the LOLC Group means that its entities operate within multiple statutory and regulatory jurisdictions. This complexity makes it imperative for each company under the Group's umbrella to clearly identify all applicable statutory and regulatory requirements, and to maintain robust systems and mechanisms to ensure full



STEWARDSHIP

Enterprise Risk Management

compliance. The Group Compliance Unit, supported by appointed compliance officers and legal officers at the entity level, ensures that these requirements are effectively identified and addressed. These functions work to establish and maintain processes that enable ongoing adherence to all relevant statutory and regulatory obligations, safeguarding the Group's reputation and operational integrity.

INTERNAL AUDIT

The Internal Audit function's core purpose is to provide a reasonable assurance on the adequacy and effectiveness of each organisation's risk mitigation strategies and internal control framework. Its structure closely aligns with the Group's risk management model, ensuring a consistent approach across all entities. Each public listed company within the Group has its own Audit Committee, which exercises oversight of internal audit activities. Annual audit plans are reviewed and approved by these committees, with findings presented, discussed and acted upon as appropriate.

Where dictated by regulatory requirements or the materiality of operations, dedicated internal audit units are in place for the finance, insurance and plantation sectors. All other entities come under the scope of the Group Internal Audit. This framework ensures that every entity is covered, either as an individual operation or as part of a cluster, depending on the materiality of its impact on LOLC Holdings PLC's consolidated financials, the complexity of operations or specific regulatory mandates.

Materiality assessments take into account profitability, asset and liability levels, and investment value. This disciplined, risk-based approach enables the efficient allocation of internal audit resources, delivering thorough coverage while optimising effectiveness across the Group.

WAY FORWARD

LOLC Holdings PLC is committed to harnessing technology as a key enabler in strengthening the effectiveness of its processes, including risk management and internal audit. By integrating advanced data analytics, the Group enhances the scope and precision of risk identification and audit coverage. Certain sectors benefit from continuous auditing protocols, where specific control points are systematically tracked at predetermined intervals. This blended approach, combining real-time monitoring with traditional audit and risk assessments, ensures robust oversight of material operations and processes. Our risk and audit frameworks are designed to remain flexible and responsive, empowering the Group to swiftly adapt to organisational shifts and emerging challenges. Agility of this nature is vital in today's fast-changing and unpredictable business landscape, allowing LOLC Holdings PLC to maintain resilient governance and safeguard sustainable growth.

CREATING VALUE FOR SUSTAINABLE GROWTH

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Financial Calendar

1st Quarter Results 2024/2025 released on	15th August 2024
2nd Quarter Results 2024/2025 released on	14th November 2024
3rd Quarter Results 2024/2025 released on	14th February 2025
4th Quarter Results 2024/2025 released on	30th May 2025
Annual Report for 2024/2025 released on	31st August 2025
46th Annual General Meeting in	September 2025

PROPOSED FINANCIAL CALENDAR 2025/26

1st Quarter Results 2025/2026 released on	15th August 2025
2nd Quarter Results 2025/2026 will be released on	14th November 2025
3rd Quarter Results 2025/2026 will be released on	13th February 2026
4th Quarter Results 2025/2026 will be released on	29th May 2026
Annual Report for 2025/2026 will be released in	August 2026
47th Annual General Meeting in	September 2026

Independent Auditor's Report



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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF LOLC HOLDINGS PLC

Report on the audit of the financial statements

Opinion

We have audited the financial statements of LOLC Holdings PLC ["the Company"] and the consolidated financial statements of the Company and its subsidiaries ["the Group"], which comprise the statement of financial position as at 31 March 2025, and the statement of profit or loss, the statement of comprehensive income the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements of the Company and the consolidated financial statements of the Group give a true and fair view of the financial position of the Company and the Group as at 31 March 2025, and of their financial performance and their cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

The Group

Key Audit Matter	How our audit addressed the key audit matter
<p>Allowance for expected credit losses on loans and advances to customers</p> <p>Refer accounting policy section 3.4.3 impairment losses on financial assets and Notes 21 and 22 to the financial statements.</p> <p>As at 31 March 2025, total gross amount of rentals receivable on lease assets, loans and advances, factoring receivable and margin trading receivable amounted to Rs. 868Bn, with a total allowance for impairment of Rs. 49Bn. Total net amount of loans and advances represent 40% of the total assets.</p> <p>Management's estimates relating to credit losses are highly subjective as a result of the significant uncertainty and judgement associated with the estimation of expected future credit losses. The complex assumptions in respect of the timing and measurement of expected credit losses [ECL], involved in this process include:</p> <ul style="list-style-type: none"> Determination of what constitutes significant increase in credit risk, and timely allocation of qualifying assets to the appropriate stage in accordance with SLFRS 9. 	<p>The audit procedures performed to assess the adequacy of the allowance for expected credit losses on loans and advances to customers, included the following:</p> <ul style="list-style-type: none"> Obtained understanding, evaluated, and tested the design of key controls in lending and credit risk mitigation process, Assessed the appropriateness of the criteria used by management to determine whether customer credit exposures show significant increase in credit risk or are impaired, Assessed the appropriateness of the design and implementation of the ECL model, including the reasonableness of significant judgements made and assumptions used by management which included, cash flow estimates, discount rates, expected recoveries when defaults occur and management overlays, Checked the reasonability of the macro-economic and other forward-looking variables used by management, by comparing those against reliable publicly available information,

C S Manoharan FCA, T U Jayasinghe FCA, M D B Boyagoda FCA, H A C H Gunarathne FCA, M P M T Gunasekara FCA, N R Gunasekera FCA, M S J Henry FCA, M M R Hilmy FCA, H P V Lakdeva FCA, K M D R P Manatunga ACA, M M M Manzeer FCA, L A C Tillekeratne ACA, D C A J Yapa ACA

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Key Audit Matters [Contd]

The Group [Contd]

Key Audit Matter	How our audit addressed the key audit matter
<ul style="list-style-type: none"> Modelling assumptions and data used to develop and run the models that calculate the ECL. Judgements involved in the determination of the appropriateness of economic factors as forward-looking variables and the future forecasting of these variables. Appropriateness, completeness and valuation of management overlays introduced to capture risks not identified by the impairment models, <p>Measurement of provisioning for individually significant exposures including the assessment of expected future cashflows and the timing of these cashflows, probability weighting of cashflow scenarios and collateral valuations. The impairment of loans and advances to customers using the ECL model was considered as a key audit matter due to:</p> <ul style="list-style-type: none"> The complex calculations with key variables used in the ECL model requiring significant management judgment and the use of assumptions; and The magnitude of the reported amounts of loans and advances to customers and the impairment allowances thereof. 	<ul style="list-style-type: none"> Checked the underlying calculations and data on a sample basis for accuracy and completeness; and Assessed the adequacy of impairment related disclosures in the financial statements.
<p>Business Combination - Recognition of gain on bargain purchase on acquisition of subsidiaries</p> <p>During the year, B Commodities ME FZE, a subsidiary of LOLC Holdings PLC, acquired holdings in the following,</p> <ul style="list-style-type: none"> Lipton Teas and Infusions Kenya PLC [98.98%]; Limuru Tea PLC [51.99%]; Lipton Teas and Infusions Rwanda Limited [100%]; James Finaly Guizhou Company Limited [100%] and Lipton Teas and Infusions Tanzania Ltd [100%]. <p>This acquisition resulted in the Group recognizing a gain on bargain purchase of Rs. 54.5 Bn as disclosed in Notes 15.1 and 31.4 to the consolidated financial statements.</p> <p>This was a key audit matter due to:</p> <ul style="list-style-type: none"> the materiality of this gain reported in the financial statements represented a substantial part of the group profit before tax for the year; and identifying, and assessing the provisional fair values of assets acquired and liabilities assumed by management. 	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> Reviewing the Sales and Purchase Agreement ('Agreement') and management's rationale for the transaction. Verifying that identifiable assets and liabilities, including contingent liabilities have been identified in the Purchase Price Allocation with reference to subsidiary company's financial statements and other non-financial information available; Evaluating whether the effective date of the acquisition was in compliance with the requirements of SLFRSs by inspecting the terms and conditions of the Agreement; Testing the management's calculation of gain on bargain purchase amount by performing the following procedures: <ul style="list-style-type: none"> Agreeing the purchase consideration paid on the acquisition to the Agreement and payment details; Verifying the calculation of gain on bargain purchase as the excess of the fair value of identifiable net assets acquired over the purchase consideration, ensuring the arithmetic accuracy of the calculation; Gaining an understanding of the work performed by the management's valuation expert by examining the valuation reports; Assessing the reasonableness of the key assumptions used in the valuation by the management's valuation expert in deriving the fair values with reference to the market comparable; and Assessing the independence, qualifications and objectivity of external valuation expert engagement by the management. Assessing the disclosures in the consolidated financial statements relating to business combinations per requirements of SLFRSs.

Key Audit Matters [Contd]

The Group [Contd]

Key Audit Matter	How our audit addressed the key audit matter
<p>Revaluation of reclaimed land and right-of-use assets relating to leasehold land</p> <p>Refer to note 27 of the consolidated financial statements for disclosures of related accounting policies, judgments, estimates and balances.</p> <p>As at 31 March 2025, the carrying value reclaimed land classified as property, plant and equipment of the Group amounted to Rs. 30.5 Bn. The carrying value of right-of-use assets relating to leasehold land as at 31 March 2025 amounted to Rs. 158.5 Bn. The revaluation gain recognised by the Group from revaluation of reclaimed land and right-of-use the asset relating to leasehold land for the year then ended amounted to Rs. 0.9 Bn and 5.6 Bn respectively.</p> <p>The Group had chosen the revaluation model as its accounting policy for measurement after recognition of its reclaimed land and right-of-use assets relating to leasehold land which are accordingly measured at fair value with sufficient regularity, to ensure that the carrying amounts do not materially differ from that which would be determined using fair values at the reporting date. The Group engaged independent valuation experts to measure the value of these properties.</p> <p>Reclaimed land and right-of-use assets relating to leasehold land were valued at their fair value at reporting date using market approach at the reporting date. The fair values of these properties are dependent on the valuation methodology adopted and input into the valuation models. Factors such as current market conditions, the unique characteristics, location, and condition of each property, as well as recent comparable market transactions, directly impact the fair values.</p> <p>We focused on this matter because the:</p> <ul style="list-style-type: none"> • Relative size and significance of the reclaimed land and right-of-use assets relating to leasehold land in the consolidated statement of financial position; • Quantum of revaluation gains recognized by the Group, that directly impact the consolidated statements of profit or loss and other comprehensive income and; • Inherently subjective nature of property valuations due to use of estimates and judgment in the valuation methodology. 	<p>Our audit approach mainly included substantive audit procedures as follows:</p> <ul style="list-style-type: none"> • Comparing historical valuations in relation to reclaimed land and right-of-use assets relating to leasehold land against current year valuations, to assess whether the movements appear to be in line with overall movement in the market; • Meeting with management’s external valuation experts, who performed the property valuations for the Group, to discuss the appropriateness of the methodologies adopted and reasonability of assumptions used in the valuations; • Assessing the qualifications and experience of the valuation experts of the Group; • Verifying the completeness and accuracy of the information provided to the valuation experts of the Group; • Comparing estimated price per perch of reclaimed land and right-of-use assets relating to leasehold land to a reasonable range determined based on market data. Where the prices fell outside of the anticipated ranges, discussing with the management the reasons to support the variances; • Inspecting the final valuation reports and agreeing the fair values to the Group’s accounting records and financial statements; • Reviewing of the procedures performed by component auditors of those subsidiaries which own reclaimed land and right-of-use assets relating to leasehold land; and • Checking the adequacy and appropriateness of management’s disclosures in the financial statements.

Key Audit Matters [Contd]

The Group and the Company

Key Audit Matter	How our audit addressed the key audit matter
<p>Assessment of fair value of land and buildings in investment properties and fair value of freehold land and buildings in property, plant and equipment (PPE)</p> <p>Refer financial statement notes 28 investment properties and notes 35 PPE respectively.</p> <p>The Company engaged independent valuers to determine the fair values of its investment properties as well as freehold land and buildings classified under PPE.</p> <p>As at 31 March 2025, the Group's investment properties were carried at a fair value of Rs. 185.7Bn and freehold land and buildings were carried at an aggregate revalued amount of Rs. 143.5Bn. Fair value gains on investment properties amounting to Rs. 5.7Bn and gains on revaluation of freehold land and buildings amounting to Rs. 13Bn had been recognised in the Group's financial statements for the year ended 31 March 2025.</p> <p>As at 31 March 2025, the Company's investment properties were carried at a fair value of Rs. 4.1Bn and freehold land and buildings were carried at an aggregate revalued amount of Rs. 3.4Bn. Fair value gains on investment properties amounting to Rs. 0.5Bn and gains on revaluation of freehold land and buildings amounting to Rs. 0.5Bn had been recognised in the Company's financial statements for the year ended 31 March 2025.</p> <p>The valuation of both investment properties and freehold land and buildings involved significant judgement and were based on assumptions, including prices of comparable property transactions adjusted for differences in key attributes such as, property size, shape, legal restrictions, access to main roads, the physical condition of buildings and depreciated replacement cost of buildings per square foot.</p> <p>The valuation of investment properties and freehold land and buildings were considered a key audit matter due to the significant judgement involved in the estimate of fair values and the significance of these assets to the financial statements.</p>	<p>Our audit approach included the following procedures:</p> <ul style="list-style-type: none"> Assessed the experience, qualifications and independence of the external valuer engaged by the management for the valuations, Obtained the valuation reports and evaluated the appropriateness of the valuation methodology adopted by the external valuer by comparing with methods generally used in the valuation of similar properties, Evaluated the relevance and reasonableness of the significant assumptions used in the valuations by applying our knowledge and the publicly available information on the real estate market such as range of prices listed for similar real estate, and Assessed the adequacy of the related disclosures made in the financial statements.

Other Matter

The financial statements of the Company and consolidated financial statements of the Group for the year ended 31 March 2024 were audited by another firm of auditors whose report, dated 30 August 2024, expressed an unmodified opinion on those statements.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 of the Company and the consolidated financial statements of the Group, management is responsible for assessing the Company's and 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 Company and 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 of the Company and the consolidated financial statements of the Group 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 scepticism 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's 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 Company's and 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 of the Company and the consolidated financial statements of the Group 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 Company/ 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 of the Company and the consolidated financial statements of the Group represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance 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 Company and the consolidated financial statements of the Group 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 2857.

Deloitte Parkun

CHARTERED ACCOUNTANTS
COLOMBO

31st August 2025

Statement of Financial Position

As at	Note	Group		Company	
		31-Mar-25 Rs.'000	31-Mar-24 Rs.'000	31-Mar-25 Rs.'000	31-Mar-24 Rs.'000
Assets					
Cash and short term deposits	18.1	111,612,970	108,863,315	1,941,277	2,167,372
Financial assets at fair value through profit or loss	19	46,987,655	25,487,545	20	22
Investment securities	20	140,891,886	144,165,997	44,937,785	39,257,556
Non current assets held for sale and discontinued operations	51 & 32	27,450,750	-	14,772,245	-
Financial assets at amortised cost/ Finance lease receivables and operating leases	21	66,664,675	60,258,297	-	-
Financial assets at amortised cost/ Advances and other loans	22	751,421,279	674,236,352	92,853,721	71,814,470
Insurance premium receivables	23	2,988,308	3,893,214	-	-
Inventories	24	33,296,064	23,850,709	326,108	663,555
Current tax assets	25	9,333,758	5,105,850	94,864	162,929
Trade and other current assets	26	89,052,714	99,865,608	221,745,032	200,784,666
Right of use assets	27	164,355,485	70,563,216	22,951	29,298
Investment properties	28	185,708,701	172,353,711	4,064,200	3,562,800
Biological assets;					
Consumable biological assets	29	16,128,615	10,599,596	-	-
Bearer biological assets	30	22,174,814	12,298,224	-	-
Investments in group of companies;					
Subsidiary companies	31	-	-	290,349,152	240,545,150
Associate companies	32	34,951,986	71,762,164	30,101,735	51,713,240
Deferred tax assets	33.1	7,366,225	5,311,045	-	-
Intangible assets	34	10,213,266	10,023,235	69,616	66,237
Property, plant and equipment	35	309,027,000	241,067,822	7,016,211	5,707,003
Total assets		2,029,626,151	1,739,705,901	708,294,917	616,474,298

As at	Note	Group		Company	
		31-Mar-25 Rs.'000	31-Mar-24 Rs.'000	31-Mar-25 Rs.'000	31-Mar-24 Rs.'000
Liabilities and equity					
Liabilities					
Bank overdrafts	18.2	31,394,589	10,260,478	14,131,496	2,617,078
Trading liabilities - fair value through profit or loss	36	689,957	961,632	-	-
Financial liabilities at amortised cost/ Deposits liabilities	37	565,644,097	506,490,967	-	-
Financial liabilities at amortised cost/ Interest bearing borrowings	38	601,202,430	572,942,022	346,818,220	308,508,906
Insurance provision - life	39.1	14,467,959	10,424,015	-	-
Insurance provision - general	39.2	9,502,470	8,417,951	-	-
Current tax payables	40	26,804,798	21,653,251	780,555	1,298,111
Trade and other payables	41	108,048,712	80,822,646	934,461	3,098,762
Deferred tax liabilities	33.3	59,713,293	34,783,974	2,566,296	2,001,653
Deferred income	42	868,546	573,646	-	-
Retirement benefit obligations	43	7,082,169	5,048,648	370,104	339,511
Total liabilities		1,425,419,020	1,252,379,231	365,601,132	317,864,021
Equity					
Stated capital	44	475,200	475,200	475,200	475,200
Reserves	45	120,245,253	119,538,199	120,245,253	119,538,199
Retained earnings	45.7	221,973,332	178,596,878	221,973,332	178,596,878
Equity attributable to shareholders of the Company		342,693,785	298,610,277	342,693,785	298,610,277
Non-controlling interests		261,513,346	188,716,393	-	-
Total equity		604,207,131	487,326,670	342,693,785	298,610,277
Total liabilities & equity		2,029,626,151	1,739,705,901	708,294,917	616,474,298

The accounting policies and notes as set out in pages 106 to 329 form an integral part of these financial statements .
Figures in brackets indicate deductions

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



Mr. Imraz Iqbal
Chief Financial Officer - LOLC Group

The Board of Directors is responsible for the preparation and the presentation of these Financial Statements.
Approved and signed for and on behalf of the Board;



Mr. I.C. Nanayakkara
Executive Chairman



Mr. W.D.K. Jayawardena
Group Managing Director / CEO

31st August 2025, Rajagiriya [Greater Colombo]

Statement of Profit or Loss

For the year ended	Note	Group		Company	
		31-Mar-25 Rs.'000	31-Mar-24 Rs.'000	31-Mar-25 Rs.'000	31-Mar-24 Rs.'000
Gross income	4	339,935,820	329,879,276	53,226,161	51,293,716
Interest income	4.1	166,999,302	162,157,044	46,107,573	49,300,398
Interest expense	6	(63,316,187)	(76,600,272)	(34,078,293)	(35,978,950)
Net interest income		103,683,115	85,556,772	12,029,280	13,321,448
Revenue	4.2	112,200,602	85,937,522	2,218,769	3,155,044
Cost of sales		(66,845,058)	(58,224,753)	(2,045,122)	(2,858,655)
Gross profit		45,355,544	27,712,770	173,647	296,389
Other operating income	4.3	37,047,096	28,928,565	1,556,261	1,005,866
Other income/(expenses)	5	23,688,820	52,856,145	3,343,558	(2,167,592)
Net Operating Income		209,774,575	195,054,252	17,102,746	12,456,111
Operating expenses					
Direct expenses excluding interest expense	7	(23,134,502)	(16,497,076)	(551,343)	(397,982)
Personnel expenses	8	(55,057,349)	(42,078,536)	(2,228,548)	(2,184,546)
Impairment charge on financial assets	9	(18,810,499)	(24,554,162)	(1,605,652)	(51,265)
Depreciation and amortisation	10	(13,497,210)	(10,174,346)	(186,665)	(877,491)
Other operating expenses	11	(53,574,729)	(38,832,526)	(4,703,112)	(5,126,398)
Results from operating activities	12	45,700,286	62,917,606	7,827,426	3,818,429
Finance income	13.1	7,283,951	7,867,225	-	-
Finance expense	13.2	(59,072,124)	(65,277,262)	(5,856,994)	(13,300,614)
Net finance cost		(51,788,173)	(57,410,037)	(5,856,994)	(13,300,614)
Share of profits of equity accounted investees, net of tax	14.1	4,227,602	7,979,008	52,437,810	39,829,572
Gain on bargain purchase of Subsidiaries and Associates	15.1	54,486,104	16,982,060	-	-
Loss on divestment of Subsidiaries and Associates	15.2	(473,464)	(19,762)	-	-
Goodwill impairment		-	(245,737)	-	-
Profit before tax expense from continuing operations		52,152,355	30,203,138	54,408,242	30,347,387
Income tax expense	16.1	(1,767,661)	(8,450,067)	(336,012)	(432,920)
Profit for the year from continuing operations		50,384,694	21,753,071	54,072,230	29,914,467

For the year ended	Note	Group		Company	
		31-Mar-25 Rs.'000	31-Mar-24 Rs.'000	31-Mar-25 Rs.'000	31-Mar-24 Rs.'000
Discontinued operations					
Profit/(loss) after tax for the year from discontinued operations and assets held for sale	51	(9,382,322)	(100)	(4,360,680)	-
Profit/(loss) for the year		41,002,372	21,752,971	49,711,550	29,914,467
Profit/(loss) attributable to; (Continuing operations)					
Equity holders of the Company		54,072,230	29,914,527	54,072,230	29,914,467
Non-controlling interests		(3,687,536)	(8,161,456)	-	-
		50,384,694	21,753,071	54,072,230	29,914,467
Profit attributable to; (Discontinued operations)					
Equity holders of the Company		(4,360,680)	(60)	(4,360,680)	-
Non-controlling interests		(5,021,642)	(40)	-	-
		(9,382,322)	(100)	(4,360,680)	-
Profit attributable to;					
Equity holders of the Company		49,711,550	29,914,467	49,711,550	29,914,467
Non-controlling interests		(8,709,178)	(8,161,496)	-	-
		41,002,372	21,752,971	49,711,550	29,914,467

The accounting policies and notes as set out in pages 106 to 329 form an integral part of these financial statements .

Figures in brackets indicate deductions

Statement of Comprehensive Income

For the year ended	Note	Group		Company	
		31-Mar-25 Rs.'000	31-Mar-24 Rs.'000	31-Mar-25 Rs.'000	31-Mar-24 Rs.'000
Profit/(loss) for the year		41,002,372	21,752,971	49,711,550	29,914,467
Other comprehensive income					
Other comprehensive income that will never be reclassified to profit or loss in subsequent periods:					
Revaluation surplus of property, plant and equipment					
Revaluation of property, plant and equipment		27,965,232	2,683,098	1,648,289	-
Transfer on impairment		3,388	-	-	-
Related tax	16.9	(5,531,380)	(61,980)	(449,496)	-
Defined benefit plan actuarial gains/(losses)					
Re-measurement of defined benefit liabilities	43	(601,316)	(158,219)	22,799	5,978
Related tax	16.9	186,601	46,600	(5,046)	6,209
Change in fair value on investments in equity instruments at fair value through other comprehensive income					
Change in fair value on investments in equity instruments at fair value through other comprehensive income		(79,523)	(418,068)	120,376	47,568
Related tax	16.9	(123,226)	(20)	-	-
Fair value gains/(losses) recycled to the retained earnings on reclassification		(1,166,917)	(218)	-	-
Share of other comprehensive income of equity accounted investees (net of tax)	14.2	879,150	1,160,763	4,609,571	2,126,291
Net other comprehensive income not to be reclassified to income statement in subsequent periods		21,532,009	3,251,955	5,946,493	2,186,046
Other comprehensive income that are or may be reclassified to profit or loss in subsequent periods:					
Change in fair value on investments in debt instruments at fair value through other comprehensive income					
Fair value gains/(losses) on debt instruments that arose during the year		196,057	2,537,643	-	-
Changes in allowance for expected credit losses of debt instruments at FVOCI		-	(29,429)	-	-
Fair value gains/(losses) recycled to the Income Statement on reclassification		1,166,917	-	-	-
Foreign currency translation differences for foreign operations					
Exchange gain/(losses) from translation of foreign operations		(5,582,887)	(13,239,192)	-	-

For the year ended	Note	Group		Company	
		31-Mar-25 Rs.'000	31-Mar-24 Rs.'000	31-Mar-25 Rs.'000	31-Mar-24 Rs.'000
Fair value differences on cash flow hedges					
Related tax	16.9	12,334	-	-	-
Share of other comprehensive income of equity accounted investees (net of tax)	14.2	542,611	[79,500]	[1,141,906]	[5,677,403]
Net other comprehensive income to be reclassified to income statement in subsequent periods		[3,664,968]	[10,810,479]	[1,141,906]	[5,677,403]
Total other comprehensive income/ (expense) for the year, net of tax		17,867,041	[7,558,523]	4,804,587	[3,491,357]
Total comprehensive income for the year, net of tax		58,869,413	14,194,448	54,516,137	26,423,110
Total comprehensive income attributable to;					
Equity holders of the Company		54,516,137	26,423,110	54,516,137	26,423,110
Non-controlling interests		4,353,276	[12,228,663]	-	-
		58,869,413	14,194,448	54,516,137	26,423,110
Basic earnings per share					
Basic, profit/ (loss) for the year attributable to ordinary equity holders of the parent	17.1	104.61	62.95	104.61	62.95
Diluted, profit/ (loss) for the year attributable to ordinary equity holders of the parent		104.61	62.95	104.61	62.95
Earnings per share for continuing operations					
Basic, profit/ (loss) from continuing operations attributable to ordinary equity holders of the parent		113.79	62.95	113.79	62.95
Diluted, profit/ (loss) from continuing operations attributable to ordinary equity holders of the parent		113.79	62.95	113.79	62.95

The accounting policies and notes as set out in pages 106 to 329 form an integral part of these financial statements .
Figures in brackets indicate deductions

Statement of Changes in Equity

Company

	Note	Stated capital Rs.'000	Revaluation reserve Rs.'000	Cash flow hedge reserve Rs.'000	Fair value reserve Rs.'000
Balance as at 01 April 2023		475,200	29,567,834	[14,230]	[2,704,950]
Total comprehensive income for the period					
Profit for the period		-	-	-	-
Other comprehensive income					
Other comprehensive income that will never be reclassified to profit or loss in subsequent periods;					
Defined benefit plan actuarial gains/(losses)					
Defined benefit plan actuarial gains (losses) for the year		-	-	-	-
Deferred tax charge/(reversal) on actuarial gains/(losses)	16.9	-	-	-	-
Change in fair value on investments in equity instruments at fair value through other comprehensive income					
Fair value gains/(losses) that arose during the period		-	-	-	47,568
Share of other comprehensive income of equity accounted investee [net of tax]		-	1,945,091	-	1,020,773
Net other comprehensive income that will never be reclassified to profit or loss in subsequent periods		-	1,945,091	-	1,068,341
Other comprehensive income that are or may be reclassified to profit or loss in subsequent periods;					
Share of other comprehensive income of equity accounted investee [net of tax]		-	[750]	-	3,305,430
Net other comprehensive income that are or may be reclassified to profit or loss in subsequent periods		-	[750]	-	3,305,430
Total other comprehensive income for the period		-	1,944,341	-	4,373,771
Contributions by and distributions to owners					
Share of equity accounted investee		-	-	-	-
Other movements in equity					
Share of equity accounted investee		-	-	-	-
Total other movements		-	-	-	-
Share equity accounted investee		-	-	-	-
Balance as at 31 March 2024		475,200	31,512,175	[14,230]	1,668,821

Figures in brackets indicate deductions.

	Translation reserve Rs.'000	Future taxation reserve Rs.'000	Statutory reserve fund and other reserves Rs.'000	Retained earnings Rs.'000	Total Rs.'000
	50,848,312	205,000	23,485,080	152,607,348	254,469,594
	-	-	-	29,914,467	29,914,467
	-	-	-	5,978	5,978
	-	-	-	6,209	6,209
	-	-	-	-	47,568
	-	-	-	(839,574)	2,126,291
	-	-	-	(827,387)	2,186,046
	(7,929,718)	-	-	(1,052,365)	(5,677,403)
	(7,929,718)	-	-	(1,052,365)	(5,677,403)
	(7,929,718)	-	-	28,034,715	26,423,110
	-	-	10,625,238	-	10,625,238
	-	-	5,768,455	4,852,525	10,620,980
	-	-	5,768,455	4,852,525	10,620,980
	-	-	3,369,065	(6,897,711)	(3,528,646)
	42,918,594	205,000	43,247,840	178,596,878	298,610,277

Statement of Changes in Equity Company

	Note	Stated capital Rs.'000	Revaluation reserve Rs.'000	Cash flow hedge reserve Rs.'000	Fair value reserve Rs.'000
Balance as at 01 April 2024		475,200	31,512,175	[14,230]	1,668,821
Total comprehensive income for the period					
Profit for the period from continuing operations		-	-	-	-
Profit/(loss) for the period from discontinued operations		-	-	-	-
Other comprehensive income					
Share of Other Comprehensive Income of equity accounted investee (net of tax)		-	-	-	-
Other comprehensive income that will never be reclassified to profit or loss in subsequent periods;					
Revaluation surplus of property, plant and equipment					
Revaluation of property, plant and equipment		-	1,648,289	-	-
Deferred tax charge/(reversal) on revaluation surplus		-	[449,496]	-	-
Transfers due to disposal		-	[36,462]	-	-
Defined benefit plan actuarial gains / (losses)					
Defined benefit plan actuarial gains (losses) for the year		-	-	-	-
Deferred tax charge/(reversal) on actuarial gains/(losses)	16.9	-	-	-	-
Change in fair value on investments in equity instruments at fair value through other comprehensive income					
Fair value gains/(losses) that arose during the year		-	-	-	120,376
Share of other comprehensive income of equity accounted investee (net of tax)		-	11,219,972	-	[6,087,785]
Net other comprehensive income that will never be reclassified to profit or loss in subsequent periods		-	12,382,303	-	[5,967,409]
Other comprehensive income that are or may be reclassified to profit or loss in subsequent periods;					
Share of other comprehensive Income of equity accounted investee (net of tax)		-	-	-	498,367
Net other comprehensive income that are or may be reclassified to profit or loss in subsequent periods		-	-	-	498,367
Total comprehensive income for the period		-	12,382,303	-	[5,469,042]
Other movements in equity					
Share of equity accounted investee		-	-	-	-
Total other movements		-	-	-	-
Transactions due to changes in group holdings					
Share of equity accounted investee		-	[1,448,250]	[33,328]	[3,135,859]
		-	[1,448,250]	[33,328]	[3,135,859]
Balance as at 31 March 2025		475,200	42,446,228	[47,558]	[6,936,079]

Figures in brackets indicate deductions.

	Translation reserve Rs.'000	Future taxation reserve Rs.'000	Statutory reserve fund and other reserves Rs.'000	Retained earnings Rs.'000	Total Rs.'000
	42,918,594	205,000	43,247,838	178,596,878	298,610,277
	-	-	-	54,072,230	54,072,230
	-	-	-	(4,360,680)	(4,360,680)
	-	-	-	(165,549)	(165,549)
	-	-	-	-	1,648,289
	-	-	-	-	(449,496)
	-	-	-	36,462	-
	-	-	-	22,799	22,799
	-	-	-	(5,046)	(5,046)
	-	-	-	-	120,376
	-	-	-	(522,616)	4,609,571
	-	-	-	(468,401)	5,946,493
	(2,655,842)	-	181	1,015,388	(1,141,906)
	(2,655,842)	-	181	1,015,388	(1,141,906)
	(2,655,842)	-	181	50,258,537	54,516,137
	-	-	-	-	-
	-	-	-	(6,522,071)	(6,522,071)
	-	-	-	(6,522,071)	(6,522,071)
	(10,343)	-	1,077,234	(194,463)	(3,745,009)
	(10,343)	-	1,077,234	(194,463)	(3,745,009)
	40,252,409	205,000	44,325,253	221,973,332	342,693,785

Statement of Changes in Equity

Group

For the period ended	Note				
		Stated capital Rs.'000	Revaluation reserve Rs.'000	Cash flow hedge reserve Rs.'000	Fair value reserve Rs.'000
Balance as at 01 April 2023		475,200	29,567,834	[14,230]	[2,704,950]
Total comprehensive income for the period					
Profit for the period from continuing operations		-	-	-	-
Profit/[loss] for the period from discontinued operations		-	-	-	-
Other comprehensive income					
Other comprehensive income that will never be reclassified to profit or loss in subsequent periods:					
Revaluation of property, plant and equipment	35	-	1,958,462	-	-
Related tax	16.9	-	[31,519]	-	-
Transfers due to disposal		-	[45,635]	-	-
Re-measurement of defined benefit liabilities	43	-	-	-	-
Related tax	16.9	-	-	-	-
Changes in fair value on investments in equity investments at FVOCI		-	-	-	[336,779]
Fair value gains/[losses] recycled to the retained earnings on reclassification		-	-	-	446,406
Related tax	16.9	-	-	-	[10]
Share of other comprehensive income of equity accounted investees [net of tax]	32.5	-	63,783	-	958,725
Net Other comprehensive income that will never be reclassified to profit or loss in subsequent periods		-	1,945,091	-	1,068,342
Other comprehensive income that are or may be reclassified to profit or loss in subsequent periods:					
Exchange gain/[losses] from translation of foreign operations		-	-	-	-
Transfers to P&L on impairment		-	[750]	-	-
Fair value gains/[losses] on debt instruments that arose during the year		-	-	-	2,298,421
Changes in allowance for expected credit losses of debt instruments at FVOCI		-	-	-	[29,429]
Fair value gains/[losses] recycled to the Income Statement on reclassification		-	-	-	1,050,400
Share of OCI of equity accounted investees [Net of tax]	32.5	-	-	-	[13,962]
Net other comprehensive income that are or may be reclassified to profit or loss in subsequent periods		-	[750]	-	3,305,430
Total comprehensive income for the period		-	1,944,341	-	4,373,772
Transactions with owners directly recorded in the equity					
Contributions by and distributions to owners					
NCI contribution for subsidiary share issue		-	-	-	-
Capitalisation of reserves		-	-	-	-
Dividend paid during the period		-	-	-	-
Total contribution by/[distributions to] owners of the Company		-	-	-	-

Figures in brackets indicate deductions.

Equity attributable to the shareholders of the Company							
	Translation reserve Rs.'000	Future taxation reserve Rs.'000	Statutory reserve fund and other reserves Rs.'000	Retained earnings Rs.'000	Total Rs.'000	Non-controlling interests Rs.'000	Total equity Rs.'000
	50,848,312	205,000	23,485,080	152,607,348	254,469,594	179,504,216	433,973,810
	-	-	-	29,914,527	29,914,527	(8,161,456)	21,753,071
	-	-	-	(60)	(60)	(40)	(100)
	-	-	-	-	1,958,462	724,636	2,683,098
	-	-	-	(95)	(31,614)	(30,366)	(61,980)
	-	-	-	45,635	-	-	-
	-	-	-	(57,854)	(57,854)	(100,365)	(158,219)
	-	-	-	21,630	21,630	24,969	46,600
	-	-	-	-	(336,779)	(81,289)	(418,068)
	-	-	-	(446,523)	(117)	(101)	(218)
	-	-	-	-	(10)	(10)	(20)
	-	-	-	(390,180)	632,328	528,435	1,160,763
	-	-	-	(827,387)	2,186,046	1,065,910	3,251,956
	(7,918,907)	-	-	-	(7,918,907)	(5,320,285)	(13,239,192)
	-	-	-	750	-	-	-
	-	-	-	(2,715)	2,295,706	241,937	2,537,643
	-	-	-	-	(29,429)	-	(29,429)
	-	-	-	(1,050,400)	-	-	-
	(10,811)	-	-	-	(24,773)	(54,727)	(79,500)
	(7,929,718)	-	-	(1,052,365)	(5,677,403)	(5,133,075)	(10,810,478)
	(7,929,718)	-	-	28,034,716	26,423,110	(12,228,662)	14,194,448
	-	-	-	-	-	3,557,737	3,557,737
	-	-	10,625,238	-	10,625,238	873,901	11,499,139
	-	-	-	-	-	(275,619)	(275,619)
	-	-	10,625,238	-	10,625,238	4,156,019	14,781,257

Statement of Changes in Equity Group

For the period ended	Note	Stated capital	Revaluation reserve	Cash flow hedge reserve	Fair value reserve
		Rs.'000	Rs.'000	Rs.'000	Rs.'000
Transactions due to changes in group holding					
Reduction of shares		-	-	-	-
First time acquisition of subsidiaries		-	-	-	-
Further acquisition of subsidiaries		-	-	-	-
Changes in group holdings		-	-	-	-
Total transactions due to changes in group holding		-	-	-	-
Total transactions with owners directly recorded in the Equity		-	-	-	-
Other movements in equity					
Transfer out		-	-	-	-
Net transfers to/[(from)] statutory reserve fund		-	-	-	-
Total other movements		-	-	-	-
Balance as at 31 March 2024		475,200	31,512,175	[14,230]	1,668,822
Balance as at 01 April 2024		475,200	31,512,175	[14,230]	1,668,822
Total comprehensive income for the period					
Profit for the period from continuing operations		-	-	-	-
Profit/(loss) for the period from discontinued operations		-	-	-	-
Impact of reclassifying financial investment		-	-	-	-
Other comprehensive income					
Other comprehensive income that will never be reclassified to profit or loss in subsequent periods:					
Revaluation of property, plant and equipment	35	-	14,830,939	-	-
Related tax	16.9	-	[2,851,437]	-	-
Transfers due to disposal		-	[161,441]	-	-
Transfers in		-	-	-	-
Remeasurement of defined benefit liabilities	43	-	-	-	-
Related tax	16.9	-	-	-	-
Changes in fair value on investments in equity investments at FVOCI		-	-	-	[5,061,301]
Fair value gains/(losses) recycled to the retained earnings on reclassification		-	-	-	[1,014,868]
Related tax	16.9	-	-	-	[107,170]
Share of OCI of equity accounted investees (Net of tax)	32.5	-	564,242	-	215,930

Figures in brackets indicate deductions.

Equity attributable to the shareholders of the Company							
	Translation reserve Rs.'000	Future taxation reserve Rs.'000	Statutory reserve fund and other reserves Rs.'000	Retained earnings Rs.'000	Total Rs.'000	Non-controlling interests Rs.'000	Total equity Rs.'000
	-	-	5,768,455	-	5,768,455	(5,768,455)	-
	-	-	-	-	-	24,562,268	24,562,268
	-	-	-	(52,550)	(52,550)	(188,094)	(240,644)
	-	-	-	4,905,075	4,905,075	(4,848,311)	56,764
	-	-	5,768,455	4,852,525	10,620,980	13,757,408	24,378,388
	-	-	16,393,693	4,852,525	21,246,218	17,913,427	39,159,645
	-	-	(6,252,667)	2,724,021	(3,528,646)	3,527,413	(1,233)
	-	-	9,621,732	(9,621,732)	-	-	-
	-	-	3,369,065	(6,897,711)	(3,528,646)	3,527,413	(1,233)
	42,918,594	205,000	43,247,838	178,596,878	298,610,277	188,716,393	487,326,670
	42,918,594	205,000	43,247,838	178,596,878	298,610,277	188,716,393	487,326,670
	-	-	-	54,072,230	54,072,230	(3,687,536)	50,384,694
	-	-	-	(4,360,680)	(4,360,680)	(5,021,642)	(9,382,322)
	-	-	-	(165,549)	(165,549)	-	(165,549)
	-	-	-	-	14,830,939	13,134,293	27,965,232
	-	-	-	8,228	(2,843,209)	(2,688,171)	(5,531,380)
	-	-	-	161,441	-	-	-
	-	-	-	1,823	1,823	1,565	3,388
	-	-	-	(483,118)	(483,118)	(118,198)	(601,316)
	-	-	-	148,157	148,157	38,444	186,601
	-	-	-	-	(5,061,301)	4,981,778	(79,523)
	-	-	-	-	(1,014,868)	(152,049)	(1,166,917)
	-	-	-	-	(107,170)	(16,056)	(123,226)
	-	-	-	(304,932)	475,240	403,910	879,150

Statement of Changes in Equity Group

For the period ended	Note				
		Stated capital Rs.'000	Revaluation reserve Rs.'000	Cash flow hedge reserve Rs.'000	Fair value reserve Rs.'000
Net Other comprehensive income that will never be reclassified to profit or loss in subsequent periods		-	12,382,303	-	[5,967,409]
Other comprehensive income that are or may be reclassified to profit or loss in subsequent periods:					
Exchange gain/(losses) on translation of foreign operations		-	-	-	-
Deferred tax charge/(reversal) on changes in fair value of cash flow hedge	16.9	-	-	-	-
Fair value gains/(losses) on debt instruments that arose during the year		-	-	-	202,317
Fair value gains/(losses) recycled to the Income Statement on reclassification					-
Share of OCI of Equity Accounted Investees (Net of tax)	32.5	-	-	-	296,050
Net Other comprehensive income that are or may be reclassified to profit or loss in subsequent periods		-	-	-	498,367
Total comprehensive income for the period		-	12,382,303	-	[5,469,042]
Transactions with owners directly recorded in the Equity					
Contributions by and distributions to owners					
Share issued - Further issue of shares		-	-	-	-
Dividend paid during the period		-	-	-	-
Total contribution by / (distributions to) owners of the Company		-	-	-	-
Transactions due to changes in group holding					
First time acquisition of subsidiaries		-	-	-	-
Changes in group holdings		-	-	-	-
Total transactions due to changes in group holding		-	-	-	-
Total transactions with owners directly recorded in the Equity		-	-	-	-
Other movements in equity					
Prior year adjustment		-	-	-	[1,050,169]
Transfer in from general reserve		-	-	-	-
Net transfers to/(from) statutory reserve fund		-	-	-	-
Transfer out		-	[335,464]	[33,328]	[154,649]
Reclass to RE		-	-	-	-
Share issue cost		-	-	-	-
Realisation		-	[1,112,786]	-	[1,931,041]
Total other movements		-	[1,448,250]	[33,328]	[3,135,859]
Balance as at 31 March 2025		475,200	42,446,228	[47,558]	[6,936,079]

The accounting policies and notes as set out in pages 106 to 329 form an integral part of these financial statements .

Figures in brackets indicate deductions.

Equity attributable to the shareholders of the Company							
	Translation reserve Rs.'000	Future taxation reserve Rs.'000	Statutory reserve fund and other reserves Rs.'000	Retained earnings Rs.'000	Total Rs.'000	Non-controlling interests Rs.'000	Total equity Rs.'000
	-	-	-	(468,401)	5,946,493	15,585,516	21,532,009
	(2,653,968)	-	-	-	(2,653,968)	(2,928,919)	(5,582,887)
	-	-	-	4,556	4,556	7,778	12,334
	-	-	181	(4,036)	198,462	(2,405)	196,057
				1,014,868	1,014,868	152,049	1,166,917
	(1,874)	-	-	-	294,176	248,435	542,611
	(2,655,842)	-	181	1,015,388	(1,141,906)	(2,523,062)	(3,664,968)
	(2,655,842)	-	181	50,258,537	54,516,137	4,353,276	58,869,413
				-	-	7,596,467	7,596,467
				-	-	(345,154)	(345,154)
				-	-	7,251,313	7,251,313
				-	-	57,218,463	57,218,463
				(6,522,071)	(6,522,071)	2,934,286	(3,587,785)
				(6,522,071)	(6,522,071)	60,152,749	53,630,678
				(6,522,071)	(6,522,071)	67,404,062	60,881,991
				-	-	1,220,029	104,184
				7,948,746	523,441	1,922,639	10,394,826
				3,104,953	(3,128,696)	(8,653)	(32,396)
				(7,875,630)	(73,116)	(1,922,639)	(10,394,826)
	(10,343)	-	-	10,343	-	-	-
				(6,966)	(6,966)	(1,322)	(8,288)
				(2,073,225)	2,518,597	(170,439)	(2,768,894)
	(10,343)	-	1,077,234	(194,463)	(3,745,009)	1,039,615	(2,705,394)
	40,252,409	205,000	44,325,253	221,973,332	342,693,785	261,513,346	604,207,131

Statement of Cash Flows

For the year ended 31 March	Note	Group		Company	
		2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Profit/(loss) before tax from continuing operations		52,152,354	30,203,138	54,408,242	30,347,387
Profit/(loss) before tax from discontinued operations		(9,382,322)	(100)	(4,360,680)	-
Profit before tax		42,770,032	30,203,038	50,047,562	30,347,387
Adjustment for:					
(Gain)/loss on sale of property, plant and equipment	5	(48,887)	(1,629,283)	(4,551)	5,425
Depreciation and amortisation	10	13,497,210	10,174,346	186,665	877,491
Impairment of PPE	35	(117,742)	-	-	-
Insurance provision	39	5,128,463	2,333,805	-	-
Change in fair value of forward contracts	5	(17,793)	159,314	-	-
Provision for gratuity	43	1,349,464	762,374	76,758	68,642
Net impairment (loss) / reversal on financial assets	9	18,810,499	24,554,162	1,605,652	51,266
Provision for fall/(increase) in value of investments	5	238,670	(1,374,959)	2	(3)
Provision /(reversal) for slow moving inventories		-	-	40,752	(1,583)
Interest Income	5	(9,031,012)	(3,033,606)	(46,627,126)	(49,525,402)
Finance costs	6 & 13	122,388,311	141,877,533	39,935,287	49,279,564
Dividend Income	5	(231,410)	(223,897)	(1,117,771)	(152,775)
(Profit)/loss on sale of quoted and non-quoted shares/Group investments	5	(331,872)	(273,948)	-	-
Foreign exchange gain/(loss)	5	(1,213,426)	2,289,682	-	-
Results on acquisition of subsidiary companies	15.1	(54,486,103)	(16,982,060)	-	-
Results on disposal of subsidiary company	15.2	(39,003)	-	-	-
Results on disposal/reclassification of associate companies	15.2	512,467	19,762	-	-
Goodwill impairment		-	245,737	-	-
Change in fair value of investment properties	5	(5,735,502)	(19,463,556)	(501,400)	(321,500)
Gain on creditor settlement		-	(15,391,240)	-	-
Amortisation of deferred income	5	(166,718)	(132,913)	-	-
Sale of timber	5	(2,658)	(1,713)	-	-
(Gain)/loss on disposal of government securities	5	(2,240,119)	(8,647,520)	-	-
Gain/(loss) on investment restructuring	5	3,710,480	-	-	-
Share of profits of equity accounted investees, net of tax	32.5	(4,227,602)	(7,979,008)	(52,437,810)	(39,829,572)
Share of profits of equity accounted investees on assets held for sale	51	9,382,322	-	4,360,680	-
Gain/(loss) on fair value of consumer biological assets	5	(910,095)	(1,087,485)	-	-
Operating profit before working capital changes		138,987,976	136,398,567	(4,435,300)	(9,201,061)
Working capital changes					
Increase/(decrease) in trade and other payables		8,249,703	31,671,577	(2,612,432)	(12,183,705)
(Increase)/decrease in investment in leases, hire purchase and others		(5,880,427)	648,568	-	-
(Increase)/decrease in investment in advances and other loans		(100,335,704)	15,345,485	(22,643,075)	(51,302,548)
(Increase)/decrease in premium receivables		904,906	(887,076)	-	-
(Increase)/decrease in inventories		(977,790)	4,247,380	296,695	51,796
(Increase)/decrease in trade and other receivables		22,162,150	(13,047,434)	10,693,943	5,552,272
Increase/(decrease) in customer deposits		59,153,130	25,332,683	-	-
Cash generated from/(used in) operations		122,263,944	199,709,750	(18,700,168)	(67,083,246)

For the year ended 31 March	Note	Group		Company	
		2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Finance cost paid		(109,217,521)	(118,945,140)	(42,672,178)	(44,015,755)
Income tax paid		(5,743,605)	(5,615,218)	(152,341)	-
Defined benefit plan costs paid	43	(629,196)	(773,006)	(23,366)	(20,497)
Net cash from/(used in) operating activities		6,673,622	74,376,386	(61,548,053)	(111,119,499)
CASH FLOW FROM INVESTING ACTIVITIES					
Investment in subsidiary companies		-	-	229,000	(25,000)
Net cash and cash equivalents on acquisition of subsidiary	31.4.1.6	(6,131,187)	(5,644,934)	-	-
Net cash and cash equivalents received on disposal of subsidiary	31.5.1.5	49,900	248,520	-	-
Investment in equity accounted investees	32.5	(106,473)	(347,797)	-	-
Proceeds from disposal of equity accounted investees		282,948	-	-	-
Acquisition of PPE	35	(19,927,028)	(16,643,271)	(88,891)	(466,585)
(Acquisition)/ Disposal of intangible assets		(1,319,613)	(504,936)	(33,954)	(2,488)
Net Disposals/ (additions) to trading assets		(20,239,991)	(12,933,822)	-	-
Net Disposals/ (additions) to investment securities		20,211,866	(31,587,937)	(5,559,853)	(20,907,906)
Proceeds from the disposal of PPE/ Investment Properties		1,551,012	3,063,230	293,930	376,729
Acquisition of Investment Properties	28	(5,064,543)	(860,358)	-	-
Interest income received		9,031,012	3,033,606	12,814,484	8,086,575
Dividend received		231,410	223,897	1,117,771	-
Net additions to Bearer biological assets	30	(1,097,743)	(1,437,368)	-	-
Addition of consumer biological assets	29	(24,858)	(45,956)	-	-
Proceed from sale of bearer/consumer biological assets		377,244	318,800	-	-
Net cash from/(used in) investing activities		(22,176,045)	(63,118,326)	8,772,487	(12,938,675)
CASH FLOW FROM FINANCING ACTIVITIES					
Net cash proceeds from short-term interest bearing borrowings		46,522,432	61,078,540	48,069,928	105,414,328
Principal repayment under finance lease liabilities	38.2	(359,706)	(324,011)	-	-
Proceeds from long-term interest bearing loans and borrowings	38.3	43,683,615	80,179,168	14,806,634	27,433,833
Repayments of long-term interest bearing loans and borrowings	38.3	(89,773,660)	(120,358,269)	(16,824,065)	(12,719,296)
Issue/(settlement) of debentures		(4,992,041)	(4,493,525)	(5,000,000)	-
Net increase/(decrease) operating lease payable on ROU asset		(2,214,890)	(8,197,134)	(17,443)	(14,300)
Receipt of deferred income		596,976	221,391	-	-
NCI acquisition		-	(240,643)	-	-
NCI contributions to share issue of subsidiaries		7,596,467	3,557,737	-	-
Share issue cost		(8,288)	-	-	-
Dividend paid during the year		(345,154)	(275,619)	-	-
Changes in group holdings		(3,587,785)	56,764	-	-
Net cash from/(used in) financing activities		(2,882,034)	11,204,398	41,035,053	120,114,565
Net increase/(decrease) in cash and cash equivalents during the year		(18,384,456)	22,462,461	(11,740,513)	(3,943,609)
Cash and cash equivalents at the beginning of the year		98,602,837	76,140,377	(449,706)	3,493,903
Cash and cash equivalents at the end of the year		80,218,381	98,602,837	(12,190,219)	(449,706)
Analysis of cash and cash equivalents at the end of the year					
Cash in hand and favourable bank balances		111,612,970	108,863,315	1,941,277	2,167,372
Unfavourable bank balances used for cash management purposes		(31,394,589)	(10,260,478)	(14,131,496)	(2,617,078)
		80,218,381	98,602,837	(12,190,219)	(449,706)

The accounting policies and notes as set out in pages 106 to 329 form an integral part of these financial statements.

Figures in brackets indicate deductions.

Notes to the Financial Statements

1. REPORTING ENTITY

1.1. General

LOLC Holdings PLC (‘the Company’) is a public quoted company incorporated on 14 March 1980 and domiciled in Sri Lanka. The address of the Company’s registered office is No. 100/1, Sri Jayawardenapura Mawatha, Rajagiriya, Sri Lanka and the principal place of business is situated at the same place.

The Consolidated Financial Statements of the Group as at and for the year ended 31st March 2025 comprise of the Company and its subsidiaries (together referred to as the “Group” and individually as “Group entities”) and the Group’s interest in associates and jointly controlled entities.

The Group is primarily involved in providing diversified financial solutions to a wide variety of customer segments and also engaged in diversified activities such as manufacturing, trading, leisure, plantations, real estate development, construction and power & energy etc.

Ordinary shares of the Company are listed on the main board of the Colombo Stock Exchange (CSE).

1.2. Principal Activities and Nature of Operations

1.2.1 Company

LOLC Holdings PLC, the Group’s holding Company, manages a portfolio of investments consisting of a range of diverse business operations, which together constitute the LOLC Group, and provides function-based services to its subsidiaries, jointly controlled entities and associates. There were no significant changes in the nature of the principal activities of the Company during the financial year under review.

1.2.2 Group

Description of the nature of operations and principle activities of the subsidiaries, jointly controlled entities and associates are given on note 31.2 to these Financial Statements. There were no significant changes in the nature of the principal activities of the Group during the financial year under review.

All the group companies incorporated and domiciled in Sri Lanka, except for subsidiaries and associates which are disclosed in the note no 31 of the financial statements.

1.3. Parent Entity and Ultimate Parent Entity

LOLC Holdings PLC is the holding Company of the Group and therefore, it does not have an identifiable immediate or ultimate parent of its own. LOLC Holdings PLC became the holding company of the Group during the financial year ended 31st March 2011.

2. BASIS OF PREPARATION

2.1. Statement of Compliance

The Financial Statements of the Company and those consolidated with such are prepared in accordance with the Sri Lanka Accounting Standards (SLFRS/LKAS) laid down by The Institute of Chartered Accountants of Sri Lanka (ICASL) and in compliance with the Companies Act No. 07 of 2007.

The presentation of these Financial Statements is also in compliance with the requirements of the Finance Leasing Act No 56 of 2000, Finance Business Act No 42 of 2011 and Insurance Industry Act No 43 of 2000 subsequent amendments thereto and provide appropriate disclosures as required by the Listing Rules of the CSE. These Financial Statements, except for information on cash flows have been prepared following the accrual basis of accounting.

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

Details of the Group’s Material Accounting Policy Information followed during the year are given in Notes no 3 on pages 112 to 119.

2.2. Presentation of Financial Statements

The assets and liabilities of the Group presented in the Statement of Financial Position are grouped by nature and listed in-order to reflect their relative liquidity and maturity pattern. An analysis regarding recovery or settlement within twelve months after the reporting date (current) and more than twelve months after the reporting date (non-current) is presented in note 54 (Maturity analysis)

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 off-set the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liability simultaneously. Income and expenses are not offset in the Statement of profit or loss unless required or permitted by an accounting standard or an interpretation, and as specially disclosed in the accounting policies of the Group.

No adjustments have been made for inflationary factors affecting the Financial Statements.

2.3. Basis of Measurement

The Financial Statements of the Group and the Company have been prepared on the historical cost basis, except for the following material items in the statement of financial position which are measured on an alternative basis on each reporting date,

Items	Basis of measurement	Note No/s	Page/s
Fair value through profit and loss	Fair value	19	147
Derivative financial instruments	Fair value	19.4	150
Fair value through other comprehensive income	Fair value	20.1	152

Items	Basis of measurement	Note No/s	Page/s
The liability for defined benefit obligations	Net liability for defined benefit obligations are recognised as the present value of the defined benefit obligation, plus unrecognised actuarial gains, less unrecognised past service cost, and unrecognised actuarial losses	43	273
Lands and buildings	Measured at cost at the time of acquisition and subsequently at revalued amounts which are the fair values at the date of revaluation	35	244
Investment properties	Fair value	28	192
Agricultural produces	Fair value less cost to sell	29	195
Consumable Biological assets	Fair value less cost to sell	29	195
Insurance Provision - Life	Provision Liability is determined as the sum of the present value of future benefits, the expected future management and distribution expenses, less the present value of future gross premiums arising from the policy discounted at the appropriate discount rate as specified by the insurance regulatory commission of Sri Lanka.	39.1	262

Items	Basis of measurement	Note No/s	Page/s
Insurance Provision - General	This liability comprises claims liabilities and premium liabilities. Claims liabilities - Sum of claims reported, claims incurred but not reported ("IBNR") together with related claims handling costs. Premium Liabilities - Higher of aggregate of the Unearned Premium Reserve (UPR) and the best estimate value of the insurer's unexpired risk reserve ("URR") at over the term of the contract.	39.2	266

2.4. Functional and Presentation Currency

The functional currency is the currency of the primary economic environment in which the entities of the Group operate (the Functional Currency). The Financial Statements are presented in Sri Lankan Rupee (LKR), which is the functional currency of the Group. All financial information presented in Rupee has been rounded to the nearest Rupees thousands unless stated otherwise.

Each entity in the Group determines its own functional currency and items included in the Financial Statements of these entities are measured using that Functional Currency. There was no change in the Group's Presentation and Functional Currency during the year under review.

The information presented in US Dollars in the Section on "Supplementary Information" on pages 337 and 338 does not form part of the Financial Statements and is made available solely for the information of stakeholders.

2.5. Use of Estimates and Judgment

In preparing the Financial Statements in conformity with SLFRSs/ LKAS's requires management to make judgments, 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.

Notes to the Financial Statements

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 judgments 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 recognised in the period in which the estimates are revised and in any future period affected.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the Financial Statements are included in the following notes to these Financial Statements.

Critical accounting estimate/judgment	Disclosure reference Note
Classification of financial assets and liabilities	53
Fair value of financial instruments	53
Financial instruments – fair value disclosure	52
Impairment of financial investments	20
Revaluation of property, plant and equipment	35.2
Determination in fair value of investment properties	28.4
Useful lives of intangible assets	10
Useful lives of property, plant and equipment	10
Useful lives of bearer biological assets	10
Determination in fair value of consumable biological assets	29.2
Goodwill on acquisition	34.1
Gain on bargain purchase	34.1
Insurance provision – life	39.1
Insurance provision – general	39.2
Unearned premium reserve	39.2
Deferred acquisition cost	39.2
Defined benefit obligation	43
Deferred tax	33
Deferred tax on undistributed profits of equity accounted investees	33
Write-off policy	3.4.3.6
Collective allowance for impairment	3.4.3
Leasehold right to bare land	35.12
Impairment of non-financial assets	3.5
Material NCI	31.6
Provisions for liabilities, commitments, and contingencies	46
Net Realisable value of Inventories	24

Critical accounting estimate/judgment	Disclosure reference Note
Determination of Incremental Borrowing Rate for the assessment of Lease Liabilities and ROU Assets	27
Extension policy of the lease term of operating lease agreements	38.4

2.6. Comparative Information

Comparative information including quantitative, narrative and descriptive 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.

2.7. Materiality, Presentation and Aggregation

As per LKAS – 01 "Presentation of Financial Statements", each material class of similar items are presented separately in the Financial Statements. Items of dissimilar nature or function are presented separately unless they are immaterial.

Notes to the Financial Statements are presented in a systematic manner which ensures the understandability and comparability of Financial Statements of the Group and the Company. Understandability of the Financial Statements is not compromised by obscuring material information with immaterial information or by aggregating material items that have different natures or functions.

The assets and liabilities of the Group presented in the Statement of Financial Position are grouped by nature and listed in an order that reflects their relative liquidity and maturity pattern.

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 recognised amounts and there is an intention to settle on a net basis or to realise the assets and settle the liabilities simultaneously. Income and expenses are not offset in the Income Statement, unless required or permitted by an Accounting Standard or Interpretation [issued by the International Financial Reporting Interpretations Committee and Standard Interpretations Committee] and as specifically disclosed in the Significant Accounting Policies of the Group.

2.9. Going Concern

It is the view of the management there are no material uncertainties that may cast significant doubt on the Groups' ability to continue to operate as a going concern due to the improved operating environment despite the ongoing effects of the pandemic and the operationalisation of risk mitigation initiatives

and continuous monitoring of business continuity and response plans at each business unit level along with the financial strength of the Group. The management has formed judgment that the Company, its subsidiaries, associates and joint ventures have adequate resources to continue in operational existence for the foreseeable future and continue to adopt the going concern basis in preparing and presenting these financial statements.

In determining the above significant management judgements, estimates and assumptions been considered as of the reporting date and specific considerations have been disclosed under the relevant notes.

2.10. Directors' Responsibility for the Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of these Financial Statements in accordance with Sri Lanka Accounting Standards and as per the provisions of the Companies Act No. 07 of 2007. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of Financial Statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

The Board of Directors acknowledges their responsibility as set out in the "Annual Report of the Board of Directors on the Affairs of the Company" and "Director's Responsibility for Financial Reporting".

These Financial Statements include the following components.

- 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 Profit or Loss providing the information on the financial performance of the Group and the Company for the year under review.
- A Statement of Other Comprehensive Income providing the information of the other comprehensive income of the Group and the Company.
- 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 the needs of entities to utilise those cash flows, and
- Notes to the Financial Statements comprising Accounting Policies and other explanatory information.

2.11. Approval of Financial Statements by the Board of Directors

The Financial Statements of the Group and the Company for the year ended 31 March 2025 [including comparatives] were approved and authorised for issue by the Board of Directors on 31st August 2025.

2.12. Changes in Accounting Policies

The Group has consistently applied the accounting policies as set out in Note 3 to all periods presented in these consolidated financial statements.

While there are other amendments to the existing standards which are also effective from 1st January 2025, those do not have a material effect on the Group/separate financial statements.

2.13. Changes in Accounting Policies and Disclosures

a) New and amended SLFRS Accounting Standards that are effective for the first time during the current year

- Amendments to LKAS 1 Classification of Liabilities as Current or Non-current - The amendments are effective for annual periods beginning on or after 1 January 2024
- Amendments to LKAS 1 Non-current Liabilities with Covenants - The amendments are effective for annual periods beginning on or after 1 January 2024
- Amendments to LKAS 7 and SLFRS 7 Supplier Finance Arrangements - The amendments are effective for annual periods beginning on or after 1 January 2024
- Amendments to SLFRS 16 Lease Liability in a Sale and Leaseback - The amendments are effective for annual periods beginning on or after 1 January 2024

2.13.1 Amendments to LKAS 1 Presentation of Financial Statements—Classification of Liabilities as Current or Non-current

The amendments to LKAS 1 published in January 2020 affect only the presentation of liabilities as current or non current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The amendments are applied retrospectively for annual periods beginning on or after 1 January 2024, with early application permitted. The IASB has aligned the effective date with the 2022 amendments to LKAS 1. If an entity applies the 2020 amendments for an earlier period, it is also required to apply the 2022 amendments early. The directors of the parent company anticipate that the application of these amendments may have an impact on the group's consolidated financial statements in future periods.

Notes to the Financial Statements

2.13.2 Amendments to LKAS 1 Presentation of Financial Statements—Non-current Liabilities with Covenants

The amendments specify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date and therefore must be considered in assessing the classification of the liability as current or noncurrent. Such covenants affect whether the right exists at the end of the reporting period, even if compliance with the covenant is assessed only after the reporting date (e.g. a covenant based on the entity's financial position at the reporting date that is assessed for compliance only after the reporting date).

The IASB also specifies that the right to defer settlement of a liability for at least twelve months after the reporting date is not affected if an entity only has to comply with a covenant after the reporting period. However, if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants (including the nature of the covenants and when the entity is required to comply with them), the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

The amendments are applied retrospectively for annual reporting periods beginning on or after 1 January 2024. Earlier application of the amendments is permitted. If an entity applies the amendments for an earlier period, it is also required to apply the 2020 amendments early.

The directors of the parent company anticipate that the application of these amendments may have an impact on the group's consolidated financial statements in future periods.

2.13.3 Amendments to LKAS 7 Statement of Cash Flows and SLFRS 7 Financial Instruments: Disclosures—Supplier Finance Arrangements

The amendments add a disclosure objective to LKAS 7 stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows. In addition, SLFRS 7 was amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk.

The term 'supplier finance arrangements' is not defined. Instead, the amendments describe the characteristics of an arrangement for which an entity would be required to provide the information.

To meet the disclosure objective, an entity will be required to disclose in aggregate for its supplier finance arrangements:

- The terms and conditions of the arrangements
- The carrying amount, and associated line items presented in the entity's statement of financial position, of the liabilities that are part of the arrangements.
- The carrying amount, and associated line items for which the suppliers have already received payment from the finance providers.
- Ranges of payment due dates for both those financial liabilities that are part of a supplier finance arrangement and comparable trade payables that are not part of a supplier finance arrangement.
- Liquidity risk information.

The amendments, which contain specific transition reliefs for the first annual reporting period in which an entity applies the amendments, are applicable for annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted.

2.13.4 Amendment to SLFRS 16 Leases—Lease Liability in a Sale and Leaseback

The amendments to SLFRS 16 add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in SLFRS 15 to be accounted for as a sale. The amendments require the seller-lessee to determine 'lease payments' or 'revised lease payments' such that the seller-lessee does not recognise a gain or loss that relates to the right of use retained by the seller-lessee, after the commencement date.

The amendments do not affect the gain or loss recognised by the seller-lessee relating to the partial or full termination of a lease. Without these new requirements, a seller-lessee may have recognised a gain on the right of use it retains solely because of a remeasurement of the lease liability (for example, following a lease modification or change in the lease term) applying the general requirements in SLFRS 16. This could have been particularly the case in a leaseback that includes variable lease payments that do not depend on an index or rate.

As part of the amendments, the IASB amended an Illustrative Example in SLFRS 16 and added a new example to illustrate the subsequent measurement of a right-of-use asset and lease liability in a sale and leaseback transaction with variable lease payments that do not depend on an index or rate. The illustrative examples also clarify that the liability, that arises from a sale and leaseback transaction that qualifies as a sale applying SLFRS 15, is a lease liability. The amendments are effective for annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted. If a seller-lessee applies the amendments for an earlier period, it is required to disclose that fact.

A seller-lessee applies the amendments retrospectively in accordance with LKAS 8 to sale and leaseback transactions entered into after the date of initial application, which is defined as the beginning of the annual reporting period in which the entity first applied SLFRS 16.

b) New and revised SLFRS Accounting Standards in issue but not yet effective

- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates -The amendments are effective for annual periods beginning on or after 1 January 2025
- Amendments to IFRS 9 and IFRS 7 Classification and Measurement of Financial Instruments -The amendments are effective for annual reporting periods beginning on or after 1 January 2026.
- IFRS 18 Presentation and Disclosures in Financial Statements- The amendments are effective for annual reporting periods beginning on or after 1 January 2027.
- IFRS 19 Subsidiaries without Public Accountability: Disclosures- The amendments are effective for annual reporting periods beginning on or after 1 January 2027.
- Amendments to SLFRS S1 'Sustainability-related Financial Information' -The amendments are effective for annual periods beginning on or after 1 January 2025
- Amendments to SLFRS S2 Climate-related Disclosures -The amendments are effective for annual periods beginning on or after 1 January 2025

2.13.5 Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability

The amendments specify how to assess whether a currency is exchangeable, and how to determine the exchange rate when it is not. The amendments state that a currency is exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations.

An entity assesses whether a currency is exchangeable into another currency at a measurement date and for a specified purpose. If an entity is able to obtain no more than an insignificant amount of the other currency at the measurement date for the specified purpose, the currency is not exchangeable into the other currency. The assessment of whether a currency is exchangeable into another currency depends on an entity's ability to obtain the other currency and not on its intention or decision to do so.

When a currency is not exchangeable into another currency at a measurement date, an entity is required to estimate the spot exchange rate at that date. An entity's objective in estimating the spot exchange rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions.

The amendments do not specify how an entity estimates the spot exchange rate to meet that objective. An entity can use an observable exchange rate without adjustment or another estimation technique. The amendments are effective for annual

reporting periods beginning on or after 1 January 2025, with earlier application permitted.

2.13.6 Amendments to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments

These amendments clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system. These amendments further clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion.

These amendments add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).

The amendments are effective for annual reporting periods beginning on or after 1 January 2026, with earlier application permitted.

2.13.7 IFRS 18 Presentation and Disclosures in Financial Statements

IFRS 18 replaces IAS 1, carrying forward many of the requirements in IAS 1 unchanged and complementing them with new requirements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Furthermore, the IASB has made minor amendments to IAS 7 and IAS 33 Earnings per Share.

IFRS 18 introduces new requirements to:

- present specified categories and defined subtotals in the statement of profit or loss
- provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements
- improve aggregation and disaggregation.

An entity is required to apply IFRS 18 for annual reporting periods beginning on or after 1 January 2027, with earlier application permitted.

2.13.8 IFRS 19 Subsidiaries without Public Accountability: Disclosures

IFRS 19 permits an eligible subsidiary to provide reduced disclosures when applying IFRS Accounting Standards in its financial statements.

A subsidiary is eligible for the reduced disclosures if it does not have public accountability and its ultimate or any intermediate parent produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

Notes to the Financial Statements

IFRS 19 is optional for subsidiaries that are eligible and sets out the disclosure requirements for subsidiaries that elect to apply it.

An entity is only permitted to apply IFRS 19 if, at the end of the reporting period.

- it is a subsidiary (this includes an intermediate parent)
- it does not have public accountability, and
- its ultimate or any intermediate parent produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

Eligible entities can apply IFRS 19 in their consolidated, separate or individual financial statements. An eligible intermediate parent that does not apply IFRS 19 in its consolidated financial statement may do so in its separate financial statements.

The new standard is effective for reporting periods beginning on or after 1 January 2027 with earlier application permitted.

2.13.9 Amendments to SLFRS S1 'Sustainability-related Financial Information

The amendment requires companies to disclose sustainability-related risks and opportunities, focusing on governance, strategy, and performance. It aims for consistency and comparability, supporting informed investment decisions.

The new standard is effective for reporting periods beginning on or after 1 January 2025.

2.13.10 Amendments to SLFRS S2 Climate-related Disclosures

The amendment sets out the requirements for identifying, measuring and disclosing information about climate-related risks and opportunities that is useful to primary users of general-purpose financial reports in making decisions relating to providing resources to the entity.

The new standard is effective for reporting periods beginning on or after 1 January 2025.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these Consolidated Financial Statements unless otherwise indicated.

These accounting policies have been applied consistently by entities within the Group.

3.1. Basis of Consolidation

3.1.1 Reporting Date

All the Group's Subsidiaries, Associate Companies and joint venture companies have a common financial year end which ends on 31st March other than LOLC General Insurance Limited, LOLC Life Assurance Limited, LOLC Asset Holdings Limited, LOLC International [Pvt] Ltd, LOLC Asia [Pvt] Ltd, LOLC Cambodia PIC, LOLC Global

[Pvt] Ltd, NPH Investments [Pvt] Ltd, Pak Oman Microfinance Bank Limited, B Commodities ME [FZE], LOLC Financial Sector Holdings Private Limited, Bodufaru Beach Resorts (Private) Limited, Browns Ari Resort [Pvt] Ltd, Browns Kaafu N Resort [Pvt] Ltd, Browns Raa Resort [Pvt] Ltd, PT LOLC Management Indonesia, PT. LOLC Ventura Indonesia, NPH Development [Pvt] Ltd, Patronus Wealth Holdings Limited, Fortigrains Private Limited, LOLC Central Asia [Pvt] Ltd, LOLC Ventures FZE, Qirat Investments LLC, BI Leisure Holdings FZE, PL Resorts LTD, Serendib Micro Insurance PLC, LOLC UNGUKA Finance PLC, LOLC Finance Limited Malawi, LLC MDO LOLC Moliya, Fina Trust Micro Finance Bank Ltd, LOLC El-Oula Microfinance Egypt, LOLC Tanzania Financial Services Ltd, Yambukai Finance, Browns Plantation Rwanda Ltd, Browns Plantation Tanzania Ltd, Limuru Tea PLC, Browns Plantation East Africa Ltd and Seylan Bank PLC whose financial year ends on 31st December.

The difference between the reporting date of the above companies and that of the parent does not exceed three months.

However, for the Group financial reporting purposes; the Financial Statements ended 31 March of the above mentioned subsidiaries and associates are considered.

3.1.2 Balances and Transactions Eliminated on Consolidation

Intragroup balances and transactions, including income, expenses and dividends, are eliminated in full. Profits and losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full.

Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee.

3.1.3 Business Combinations

All business combinations have been accounted for by applying the acquisition method in accordance with the SLFRS 3 - Business Combinations. Applying this method involves the entity that obtains control over the other entity to recognise the fair value of assets acquired and liabilities and contingent liabilities assumed, including those not previously recognised. Further, the measurement period ends on the earlier of the date when the acquirer receives the information that it needs (or determines that it cannot obtain the information) and one year after the acquisition date.

3.1.4 Cost of Acquisition

The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. This excludes any transaction costs incurred.

3.2. Foreign Currency

3.2.1 Foreign Currency Transactions

Transactions in foreign currencies are translated to the functional currency (Sri Lankan Rupees - LKR) of the Group at exchange rates at the dates of the transactions.

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

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on retranslation are recognised in Statement of statement of profit or loss.

3.2.2 The Net Gain or Loss on Conversion of Foreign Operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisitions, are translated into Sri Lanka Rupees (LKR) at spot exchange rates at the reporting date. The income and expenses of foreign operations are translated into Sri Lanka Rupees at spot exchange rates at the dates of the transactions.

Foreign currency differences are recognised in OCI, and accumulated in the foreign currency translation reserve (Translation reserve), except to the extent that the translation difference is allocated to NCI.

When a foreign operation is disposed of such that control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to Profit or Loss as part of the gain or loss on disposal. If the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while relating control, then the relevant proportion of the cumulative amount is attributed to NCI.

If a settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, the foreign currency differences arising on the item form part of the net investment in the foreign operation and are recognised in OCI, and accumulated in the translation reserve within equity.

3.3. 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.

When available, the Group measures the fair value of an instrument using quoted prices in an active market for that instrument. A market is regarded as active if quoted prices are readily and regularly available and represent actual and regularly occurring market transactions on an arm's length basis.

If a market for a financial instrument is not active, the Group establishes fair value using valuation techniques. Valuation techniques include using recent arm's length transactions between knowledgeable, willing parties (if available), reference to the current fair value of other instruments that are substantially the same, discounted cash flow analysis and other equity pricing models.

The chosen valuation technique makes maximum use of market inputs, relies as little as possible on estimates specific to the Group, incorporates all factors that market participants would consider in setting a price, and is consistent with accepted economic methodologies for pricing financial instruments.

The best evidence of the fair value of a financial instrument at initial recognition is the transaction price, i.e. the fair value of the consideration given or received, unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable markets. When transaction price provides the best evidence of fair value at initial recognition, the financial instrument is initially measured at the transaction price and any difference between this price and the value initially obtained from a valuation model is subsequently recognised in Statement of Financial position.

3.3.1 Valuation of Financial Instruments

The Group measures the fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

Level 1 – Quoted market price (unadjusted) in an active market of an identical instrument.

Level 2 – Valuation techniques based on observable inputs, either directly (i.e., as prices) or indirectly (i.e., derived from prices), this category included instruments valued using: quoted market prices in active markets similar instruments; quoted prices for identical or similar instruments in markets are considered less than active; or other valuation techniques where all significant inputs are directly observable from market data.

Level 3 – Valuation techniques use significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation.

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

Fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments, the Group determines fair values using valuation techniques

Notes to the Financial Statements

Valuation techniques include comparison of similar instruments for which market observable prices exist, other equity pricing models and other valuation models.

The objective of valuation techniques is to arrive at a fair value determination that reflects the price of the financial instruments at the reporting date that would have been determined by market participants acting at arm's length.

The Group widely recognised valuation models for determining fair value of common and more simple financial instruments. Observable prices and model inputs are usually available in the market for listed debt and equity securities. Availability of observable market inputs reduces the need for management judgment and estimation and also reduces the uncertainty associated with determination of fair values. Availability of observable market prices and inputs varies depending on the products and markets and is prone to changes based on specific events and general conditions in the financial markets.

3.4. Financial assets and Financial liabilities

3.4.1 Initial recognition

All financial assets and liabilities excluding loans and advances to customers and balances due to customers are initially recognised 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 purchases and sale of financial assets. The group recognises loans and advances, deposits and subordinated liabilities, etc., on the date which they are originated.

The classification of financial instruments at initial recognition depends on their cash flow characteristics and the business model for managing the instruments as described in note 3.4.2.1 and 3.4.2.2 to the financial statements.

All financial instruments are measured initially at their fair value plus or minus transaction costs that are directly attributable to its acquisition or issue, except in the case of financial assets and financial liabilities recorded at fair value through profit or loss. Trade receivables are measured at transaction price as per SLFRS 9 which do not have a significant financial component as defined by SLFRS 15. When the fair value of financial instruments at initial recognition differs from the transaction price, the Group accounts for the 'Day 1' profit or loss, as described below..

3.4.1.1 "Day 1" profit or loss

When the transaction price of the instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the Group recognises the difference between the transaction price and fair value in other income.

In those cases, where fair value is determined based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value deferred and is only recognised in the statement of profit or loss when the inputs become observable, or when the instrument is de-recognised.

The "Day 1 loss" arising in the case of loans granted to employees at concessionary rates under uniformly applicable schemes is deferred and amortised using effective interest rate (EIR) in "Interest Income" and "Personal Expense" over the remaining service period of employment or tenure of the loan which is lower.

3.4.2 Classification and Measurement of Financial assets

From 1st January 2018, the group classifies all of its financial assets based on the business model for managing the assets and the assets contractual terms, measured at either:

- Amortised cost.
- Fair Value through Other Comprehensive Income (FVOCI)
- Fair Value through Profit or Loss (FVPL)

The subsequent measurement of financial assets depends on their classification.

3.4.2.1 Business model assessment

Under SLFRS 9, The group makes an assessment of the objective of a business model in which an asset is held at a portfolio level due to the fact that it 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 realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group'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 Bank's stated objective for managing the financial assets is achieved and how cash flows are realised.

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

3.4.2.2 Assessment of whether Contractual Cash Flows are Solely Payments of Principal and Interest [SPPI]

As second step to the classification process, the group assess the contractual terms of the financial assets to identify whether they meet the SPPI test.

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 profit margin.

In assessing whether the contractual cash flows are SPPI, the group considers the contractual terms of the instruments. This includes assessing whether the financial asset contains a contractual term that could change the timing or contractual cash flows such that it would not meet this condition. In making the assessment the Group considers::

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the Group's claim to cash flows from specified assets and
- features that modify consideration of the time value of money [e.g. periodical reset of interest rates].

The Group holds a portfolio of long-term fixed-rate loans for which the Group has the option to propose to revise the interest rate at periodic reset dates. These reset rights are limited to the market rate at the time of revision. The borrowers have an option to either accept the revised rate or redeem the loan at par without penalty. The Group has determined that the contractual cash flows of these loans are SPPI met because the option varies the interest rate in a way that is consideration for the time value of money, credit risk, other basic lending risks and costs associated with the principal amount outstanding.

3.4.2.3 Financial Assets Measured at Amortised cost

3.4.2.3.1 Trade Receivables

Trade receivables are stated at the amounts they are estimated to realise, net of provisions for impairment. An allowance for impairment losses based on expected credit loss model at the time of origination and when there is a significant increase in credit risk.

3.4.2.3.2 Cash and cash equivalents

Cash and cash equivalents include cash in hand, placements with banks and loans at call and at short notice that are subject to an insignificant risk of changes in their fair value, and are used by the Bank in the management of its short-term commitments. Cash and cash equivalents are carried at amortised cost in the Statement of Financial Position.

Cash and cash equivalents comprise of cash in hand and 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 Group cash management and are included as a component of cash and cash equivalents for the purpose of the Statement of Cash Flows..

3.4.2.3.3 Investment securities measured at amortised cost

Investment securities measured at amortised cost include investments in corporate bonds, Government Securities and investment in term deposits which are kept to collect the contractual cash flows from the investments.

3.4.2.4 Financial assets measured at FVOCI

Financial assets measured at FVOCI include debt and equity instruments measured at fair value through other comprehensive income.

Debt instruments are measured at FVOCI if they are held within a business model whose objective is to hold for collection of contractual cash flows and for selling financial assets, where the assets cash flows represent payments of principal and interest.

Upon initial recognition, the group elected to apply irrevocable option for some of its equity investments held for strategic and statutory purposes as equity instruments at FVOCI.

3.4.2.5 Financial assets measured at FVTPL

As per SLFRS 9, all financial assets other than those classified at amortised cost or FVOCI are classified and measure at FVTPL. Financial assets at fair value through profit and loss include financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis.

3.4.3 Identification and measurement of impairment of financial assets

3.4.3.1 Recognition of expected credit loss

The Group recognises loss allowances for Expected Credit Losses [ECL] on the following financial instruments that are not measured at FVTPL:

- Cash in hand and favourable bank balances
- Financial assets at amortised cost – Finance Lease receivables, hire purchases and operating lease
- Financial assets at amortised cost – Advances and Other Loans
- financial investments that are debt instruments measured at amortised cost
- financial investments that are debt instruments measured at Fair Value through Other Comprehensive income
- undrawn credit commitments

Notes to the Financial Statements

No impairment loss is recognised on equity investments.

The Group measures loss allowances at an amount equal to lifetime ECL, except for the following, for which they 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. Financial instruments for which a 12-month ECL is recognised are referred to as "Stage 1 financial instruments".

Life-time ECL are the ECL that result from all possible default events over the expected life of the financial instrument. Financial instruments for which a lifetime ECL is recognised but which are not credit-impaired are referred to as "Stage 2 financial instruments".

3.4.3.2 Measurement of ECL

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 Group 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 Group if the commitment is drawn down and the cash flows that the Group expects to receive; and

3.4.3.3 Restructured financial assets

If the terms of a financial asset are renegotiated or modified or an existing financial asset is replaced with a new one due to financial difficulties of the borrower, then an assessment is made of whether the financial asset should be derecognised and ECL are measured as follows:

- If the expected restructuring will not result in derecognition of the existing asset, then the expected cash flows arising from

the modified financial asset are included in calculating the cash shortfalls from the existing asset.

- If the expected restructuring will result in derecognition of the existing asset, then the expected fair value of the new asset is treated as the final cash flow from the existing financial asset at the time of its derecognition. This amount is included in calculating the cash shortfalls from the existing financial asset that are discounted from the expected date of derecognition to the reporting date using the original effective interest rate of the existing financial asset.

3.4.3.4 Credit impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt financial assets carried at FVOCI, and finance lease receivables 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 past due event;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

A loan that has been renegotiated due to a deterioration in the borrower's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment. In addition, a loan that is past due for a period more than 180 days or classified as non-performing under CBSL Direction No. 03 of 2008 is considered credit-impaired.

3.4.3.5 Presentation of ECL in the statement of financial position

Loss allowances for ECL are presented in the Statement of Financial Position as follows:

- financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;
- loan commitments and financial guarantee contracts: as a provision under other liabilities; – debt instruments measured at FVOCI: no loss allowance is recognised in the Statement of Financial Position because the carrying amount of these assets is their fair value.

3.4.3.6 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 "impairment losses on financial instruments" in the Statement of Profit or Loss and OCI. 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

3.4.4 Financial Liabilities

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

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

The subsequent measurement of financial liabilities depends on their classification.

3.4.4.1. Financial liabilities at amortised cost

Financial Liabilities issued by the Group that are not designated at fair value through profit or loss are recognised initially at fair value plus any directly attributable transaction costs, by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR.

Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest method. Deposit liabilities including savings deposits, current deposits, fixed/time deposits, call deposits, certificates of deposit and debentures are classified as financial liabilities measured at amortised cost.

The EIR amortisation is included in "Interest expense" in the income statement. Gains and losses too are recognised in the income statement when the liabilities are derecognised as well as through the EIR amortisation process.

3.4.4.1.1 Due to banks and other financial institutions

Due to banks and other financial institutions These represents refinance borrowings, called money borrowings, credit balances in Nostro Accounts and borrowings from financial institutions. Subsequent to initial recognition deposits are measured at their amortised cost using the EIR method. Interest paid/payable on these borrowings is recognised in profit or loss.

3.4.4.1.2 Due to customers

Due to customers includes non-interest-bearing deposits, savings deposits, term deposits, deposits payable at call and certificates of deposit. Subsequent to initial recognition deposits are measured at their amortised cost using the EIR method, except where the Bank designates liabilities at fair value through profit or loss. Interest paid/ payable on these deposits is recognised in profit or loss.

3.4.4.1.3 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.

3.4.4.1.4 Trade Payable Balances

Trade payable balances include amounts payable to vendors and suppliers of the group.

3.4.5 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 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.

If a financial asset is reclassified out of the amortised cost measurement category and into the fair value through profit or loss measurement category, its fair value is measured at the reclassification date. Any gain or loss arising from a difference between the previous amortised cost of the financial asset and fair value is recognised in statement of profit or loss.

If the reclassification takes place out of the fair value through profit or loss category into the amortised cost measurement category, its fair value at the reclassification date becomes the new gross carrying amount.

If the reclassification takes place out of the amortised cost measurement category and into the fair value through other comprehensive income measurement category, fair value is measured at the reclassification date. Any gain or loss arising from a difference between the previous amortised cost of the financial asset and fair value is recognised in other comprehensive income. The effective interest rate and the measurement of expected credit losses are not adjusted as a result of the reclassification.

The Group did not reclassify any of its financial assets or liabilities in 2024/25.

Notes to the Financial Statements

3.4.6 Derecognition of financial assets and financial liabilities**3.4.6.1 Financial assets**

A financial asset [or, where applicable a part of a financial asset or part of a group of similar financial assets] is derecognised when:

- The contractual rights to receive cash flows from the financial asset have expired.
- The Group has transferred its rights to receive cash flows from the financial 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 financial 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 recognised to the extent of the Group's continuing involvement in the asset. In that case, the Group also recognises an associated liability.

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 Bank could be required to repay.

3.4.6.2 Financial liabilities

A financial liability is derecognised 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 recognised in profit or loss.

3.4.7 Modification of Financial assets and Financial Liabilities**3.4.7.1 Financial assets**

If the terms of a financial asset are modified, then the Group evaluates whether the cash flows of the modified asset are substantially different.

If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed

to have expired. In this case, the original financial asset is derecognised and a new financial asset is recognised at fair value plus any eligible transaction costs. Any fees received as part of the modification are accounted for as follows:

- fees that are considered in determining the fair value of the new asset and fees that represent reimbursement of eligible transaction costs are included in the initial measurement of the asset; and
- other fees are included in profit or loss as part of the gain or loss on derecognition

If cash flows are modified when the borrower is in financial difficulties, then the objective of the modification is usually to maximise recovery of the original contractual terms rather than to originate a new asset with substantially different terms. If the Group plans to modify a financial asset in a way that would result in forgiveness of cash flows, then it first considers whether a portion of the asset should be written off before the modification takes place [refer write-off policy]. This approach impacts the result of the quantitative evaluation and means that the derecognition criteria are not usually met in such cases.

If the modification of a financial asset measured at amortised cost or FVOCI does not result in derecognition of the financial asset, then the Bank first recalculates the gross carrying amount of the financial asset using the original effective interest rate of the asset and recognises the resulting adjustment as a modification gain or loss in profit or loss. For floating-rate financial assets, the original effective interest rate used to calculate the modification gain or loss is adjusted to reflect current market terms at the time of the modification. Any costs or fees incurred and fees received as part of the modification adjust the gross carrying amount of the modified financial asset and are amortised over the remaining term of the modified financial asset.

If such a modification is carried out because of financial difficulties of the borrower, then the gain or loss is presented together with impairment losses. In other cases, it is presented as interest income calculated using the effective interest rate method.

3.4.7.2 Financial Liabilities

The Group derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability derecognised and consideration paid is recognised in profit or loss. Consideration paid includes non-financial assets transferred, if any, and the assumption of liabilities, including the new modified financial liability.

If the modification of a financial liability is not accounted for as derecognition, then the amortised cost of the liability is recalculated by discounting the modified cash flows at the original effective interest rate and the resulting gain or loss is recognised in profit or loss. For floating rate financial liabilities, the original effective interest rate used to calculate the modification gain or loss is adjusted to reflect current market terms at the time of the modification. Any costs and fees incurred are recognised as an adjustment to the carrying amount of the liability and amortised over the remaining term of the modified financial liability by recomputing the effective interest rate on the instrument.

3.4.8 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 recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, therefore, the related assets and liabilities are presented gross in statement of financial position.

3.5. Impairment of Non-Financial Assets

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the assets recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related Cash-Generating Unit (CGU) exceeds its estimated recoverable amount.

The Group's corporate assets do not generate separate cash inflows and are utilised 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 CGU to which the corporate asset is allocated.

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

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. 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, if no impairment loss had been recognised.

3.6. SLFRS 12 – Disclosure of Interests in Other Entities

SLFRS 12 - "Disclosure of Interests in Other Entities" is a consolidated disclosure standard requiring disclosures about an entity's interests in subsidiaries, joint arrangements, associates and unconsolidated 'structured entities'.

The objective of SLFRS 12 is to require the disclosure of information that enables users of Financial Statements to evaluate the nature of, and risks associated with, its interests in other entities, the effects of those interests on its financial position, financial performance and cash flows.

3.7. Capital Management

The Board of Directors monitors the return on capital investment on a regular basis. This review is mainly carried out through return on investment analysis prepared on a quarterly basis. The plan forecasts are also reviewed on a monthly basis to ensure that targets are met in order to manage the capital invested in Group Companies.

The Board of Directors also decides and monitors the level of dividends to ordinary shareholders.

The Company does not subject to any externally imposed capital requirements. However, companies within the group have such requirement based on the industry in which such company is established. Group companies which require externally imposed capital will monitor such requirement on a regular basis and report to respective legal authority in order to ensure compliance with such regulatory requirement.

Notes to the Financial Statements

4 GROSS INCOME

Accounting Policy	
Gross income comprises of interest Income, revenue, income and other income other than those relating to contributions from equity participants.	
The following are the main components of the Gross Income;	
Finance & Leasing	Earned income on leases, hire purchases, factoring, margin trading, loans
Insurance	Gross written premium
Manufacturing, Industrial Trading & Related Services	Production, sale of consumer, agricultural, motor vehicles and items and providing related services
Leisure And entertainment	Accommodation sales, service charges, food & beverages income and outlet
Plantation	Sale of perennial crops (Tea, Rubber, Coconut, Timber etc.,)
IT Services	IT service fee
Stock Brokering	Brokerage fees
Power Generation	Sale of electrical energy
Construction	Contract fee
Real Estate	Rental Income

For the year ended 31 March	Note	Group		Company	
		2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Interest income	4.1	166,999,302	162,157,044	46,107,573	49,300,398
Revenue	4.2	112,200,602	85,937,522	2,218,769	3,155,044
Other operating income	4.3	37,047,096	28,928,565	1,556,261	1,005,866
Other income/[expenses]	5	23,688,820	52,856,145	3,343,558	[2,167,592]
		339,935,820	329,879,276	53,226,161	51,293,716

4.1 Interest income

Accounting Policy

Interest income is recognised in the Income Statement using the effective interest rate (EIR) method.

Interest income and expense presented in the Income Statement include: -

Interest on financial assets measured at amortised cost (AC) calculated using EIR method;

Interest on financial assets measured at fair value through other comprehensive income (FVOCI) calculated using EIR method;

Interest on financial assets measured at fair value through profit or loss (FVTPL) calculated using EIR method;

Interest income on all trading assets 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 in net trading income.

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

Effective interest rate (EIR)

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 liability (or, where appropriate, a shorter period) to the carrying amount of the financial asset or 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 all fees paid 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 liability.

For the year ended 31 March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Leasing interest income	16,580,425	17,988,725	-	-
Interest income on foreign currency deposits	1,525,600	1,404,917	1,856,666	1,424,709
Advances and other loans interest income	139,796,517	134,158,158	44,072,575	47,746,019
Operating lease and hire rental income	-	-	172,344	124,767
Overdue interest income	6,152,170	5,587,027	5,988	4,903
Debt factoring income	2,944,590	3,018,217	-	-
	166,999,302	162,157,044	46,107,573	49,300,398

Notes to the Financial Statements

4.2 Revenue

Accounting Policy	
<p>Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers the promised good or service to a customer. Revenue is presented net of value added tax (VAT), rebates and discounts and after eliminating intragroup sales.</p>	
<p>As per SLFRS 15, The Group recognises revenue from contracts with customers when control of the goods or services is transferred to the customer at an amount that reflects the consideration that the Group is to be entitled in exchange for those goods or services. Determining the timing of the transfer of control of goods or services, at a point in time or over time, requires judgments taking into consideration the nature of goods or services that Group/Company offers.</p>	
<p>Revenue from Goods Sold</p> <p>Revenue from sale of goods is recognised on accrual basis at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods.</p> <p>The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated [e.g., warranties and free maintenance]. In determining the transaction price for the sale of goods, the Group considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).</p>	
<p>Revenue from Rendering of Services</p> <p>Revenue from services rendered is recognised in Profit or Loss in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to surveys of work performed.</p>	
<p>Revenue from Accommodation Sales and Services Charge</p> <p>Revenue from accommodation sales is recognised for the rooms occupied on a daily basis, together with outlet sales and other income from hotel operations.</p> <p>90% of Service Charge collected from guests is distributed among the employees, retaining 10% of such service charges collected for recovery of breakages of cutlery, crockery, glassware and stainless steel items. Any balance amount of the retention after recovery of actual breakages is redistributed among employees after the end of each financial year.</p>	

For the year ended 31 March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Sectorial revenue				
Manufacturing	232,078	3,260,625	-	-
Trading	45,854,572	41,708,587	2,203,675	3,130,268
Exports	1,199,586	1,167,993	-	-
Hotelier revenue	13,236,801	11,161,126	15,094	24,776
Real Estate	537,970	513,474	-	-
IT Services	2,811,002	841,706	-	-
Other services	1,299,736	893,950	-	-
Plantation	39,818,364	16,621,643	-	-
Ethanol sales	962,738	1,505,588	-	-
Travel and tours	346,658	329,625	-	-
Construction contract revenue	5,901,097	7,933,204	-	-
	112,200,602	85,937,522	2,218,769	3,155,044

4.3 Income

Accounting Policy	
Income comprises of net fee and commission income , earned premium on insurance contracts , recovery of contract written off and other operational income.	
Net Fee and Commission Income	
Fees and commission income and expense that are integral to the effective interest rate on a financial asset or liability are included in the measurement of the effective interest rate.	
Other fees and commission income, including account servicing fees, investment management fees, sales commission, placement fees and syndication fees, are recognised as the related services are performed.	
Other fees and commission expenses relate mainly to transaction and service fees, which are expensed as the services are received.	

For the year ended 31 March	Note	Group		Company	
		2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Earned premium on insurance contracts long term		10,233,027	6,747,468	-	-
Earned premium on insurance contracts general		8,224,401	7,867,780	-	-
Rentals & sales proceeds - contracts written off		2,953,991	3,004,592	24,124	15,046
Transfer fees and profit on termination		2,928,445	2,446,582	52	9
Arrangement / documentation fee & other	4.3.1	3,228,304	2,846,454	-	-
Interest income on deposits		2,642,362	1,681,533	691,897	225,004
Insurance broking income		2,889	-	-	-
Management fee income		1,501,428	1,325,991	-	-
Shared service income		-	-	840,188	765,807
Other operational income		5,332,249	3,008,166	-	-
		37,047,096	28,928,565	1,556,261	1,005,866

4.3.1 Arrangement / documentation fee & other

For the year ended 31 March		Group		Company	
		2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Loans and advances related services		919,015	528,016	-	-
Credit and debit cards related services		830,433	477,121	-	-
Trade and remittances related services		7,087	4,072	-	-
Deposits related services		-	92,755	-	-
Other financial services		1,471,769	1,744,490	-	-
		3,228,304	2,846,454	-	-

Notes to the Financial Statements

5 OTHER INCOME/(EXPENSES)

Accounting Policy

Other Income/(expenses) comprises of net trading income related to trading assets and liabilities, income from government grant amortisation, disposal gains or losses from non-current assets, fair value gains or losses related to investment property and income generated from various other sources.

Net Trading Income

Net trading income comprise of gains or losses related to trading assets and liabilities, and includes all realised and unrealised fair value changes, interest, dividends and foreign exchange differences.

Net income from Other Financial Instruments at Fair Value Through Profit or Loss

Net income from other financial instruments at fair value through Profit or Loss relates to non-trading derivatives held for risk management purposes that do not form part of qualifying hedge relationships and financial assets and liabilities designated at fair value through Profit or Loss, and include all realised and unrealised fair value changes, interest, dividends and foreign exchange differences.

Gains/(losses) on sale of property, plant and equipment

The gains or losses on disposal of property, plant and equipment are determined as the difference between the carrying amount of the assets at the time of disposal and the proceeds of disposal, net of incremental disposal costs. This is recognised as an item in "other income" in the year in which the Group transfers control of the asset to the buyer.

Dividend Income

Dividend income is recognised when the right to receive income is established. Usually, this is the ex-dividend date for quoted equity securities. Dividends are presented in net gains/ (losses) from trading, net gains/(losses) from financial investments or other income (net) based on the underlying classification of the equity investment.

Rental Income

Rental income from investment property is recognised in Profit or Loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Rental income from subleased property is recognised as other income.

Amortisation of Government Grants Received

An unconditional government grant related to a biological asset is recognised in the Statement of profit or loss as other income when the grant becomes receivable.

Other government grants are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant and are then recognised in the Statement of profit or loss as other income on a systematic basis over the useful life of the asset.

Grants that compensate the Group for expenses incurred are recognised in the Statement of profit or loss as other income on a systematic basis in the same periods in which the expenses are recognised.

Basis of recognition

Rent income, non-operational interest income, royalty income and franchise fees are accounted for on accrual basis. Dividend income is recognised when the right to receive payment is established. Gain on disposal of property, plant and equipment and other non-current assets.

For the year ended 31 March	Note	Group		Company	
		2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Rental income from investment properties		435,961	302,072	-	-
Royalty Income		67,677	97,984	-	-
Dividends income		231,410	223,897	1,117,771	172,930
Franchise fees		-	377	-	-
Insurance policy fees		465,118	242,944	-	-
Restructuring and arrangement charges		-	20,439	-	-
Asset hire income		33,038	113,487	10,788	171,192
Guarantee fee income		-	26,250	295,557	146,441
Advisory Charges		22,254	133,525	-	-
Interest received from government securities & other interest earning assets		2,085,605	1,904,075	-	-
Debenture interest income		158,236	790,372	-	-
Gain/(loss) on disposal of quoted and non-quoted shares		306,713	273,948	-	-
Gain/(loss) on Disposal of Group Investments		25,159	[19,493]	-	-
Gain/(loss) on disposal of property, plant and equipment		48,887	1,629,283	4,551	[5,425]
Change in fair value of investment properties	28	5,735,502	19,463,556	501,400	321,500
Gain/(loss) on change in fair value of consumable biological assets	29.1	910,095	1,087,485	-	-
Gain/(loss) on change in fair Value of bearer biological assets		1,180	5,089	-	-
Gain/(loss) on fair valuation of other FVTPL Instruments		[238,670]	1,374,959	[2]	3
Gain/(loss) on disposal of Government Securities		2,240,119	8,647,520	-	-
Foreign exchange gain / [loss]		1,213,426	[2,289,682]	[388,810]	[3,132,156]
Change in fair value of derivatives - forward contracts		17,793	[159,314]	-	[1,206,456]
Amortisation of deferred income		166,718	132,913	-	-
Penalty and early settlement interests		400,592	144,513	-	-
Commission income		1,243,491	580,262	-	-
Interest income on deposits		6,386,579	339,159	55,917	127,296
Rent income		-	-	138,496	79,368
Sale of timber		2,658	1,713	-	-
Income from Showback		3,969	3,050	758,784	871,939
Interest payable writeoff		-	462,594	-	-
Gain on Creditor Settlement		-	15,391,240	-	-
Gain/(loss) on investment restructuring		[3,710,480]	-	-	-
Sundry income		5,435,790	1,931,928	849,106	285,775
Total		23,688,820	52,856,145	3,343,558	[2,167,592]

Foreign exchange income represents both revaluation gain/(loss) on the Group's net open position and realised exchange gain/(loss) on foreign currency transactions.

Notes to the Financial Statements

6 INTEREST EXPENSES

Accounting Policy

Interest expense is recognised in the Income Statement using the effective interest rate (EIR) method.

Interest income and expense presented in the Income Statement include:

- Interest on financial liabilities measured at amortised cost (AC) calculated using EIR method;
- Interest on financial liabilities measured at fair value through profit or loss (FVTPL) calculated using EIR method;

For the year ended 31 March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Financial liabilities at amortised cost				
Customer deposits	46,634,469	55,547,369	-	-
Commercial papers and promissory notes	3,659,433	696,100	22,049,153	23,980,491
Overdraft and other short-term borrowings	2,639,661	3,829,445	6,559,041	6,878,437
Long term borrowings	8,317,623	14,191,631	3,753,640	3,014,055
Finance leases	33,346	11,768	182	41
Debenture interests	593,706	891,959	1,708,961	2,098,697
Right of Use Assets	486,339	475,403	7,316	7,230
Charges on forward rate contracts	951,610	956,597	-	-
	63,316,187	76,600,272	34,078,293	35,978,950

7 DIRECT EXPENSES EXCLUDING INTEREST EXPENSES

Accounting Policy

Direct Expenses excluding Finance Expenses includes expenses related to taxes other than income tax and Other direct Expenses.

Following are the main taxes applicable to the Group ;

Income Tax

Refer Note No 16.3 - Current tax expense

Economic Service Charge [ESC]

As per the provisions of Economic Service Charge Act No. 13 of 2006 and subsequent amendments thereto, ESC is payable on the liable turnover at specified rates. ESC is deductible from the income tax liability. Any unclaimed amount can be carried forward and set off against the income tax payable in the five subsequent years as per the relevant provision in the Act.

Economic Service Charge has been abolished with effect from 1st January 2020.

Nation Building Tax [NBT]

As per the provisions of the Nation Building Tax Act, No. 9 of 2009 and the subsequent amendments thereto, Nation Building Tax should be payable at the rate of 2% with effect from 1 January 2011 on the liable turnover as per the relevant provisions of the Act.

Nations Building Tax has been abolished with effect from 1st December 2019.

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. The base for the computation of VAT on Financial Services is the accounting profit before income tax adjusted for the economic depreciation and emoluments of employees. VAT on financial services is computed on the prescribed rate of 18%.

Sales Taxes [Value Added Tax and Turnover Tax]

"Revenues, expenses and assets are recognised net of the amount of sales tax except for the following;

Sales tax incurred on a purchase of a assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of other receivables or other payables in the statement of financial position.

Withholding Tax on Dividends

Dividend distributed out of taxable profit of the local companies attracts a 10% deduction at source and is not available for set off against the tax liability of the Company. Withholding tax that arises from the distribution of dividends by the Company is recognised at the same time as the liability to pay the related dividend is recognised.

For the year ended 31 March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Value Added Tax [VAT] on leases & VAT on financial services	6,507,590	3,589,541	-	-
Value Added Tax [VAT] on leases/general expenses other than VAT on financial services	8,485	376,839	546,463	367,924
Nation Building Tax [NBT], debits tax and others	332,533	335,229	-	20,155
Insurance benefits, losses and expenses	9,636,964	8,438,301	4,880	9,898
Increase in long term insurance fund	3,710,641	2,179,612	-	-
Insurance expenses	1,499,563	1,195,052	-	-
Other direct expenses	1,438,726	382,500	-	5
	23,134,502	16,497,076	551,343	397,982

Notes to the Financial Statements

8 PERSONNEL EXPENSES

Accounting Policy

Employees' Provident Fund (EPF), Ceylon Plantation Provident Society (CPPS) and Estate Staff Provident Society (ESPS)

The Group and employees contribute 12% and 8% respectively on the salary of each employee to the above mentioned funds.

Employees' Trust Fund (ETF)

The Group entities contributes 3% of the salary of each employee to the Employees' Trust Fund.

Short-term Employee Benefits

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

For the year ended 31 March	Note	Group		Company	
		2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Salaries, wages and other benefits		42,598,848	33,009,642	1,285,534	1,203,732
Contribution to EPF/CCPS/ESPS		1,023,165	967,145	127,036	114,162
Contribution to ETF		319,507	227,867	31,759	28,540
Post-employment defined benefit plans cost	43.1	1,349,464	762,374	76,758	68,642
Amortisation of prepaid staff cost	26.4	21,650	12,324	-	-
Staff compensation		12,768	73,096	-	-
Staff bonus		5,175,499	3,706,778	538,975	482,552
Staff training and development		268,029	242,406	9,652	3,599
Other staff related expenses		4,288,420	3,076,904	158,834	283,319
		55,057,349	42,078,536	2,228,548	2,184,546

9 IMPAIRMENT LOSS ON FINANCIAL ASSETS

Accounting Policy

Impairment charges as per SLFRS 9

The Group recognises loss allowances for expected credit loss (ECL) on the following financial instruments that are not measured at FVTPL;

- * Cash and cash equivalents
- * Debt Securities Measured at Amortised Cost
- * Debt Securities Measured at Fair Value Through Other Comprehensive Income
- * Financial Assets at Amortised Cost - Finance Lease Receivables, Hire Purchases and Operating Leases
- * Financial Assets at Amortised Cost - Advances and Other Loans
- * Insurance Premium Receivables
- * Trade Receivables

No impairment loss is recognised on equity investments.

The assessment of credit risk and the estimation of ECL are required to be unbiased and probability-weighted, and should incorporate all available information relevant to the assessment, including information about past events, current conditions and reasonable and supportable forecasts of economic conditions at the reporting date. In addition, the estimation of ECL should take into account the time value of money.

Computation of Expected Credit Losses

The Group computes ECL using three main components; a probability of default (PD), a loss given default (LGD) and the exposure at default (EAD) under the collective assessment. These parameters are generally derived from internally developed statistical models and historical data and then adjusted to reflect forward-looking information.

Probability of Default (PD)

The probability of default represents the likelihood of a borrower defaulting on its financial obligations either over the next 12 months (12m PD) or over the remaining lifetime (Lifetime PD) of the obligation. PD estimates are estimates at a certain date and days past due (DPD) is the primary input into the determination of the term structure of PD for exposures. DPD are determined by counting the number of days since the due date. The Group employs statistical models to analyse the data collected and generates estimates of the remaining lifetime PD of exposures and how these are expected to change as a result of the passage of time.

Loss Given Default (LGD)

"The 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 lender would expect to receive, including from the realisation of any collateral.

The Group estimates LGD parameters based on historical recovery rates of claims against defaulted counterparties. They are calculated on a discounted cash flow basis using EIR as the discounting factor. LGD is usually expressed as a percentage of the EAD.

Exposure At Default (EAD)

"The exposure at default represents the expected exposure in the event of a default. The Group estimates EAD, taking into account the repayment of principal and interest from the reporting date to the default event together with any expected drawdowns of committed facilities.

To calculate EAD for a Stage 1 loan, the Group assesses the possible default events within 12 months. For all other loans, the EAD is considered for default events over the lifetime of the financial instrument.

Forward-looking information

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

The Group also obtained experienced credit judgement from economic experts and Credit and Risk Management Departments to formulate a base case, a best case and a worst case scenario. The base case represents a most-likely outcome and is aligned with information used by the Group for strategic planning and budgeting. The Group has identified and documented key drivers of credit risk both quantitative and qualitative for various portfolio segments.

Quantitative economic factors are based on economic data and forecasts published by the Respective Central Banks and other reliable sources.

Write-off of financial assets

Loans and debt securities are written off (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when the Bank 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. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Bank's procedures for recovery of amounts due.

Notes to the Financial Statements

For the year ended 31 March	Note	Group		Company	
		2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Net impairment loss / (reversal) on;					
Cash in hand and favourable bank balances	18.3	78,383	189,288	-	-
Investment securities					
Financial assets measured at fair value through other comprehensive income					
Government securities	20.1.2.1	-	(38)	-	-
Investment securities					
Financial assets at amortised cost					
Government securities	20.2.2.1	(8,061,367)	7,806,151	-	-
Financial assets at amortised cost/ Finance lease receivables, hire purchases and operating leases					
Finance lease receivables	21.1.5	(532,039)	(904,706)	-	-
Hire purchase receivables	21.2.5	6,088	13	-	-
Operating lease receivables	21.3.5	-	(519)	-	(519)
Financial assets at amortised cost/ Advances and other loans					
Advances and loans	22.1.1	21,433,510	7,536,353	-	(654)
Factoring receivables	22.2.1	1,736,192	1,402,338	-	-
Gold Loan Receivables	22.3.1	(18,925)	(136,517)	-	-
Trade and other current assets	26.1.2	1,311,511	746,629	1,603,823	31,198
Contingent liabilities and commitments		4,572	1,468	-	-
Bad debts written off net of reversals		2,852,574	7,913,702	1,829	21,240
		18,810,499	24,554,162	1,605,652	51,265

9.1 Restructure of Sri Lanka International Sovereign Bonds

The Government of Sri Lanka suspended the servicing of external public debts w.e.f. 12th April 2022. After an extensive debt restructuring process, in December 2024, Sri Lanka successfully completed the exchange of its Sri Lanka International Sovereign Bonds as part of its external debt restructuring efforts. The primary objective was to restore the country's debt sustainability by reducing the debt burden.

As per the terms of the exchange, the bond holders could opt for either "Global option" or "Local bond option". The Group has elected Global option for one of its foreign subsidiary and Local bond option for local subsidiary.

Type of Bonds	Key terms	Amount received by the Group
LKR Bond	30% of existing bonds exchanged into 8 variable-coupon LKR Treasury bonds [SLFR + 0.5%], maturing annually between 2036–2043, zero haircut.	LKR 4 Bn
USD step up Bond	70% of existing bonds exchanged into USD step-up bonds with 10% haircut; interest 1–3.5%; 10 capital instalments from June 2029 to June 2038; repayment in USD, or LKR if USD not feasible.	USD 28.9 Mn
USD denominated PDI Bonds	Issued on past due interest with 11% haircut; fixed 4% interest; repaid in USD; maturity in 2028.	USD 11.6 Mn
USD denominated Macro Linked Bonds	59.3% of existing bonds exchanged into 4 USD bonds; maturity 2030–2038; early capital amortisation 50%; interest 3.1–9.75% linked to economic growth.	USD 28.9 Mn
USD denominated Governance Linked Bonds	13.7% of existing bonds exchanged into 1 USD bond; maturity June 2035, 50% early amortisation in 2034; interest 3.6–9.25% linked to governance KPIs.	USD 6.7 Mn

As per SLFRS 9 – “Financial Instruments”, the above noted exchange resulted in derecognition of the previously held SLISBs due to the significant modification to the cashflows and the terms and conditions. The Group recognised the new instruments at fair value. The Group assessed the fair value of the new instruments in accordance with SLFRS 9 by using prevailing market value at time of restructuring.

The Group recognised a loss on derecognition of Rs.3.7 Bn in respect of this restructure, which was netted off against the realisation of the exchange fee bond paid to bondholders who validly delivered the original bonds before the expiration date which is reported under Note 5 to the financial statements in relation to Local bond option. The reversal of the brought forward impairment provision amounting to Rs.8 Bn is included in Note 9 to the financial statements which netted off against derecognition loss of Rs. 4.6 Bn in relation to Global option.

10 DEPRECIATION AND AMORTISATION

Depreciation of Property, Plant and Equipment

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised in Profit or Loss on a straight-line basis over the estimated useful life of each component of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated.

Depreciation of an asset begins when it is available for use and ceases at the earlier of the date that the asset is classified as held for sale and the date that the asset is de-recognised.

Depreciation methods, useful life values are assessed at the reporting date. The estimated useful lives for the current year are as follows:

Free-hold and lease-hold Building	40-50 years
Reclaimed Lands	Lower of 50 Years or Lease Period
Free-hold and lease-hold Motor Vehicles	4-8 years
Furniture and Fittings	5-10 years
Office Equipment	4-8 years
Computer equipment	4-8 years
Plant and Machinery	8-20 years
Water Sanitation	20 years
Roads & Bridges	50 years
Penstock Pipes	20 years
Power/Electricity Supply	04 - 13 1/3 years
Security fencing	3 years
Cutlery, Crockery & Glassware	5 years
Linen	3 years
Swimming pool	10 years
Solar power plant	10 – 20 years

Amortisation of Intangible Assets

Amortisation is recognised in the Statement of profit or loss on a straight-line basis over the estimated useful life of intangible assets, other than goodwill, from the date that they are available for use.

The estimated useful life of each intangible asset is as follows;

Computer Software	5 years
License and Fees	20 years
Customer Base	5 years
Brand Name	10 years
Right to generate solar power	20 years

Notes to the Financial Statements

Depreciation of Bearer Biological Assets

Amortisation is recognised in the statement of profit or loss on a straight-line basis over the Lease Term of respective Operating lease liabilities of the Right of Use Assets.

The estimated useful lives for the current and comparative years are as follows;

Tea	30-33 1/3 years
Rubber	20 years
Coconut	50 years
Cardamom / Cinnamon	15 years
Sugarcane	5 years

Amortisation of Right of Use Assets

Amortisation is recognised in the Statement of statement of profit or loss on a straight-line basis over the Lease Term of respective Operating lease liabilities of the Right of Use Assets.

For the year ended 31 March	Note	Group		Company	
		2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Amortisation of intangible assets	34.5	344,480	656,081	30,575	54,438
Depreciation of property, plant and equipment	35	9,066,010	6,674,322	134,260	811,580
Amortisation of bearer biological assets	30.1	1,278,577	706,815	-	-
Amortisation of right of use asset	27	2,808,143	2,137,129	21,830	11,473
		13,497,210	10,174,346	186,665	877,491

11 OTHER OPERATING EXPENSES

For the year ended 31 March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Administration cost	35,460,213	27,536,675	2,448,930	2,501,945
Distribution and marketing costs	14,576,693	11,270,224	2,213,430	2,626,036
Other expenses	3,537,823	25,627	40,752	[1,583]
	53,574,729	38,832,526	4,703,112	5,126,398

12 RESULTS FROM OPERATING ACTIVITIES

Accounting Policy	
Expenses are recognised in the statement of profit or loss on the basis of a direct association between the cost incurred and the earnings of specific items of income. All expenditure incurred in the running of the business and in maintaining the property, plant and equipment in a state of efficiency has been charged to the statement of profit or loss in arriving at the profit for the year.	
For the purpose of presentation of the income statement, the "Function of Expenses" method has been adopted, on the basis that it presents fairly the elements of the Company's and Group's financial performance.	
Preliminary and pre-operational expenditure is recognised in the statement of profit or loss. Repairs and renewals are charged to the Statement of Comprehensive Income in the year in which the expenditure is incurred.	
Directors' emoluments	
Directors' emoluments represent the salaries paid to both Executive and Non-Executive Directors of the Group and the Company..	

Results from operating activities are stated after charging all expenses including following:

For the year ended 31 March	Note	Group		Company	
		2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Remuneration to directors		1,730,443	1,194,581	39,960	22,388
Auditors' remuneration	12.1	282,470	168,280	11,201	12,202
Legal expenses		319,039	316,235	41,104	96,950
Secretarial fees		30,603	42,036	10,910	13,154
Professional fees		4,268,227	1,619,485	199,860	176,928
Deposit insurance premium	12.2	1,502,744	1,255,927	50,300	97,379
Advertising related expenses		1,410,465	800,138	28,653	28,957

12.1 Auditors' remuneration

For the year ended 31 March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Remuneration for				
Audit related services	267,808	165,198	10,875	9,390
Non-audit related services	14,662	3,082	326	2,812
	282,470	168,280	11,201	12,202

Notes to the Financial Statements

12.2 Deposit Insurance Scheme

In terms of the Finance Companies Direction No 2 of 2010 "Insurance of Deposit Liabilities" issued on 27th September 2010, all Registered Finance Companies are required to insure their deposit liabilities in the Deposit Insurance Scheme operated by the Monetary Board in terms of Sri Lanka Deposit Insurance Scheme Regulations No 1 of 2010 issued under Sections 32A to 32E of the Monetary Law Act with effect from 1st October 2010.

Deposits to be insured include time and savings deposit liabilities and exclude the following;

- Deposit liabilities to member institutions
- Deposit liabilities to the Government of Sri Lanka
- Deposit liabilities to shareholders, directors, key management personnel and other related parties as defined in Finance Companies Act Direction No 03 of 2008 on Corporate Governance of Registered Finance Companies.
- Deposit liabilities held as collateral against any accommodation granted
- Deposit liabilities falling within the meaning of dormant deposits in terms of the Finance Companies Act, funds of which have been transferred to Central Bank of Sri Lanka

Registered Finance Companies are required to pay a premium of 0.15% on eligible deposit liabilities as at each month to be payable within a period of 15 days after the respective month end.

13 NET FINANCE COST

13.1 Finance income

Accounting Policy	
Finance income is recognised in the Income Statement using the effective Finance rate (EIR) method.	
Finance income and expense presented in the Income Statement include:	
Interest on financial assets measured at amortised cost (AC) calculated using EIR method;	
Interest on financial assets measured at fair value through other comprehensive income (FVOCI) calculated using EIR method;	
Interest on financial assets measured at fair value through profit or loss (FVTPL) calculated using EIR method;	
Finance income on all trading assets 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 in net trading income.	
Fair value changes on other derivatives held for risk management purposes, and other financial assets and liabilities carried at fair value through Profit or Loss, are presented in net income from other financial instruments at fair value through Profit or Loss in the statement of profit or loss.	
Effective interest rate (EIR)	
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 liability (or, where appropriate, a shorter period) to the carrying amount of the financial asset or 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 all fees paid 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 liability.	

For the year ended 31 March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Leasing interest income	172,344	-	-	-
Interest income on foreign currency deposits	1,789,487	1,603,293	-	-
Advances and other loans interest income	5,322,120	6,263,932	-	-
	7,283,951	7,867,225	-	-

13.2 Finance expense

Accounting Policy
Finance expense is recognised in the Income Statement using the effective interest rate (EIR) method.
Finance income and expense presented in the Income Statement include:
- Interest on financial liabilities measured at amortised cost (AC) calculated using EIR method;
- Interest on financial liabilities measured at fair value through profit or loss (FVTPL) calculated using EIR method;

For the year ended 31 March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Financial liabilities at amortised cost				
Commercial papers and promissory notes	27,225,078	35,843,314	5,003,293	11,748,643
Overdraft and other short-term borrowings	11,340,197	10,113,989	-	-
Long term borrowings	14,271,385	13,578,969	853,701	1,551,970
Finance leases	149,308	136,743	-	-
Debenture interests	4,873,209	3,960,819	-	-
Right of Use Assets	1,246,111	1,725,644	-	-
Charges on forward rate contracts	(33,164)	(82,216)	-	-
	59,072,124	65,277,262	5,856,994	13,300,614

13.3 Reclassification of Finance-Related Income and Costs

Effective from the current financial year, the presentation of income and expenses related to the Group's finance business has been revised. These amounts are now reported under interest income and interest cost in the financial statements. Finance income and costs arising from investments and other non-financing activities of the Group are presented as finance income and finance costs, respectively, below the results from operating activities.

This change has been made in compliance with applicable financial reporting standards (IFRS/SLFRS). Comparative figures have been reclassified accordingly to ensure consistency with the current year's presentation.

For the year ended 31 March	Group			Company		
	Current Presentation	Previous Presentation	Reclassification	Current Presentation	Previous Presentation	Reclassification
	2024 Rs.'000	2024 Rs.'000	Rs.'000	2024 Rs.'000	2024 Rs.'000	Rs.'000
Interest income	162,157,044	170,024,269	(7,867,225)	49,300,398	49,300,398	-
Interest expense	(76,600,271)	(141,877,533)	65,277,262	(35,978,950)	(49,279,564)	13,300,614
Finance income	7,867,225	-	7,867,225	-	-	-
Finance cost	(65,277,262)	-	(65,277,262)	(13,300,614)	-	(13,300,614)
	28,146,736	28,146,736	-	20,834	20,834	-

Notes to the Financial Statements

14 RESULTS ON INVESTMENT & DIVESTMENT OF GROUP INVESTMENTS**14.1 Share of profits of equity accounted investees, net of tax**

For the year ended 31 March	Note	Group	
		2025 Rs.'000	2024 Rs.'000
Associates	32.5	4,227,602	7,979,008
		4,227,602	7,979,008

For the year ended 31 March	Note	Company	
		2025 Rs.'000	2024 Rs.'000
Subsidiaries	31.1	48,413,333	33,649,950
Associates	32.1	4,024,477	6,179,622
		52,437,810	39,829,572

14.2 Share of other comprehensive income of equity accounted investees [net of tax]

Other comprehensive income that will never be reclassified to profit or loss in subsequent periods:

For the year ended 31 March	Note	Group	
		2025 Rs.'000	2024 Rs.'000
Other comprehensive income that will never be reclassified to profit or loss in subsequent periods	32.5	879,150	1,160,763
Other comprehensive income that are or may be reclassified to profit or loss in subsequent periods	32.5	542,611	[79,500]
		1,421,761	1,081,263

15 RESULTS ON INVESTMENT & DIVESTMENT OF GROUP INVESTMENTS**15.1 Gain on bargain purchase of Subsidiaries and Associates**

For the year ended 31 March	Note	Group	
		2025 Rs.'000	2024 Rs.'000
Subsidiaries			
Acquisition of Yambukai Finance (Pvt) Ltd	31.4.2.3	-	32,312
Acquisition of Browns Plantation (Kenya) Ltd	31.4.2.3	-	16,949,748
Acquisition of Browns Plantations East Africa Ltd	31.4.1.5	37,654,242	-
Acquisition of Limuru Tea PLC	31.4.1.5	5,135,287	-
Acquisition of Browns Plantations Rwanda Ltd	31.4.1.5	3,015,266	-
Acquisition of Browns Plantations Tanzania Ltd	31.4.1.5	8,256,794	-
Acquisition of James Finlay Guizhou Company Ltd	31.4.1.5	424,515	-
		54,486,104	16,982,060

15.2 Loss on divestment of Subsidiaries and Associates

For the year ended 31 March	Note	Group	
		2025 Rs.'000	2024 Rs.'000
Subsidiaries			
Disposal of Tiasa Construction (Pvt) Ltd	31.5.2.4	-	[67,197]
Disposal of Sierra Readymix (Pvt) Ltd	31.5.2.4	-	[46,396]
Disposal of Creation Wooden Fabricators (Pvt) Ltd	31.5.2.4	-	93,831
Disposal of Browns Fabric Limited	31.5.1.4	39,003	-
Associates			
Disposal of Commercial Insurance Brokers		67,023	-
Loss on reclassification of Sierra Cables PLC		[579,490]	-
		[473,464]	[19,762]

16 INCOME TAX EXPENSE

Accounting Policy
<p>Income tax expense comprises current and deferred tax. Income tax expense is recognised in the Income Statement, except to the extent it relates to items recognised directly in Equity or in OCI.</p> <p>IFRIC 23 – Uncertainty over income tax treatment</p> <p>The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of LKAS 12 – “Income Taxes”. It does not apply to taxes or levies outside the scope of LKAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation specifically addresses the following:</p> <ul style="list-style-type: none"> * Whether an entity considers uncertain tax treatments separately * The assumptions an entity makes about the examination of tax treatments by taxation authorities * How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates * How an entity considers changes in facts and circumstances <p>The Group determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty.</p> <p>The Group applies significant judgement in identifying uncertainties over income tax treatments. Since the Group operates in a complex environment, it assessed whether the Interpretation had an impact on its Consolidated Financial Statements. The Group determined, based on its tax compliance and transfer pricing study that it is probable that its tax will be accepted by the taxation authorities. The Interpretation did not have an impact on the Financial Statements of the Group.</p>

Group tax expense is based on the taxable profit of individual companies within the Group. At present the tax laws of Sri Lanka do not provide for Group taxation.

Notes to the Financial Statements

16.1 Major components of income tax expense are as follows:

Accounting Policy	
Current Tax	
<p>"Current tax" comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax receivable or payable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted, as at the reporting date. Current tax also includes any tax arising from dividends.</p> <p>Provision for taxation is made on the basis of the accounting profit for the year, as adjusted for taxation purposes, in accordance with the provisions of the Inland Revenue Act No. 24 of 2017, effective from April 1, 2018. This also includes the major components of tax expense, the effective tax rates and a reconciliation between the profit before tax and tax expense, as required by the Sri Lanka Accounting Standard – LKAS 12 on "Income Taxes".</p> <p>Provision for taxation on the overseas operations is made on the basis of the accounting profit for the year, as adjusted for taxation purposes, in accordance with the provisions of the relevant statutes in those countries, using the tax rates enacted or substantively enacted as at the reporting date.</p>	
Deferred tax	
<p>Deferred tax is recognised 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 recognised for:</p> <ul style="list-style-type: none"> * 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. <p>Deferred tax assets are recognised 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. 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 realised.</p> <p>Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available, against which they can be used.</p> <p>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 as at the reporting date.</p> <p>The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects as at the reporting date to recover or settle the carrying amount of its assets and liabilities.</p>	

For the year ended 31 March	Note	Group		Company	
		2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Current tax expense	16.3	5,215,757	5,945,368	225,911	-
Deferred tax expense	33.5	(3,448,096)	2,504,699	110,101	432,920
Income tax expense reported in profit or loss		1,767,661	8,450,067	336,012	432,920

16.2 Numerical Reconciliation of accounting profits to income tax expense

For the year ended 31 March	Note	Group		Company	
		2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Profit/ (loss) before tax expense from continuing operations		52,152,355	30,203,138	54,408,242	30,347,387
(+) Disallowable expenses		27,013,379	65,518,467	6,354,397	10,773,072
(-) Allowable expenses		(6,439,629)	(21,130,702)	(288,352)	(491,386)
(-) Tax exempt income		(17,178,109)	(13,266,454)	(3,643,074)	(2,005,450)
(-) Allowable tax credits		(308,857)	(14,126)	-	-
(+) Tax losses incurred	16.6	59,771,097	32,262,093	14,534,129	1,205,949
(-) Tax losses utilised	16.6	(21,098,592)	(16,453,242)	(18,927,532)	-
(-) Others/Consolidation adjustments		(70,923,312)	(48,672,358)	(52,437,810)	(39,829,571)
Taxable Income		22,988,332	28,446,816	-	-
Income tax @					
30%		977,713	798,199	-	-
28%		-	55,959	-	-
25%		338,875	109,217	-	-
20%		3,483,502	4,705,966	-	-
17%		72,607	157,697	-	-
10%		52,918	69,197	-	-
Total tax expense		4,925,614	5,896,235	-	-
Average tax rate		21.43%	20.73%	-	-

16.3 Current tax expense

For the year ended 31 March	Note	Group		Company	
		2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Tax expense	16.2	4,925,614	5,782,545	-	-
(Over)/under provision in respect of previous years		(46,498)	(933,733)	-	-
Irrecoverable economic service charge		136,399	5,801	136,399	-
Irrecoverable remittance tax		39,042	1,090,755	-	-
Withholding tax on inter company dividends		158,005	-	89,512	-
Deemed dividend tax paid		3,195	-	-	-
		5,215,757	5,945,368	225,911	-

16.4 Effective Tax Rate

For the year ended 31 March	Group		Company	
	2025 %	2024 %	2025 %	2024 %
	3.39	27.98	0.62	1.43

Notes to the Financial Statements

16.5 A reconciliation of effective tax rate is as follows;

For the year ended 31 March	Group			
	2025		2024	
	Rs.'000	%	Rs.'000	%
Accounting profit/[loss] before income tax	52,152,355		30,203,136	
Income tax expense at the average statutory income tax rate	11,174,468	21.43%	2,252,772	7.46%
Disallowable expenses	5,788,044	11.10%	4,886,848	16.18%
Allowable expenses	(1,379,792)	-2.65%	(1,576,083)	-5.22%
Tax exempt income	(3,680,682)	-7.06%	(989,509)	-3.28%
Allowable tax credits	(66,177)	-0.13%	(1,054)	0.00%
Tax losses incurred	12,806,904	24.56%	2,406,344	7.97%
Tax losses utilised	(4,520,707)	-8.67%	(1,227,204)	-4.06%
Consolidation adjustments	(15,196,442)	-29.14%	144,121	0.48%
Under / (over) provision in respect of previous years	(46,498)	-0.09%	43,332	0.14%
Irrecoverable economic service charge	136,399	0.26%	5,801	0.02%
Irrecoverable remittance tax	39,042	0.07%	-	-
Withholding tax on inter company dividends	158,005	0.30%	-	-
Deemed dividend tax paid	3,195	0.01%	-	-
Deferred tax expense	(3,448,096)	-6.61%	2,504,699	8.29%
Current tax expense	1,767,661	3.39%	8,450,067	27.98%

For the year ended 31 March	Company			
	2025		2024	
	Rs.'000	%	Rs.'000	%
Accounting profit/[loss] before income tax	54,408,242	-	30,347,387	-
Irrecoverable economic service charge	136,399	0.25%	-	-
Withholding tax on inter company dividends	89,512	0.16%	-	-
Deferred tax expense	110,101	0.20%	432,920	1.43%
Current tax expense	336,012	0.62%	432,920	1.43%

16.6 Tax Losses

For the year ended 31 March	Group		Company	
	2025	2024	2025	2024
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Losses brought forward	83,816,422	66,927,145	11,943,414	9,498,113
Adjustments for brought forward tax losses	(3,221,203)	1,080,426	146,508	1,239,352
Losses incurred	59,771,097	32,262,093	14,534,129	1,205,949
Losses utilised	(21,098,592)	(16,453,242)	(18,927,532)	-
Acquisition of subsidiaries	21,397,374	-	-	-
Losses carried forward	140,665,098	83,816,422	7,696,521	11,943,414

16.7 Income tax expense

Sri Lankan Operations

The income tax provision for LOLC Holdings PLC, its subsidiaries and equity accounted investees which are residents in Sri Lanka is calculated in accordance with the provisions of the Inland Revenue Act No. 24 of 2017 and subsequent amendments thereto.

In terms of above, except for the Companies which are enjoying income tax exemptions or subject to concessionary rates as set out below, the income tax provisions of companies have been calculated on their adjusted profits at the standard rate.

Companies exempt from income tax are given in note 16.8.1

Companies incorporated in Sri Lanka and operating outside Sri Lanka are given in note 16.8.2

Income tax concessions of off-shore subsidiaries are given in note 16.8.2

Income tax expense for the year includes, taxes arising from the dividend distributions by resident companies of the Group and any adjustment relating to income tax payable or receivable balances in respect of previous years.

LKAS 12 – “Income Taxes” and LKAS 10 – “Events after the Reporting Period”, further state that where changes in tax rates or tax laws are enacted or announced after the reporting period, an entity shall disclose any significant effect of those changes on its current and deferred tax assets and liabilities.

Right-of-use (ROU) assets and operating lease liability

SLFRS 16 requires a company to recognise a right-of-use asset (lease asset) and a lease liability for operating leases. Over the lease term, the company recognises amortisation and interest expense as it uses the lease asset and settles the lease liability.

As per section 10 of the Inland Revenue Act No. 24 of 2017, amortisation and the notional interest charged to income statement would not be allowed for income tax. However, operating lease rentals paid would be a deductible expense for income tax under section 11 of the Inland Revenue Act No. 24 of 2017.

Accordingly, the income tax treatment on operating leases would result in a temporary difference and deferred tax is recognised.

IFRIC 23 - Uncertainty over income tax treatment

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of LKAS 12 - Income Taxes. It does not apply to taxes or levies outside the scope of LKAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments.

The Group has applied significant judgement in identifying uncertainties over income tax treatments and has considered each uncertain tax treatment separately and used the approach that would predict the resolution of the uncertainty.

Tax losses carried forward

As per section 19 of the Inland Revenue Act No. 24 of 2017, any unclaimed tax losses incurred during the year could be carried forward for further six years. In addition, as per the Gazette notification [No. 2064/53] issued on the transitional provisions, any unclaimed loss as at 31st March 2018, is also deemed to be a loss incurred for the year of assessment commencing on or after 1st April 2018 and shall be carried forward up to 6 years. Such losses can be set off against profits without any limitation but subjecting to source of income as provided in the Act. As specified above, some companies in the Group have carried forward tax losses which are available to be set off against the future tax profits of the companies. Adjustment for taxation on the losses from overseas operations are made in accordance with the provisions of the relevant statutes in those countries.

Companies in the Group have evaluated the recoverability of unclaimed losses through taxable profit forecasts and deferred tax assets have been recognised accordingly. Deferred tax assets recognised on tax losses would be reviewed at each reporting date based on the taxable profit forecasts and would be reduced to the extent of recoverable amount.

Notes to the Financial Statements

16.8 Tax exemptions, concessions or holidays that have been granted

The tax liability of resident companies are computed at the standard rate of 30% except for the following companies which enjoy full or partial exemptions and concessions.

16.8.1 Companies exempt from income tax

Companies exempt from income tax under the Board of Investment (BOI) Law

Company	Basis/ Statute	Period
Sun & Fun Resorts Ltd	Section 17 of BOI Law no. 04 of 1978	15 years ending 2030/2031

Companies exempt from income tax under Port City Commission Act No.11 of 2021

Company	Concessionary rate and statute	Period
Colombo Marina Development (Pvt) Ltd	Port City Commission Act No.11 of 2021	25 years exempt up to 2059 and 50% incentive from the prevailing rate for another 10 years

16.8.2 Income tax concessions of off-shore subsidiaries

Companies incorporated and operating outside Sri Lanka are liable for income tax in accordance with the provisions of the foreign jurisdictions applicable to our companies. We set out below the Income tax rates applicable for our companies in the foreign jurisdictions.

Company	Country of incorporation	Rate
ABN Micro Finance	The Kyrgyz Republic	10%
B Commodities ME FZE	United Arab Emirates	9% above AED 375,000
Bodufaru Beach Resort (Pvt) Ltd	Republic of Maldives	15%
Browns Ari Resort (Pvt) Ltd	Republic of Maldives	15%
Browns Engineering & Construction (Fiji) Pte Ltd	Republic of Fiji	20%
Browns E&C Technical Services Contracting LLC	United Arab Emirates	9% above AED 375,000
Browns Kaafu N Resort (Pvt) Ltd	Republic of Maldives	15%
BI Leisure Holdings FZE	United Arab Emirates	9% above AED 375,000
Browns Raa Resort (Pvt) Ltd	Republic of Maldives	15%
LLC MDO LOLC Moliya (former Fazo S LLC MDO)	Republic of Tajikistan	18%
Fina Trust Micro Finance Bank Ltd	Federal Republic of Nigeria	30% (Max)
Fortigrains Private Limited	Republic of Singapore	17% (Max)
FORTUNE Holdings SD (Pvt) Ltd	Republic of Singapore	17% (Max)
Fusion X Global FZC	United Arab Emirates	9% above AED 375,000
Grey Reach Investments Ltd	British Virgin Islands	Nil
IPay Global FZC	United Arab Emirates	9% above AED 375,000
Browns Plantations Kenya Limited (former James Finlay (Kenya) Limited)	Republic of Kenya	30%
Lombard Microfinance Organisation	Republic of Tajikistan	18%
LOLC Kenya Microfinance Bank PLC (former Key Micro Finance Bank PLC)	Republic of Kenya	30%
LOLC Africa Holdings (Pvt) Ltd	Republic of Singapore	17% (Max)
LOLC Asia (Pvt) Ltd	Republic of Singapore	17% (Max)
LOLC Finance Philippines Inc.(former LOLC ASKI Finance Inc)	Republic of Philippines	25%
LOLC Cambodia Plc	Kingdom of Cambodia	20%

Company	Country of incorporation	Rate
LOLC Central Asia (Pvt) Ltd	Republic of Singapore	17% (Max)
LOLC El-Oula Microfinance Egypt	The Arab Republic of Egypt	22.5%
LOLC Finance Limited Malawi	Republic of Malawi	30%
LOLC Finance Zambia Limited	Republic of Zambia	30%
LOLC Financial Sector Holdings Private Limited	Republic of Singapore	17% (Max)
LOLC Global (Pvt) Ltd	Republic of Singapore	17% (Max)
LOLC India Holdings (IFSC) Private Limited	Republic of India	30%
LOLC India Finance Private Limited	Republic of India	30%
LOLC International (Pvt) Ltd	Republic of Singapore	17% (Max)
LOLC Mauritius Holdings Limited	Republic of Mauritius	17% (Max)
LOLC Myanmar Micro-Finance Company Limited	Republic of the Union of Myanmar	22%
LOLC Philippines Capital Holdings Corporation	Republic of Philippines	25%
LOLC Philippines Corporation	Republic of Philippines	25%
LOLC Philippines Holdings Incorporated	Republic of Philippines	25%
LOLC Bank Philippines Inc	Republic of Philippines	25%
LOLC Ventures FZE	United Arab Emirates	9% above AED 375,000
NPH Investments (Pvt) Ltd	Republic of Maldives	15%
Pak Oman Micro finance Bank Limited	Islamic Republic of Pakistan	29%
PL Resorts LTD	The Republic of Mauritius	15%
PT LOLC Management Indonesia	Republic of Indonesia	22%
PT Sarana Sumut Ventura	Republic of Indonesia	22%
Qirat Investments LLC	United Arab Emirates	9% above AED 375,000
R-Finance' Microfinance Organisation Limited Liability Partnership	Republic of Kyrgyzstan	10%
Serendib Micro Insurance PLC	Kingdom of Cambodia	22%
Sunbird Bioenergy (SL) Ltd	Republic of Sierra Leone	30%
LOLC Tanzania Financial Services Ltd (former Tujjenge Tanzania Financial Services)	United Republic of Tanzania	30%
Urumaya Resources Pvt Ltd	Republic of Zimbabwe	25%
LOLC UNGUKA Finance PLC (former Unguka Bank PLC)	Republic of Rwanda	28%
Yambukai Finance	Republic of Zimbabwe	25%
LFSH Investments Private Limited	Republic of Singapore	17% (Max)
Browns Plantations East Africa Ltd	Republic of Kenya	30%
Limuru Tea PLC	Republic of Kenya	30%
Browns Plantations Rwanda Ltd	Republic of Rwanda	28%
Browns Plantations Tanzania Ltd	United Republic of Tanzania	30%
James Finlay Guizhou Company Ltd	Republic of China	25%
Browns Tea Trading FZCO	United Arab Emirates	9% above AED 375,000

Other miscellaneous concessions

Dividends from and gains on the realisation of shares in a non-resident company where derived by a any person with respect to a substantial participation in non-resident company. (Holding 10% or more of shares together with control, either directly or indirectly, of 10% or more of the voting power in the company) in non-resident company]

Gains on realisation of shares quoted in any official list published by stock exchange licensed by the Securities and Exchange Commission of Sri Lanka.

Notes to the Financial Statements

The interest accruing to or derived by any person on moneys lying to his credit in foreign currency in any foreign currency account opened by him or on his behalf, in any commercial bank or in any specialised bank, with the approval of the Central Bank of Sri Lanka, on or after January 1, 2020;

Any service rendered in or outside Sri Lanka to any person to be utilised outside Sri Lanka, where the payment for such services is received in foreign currency and remitted through a bank to Sri Lanka on or after January 1, 2020 but prior to 1 April 2025.

Any foreign source where such gains and profits are earned or derived in foreign currency and remitted through a bank to Sri Lanka on or after January 1, 2020 but prior to 1 April 2025.

Any income earned by any person by way of interest or discount paid or allowed, as the case may be, on any sovereign bond denominated in foreign currency, including Sri Lanka Development Bonds, issued by or on behalf of the Government of Sri Lanka;

A gain from the realisation of Sri Lanka international sovereign bonds issued by or on behalf of the Government of Sri Lanka and received or derived by a commercial bank or authorised dealer who made an aggregate investment not less than USD 100 million in such bonds on or after April 1, 2021;

Dividends paid by a resident company utilising dividend received from another resident company

Amount derived from the sale of any gem on which tax at 2.5% under section 84(2) of the Act has been deducted by National Gem and Jewellery Authority from the sale price of a gem at an auction conducted by it.

Income tax on Share of Profit of Equity Accounted Investee

Income tax expense excludes, the Group's share of tax expense of the equity-accounted investees recognised in profit/(loss) of Rs. 2,555 Mn [2023/2024 - Rs. 18,790 Mn] which is included in 'share of profit of equity-accounted investees [net of tax].

16.9 Income tax recognised in other comprehensive income

For the year ended 31 March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Tax (benefit) / expense on;				
Items that will not be reclassified to profit or loss				
Other comprehensive income that will never be reclassified to profit or loss in subsequent periods:				
Deferred tax charge/(reversal) on revaluation surplus	(5,531,380)	(61,980)	(449,496)	-
Deferred tax charge/(reversal) on actuarial gains/(losses)	186,601	46,600	(5,046)	6,209
Deferred tax charge/(reversal) on change in fair value on investments in equity instruments at FVTOCI	(123,226)	(20)	-	-
Other comprehensive income that are or may be reclassified to profit or loss in subsequent periods:				
Deferred tax charge/(reversal) on changes in fair value of cash flow hedge	12,334	-	-	-
	(5,455,671)	(15,400)	(454,542)	6,209

Tax recognised directly in equity excludes, the Group's share of tax expense of the equity-accounted investees recognised directly in equity.

17 EARNINGS PER SHARE

Accounting Policy

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the Profit or Loss attributable to ordinary shareholders of the Parent Company by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share is determined by adjusting the Profit or Loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, for the effects of all dilutive potential ordinary shares.

17.1 Basic earnings per share

The calculation of basic earnings per share for the year is based on the profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding calculated as follows;

For the year ended 31 March	Note	Group		Company	
		2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Profit attributable to equity holders of the Company					
Continuing operations		54,072,230	29,914,527	54,072,230	29,914,467
Discontinued operations		(4,360,680)	[60]	(4,360,680)	-
Profit attributable to ordinary equity holders of the parent for basic earnings		49,711,550	29,914,467	49,711,550	29,914,467
Weighted average number of ordinary shares	17.2	475,200	475,200	475,200	475,200
Earnings per share					
Basic, profit for the year attributable to ordinary equity holders of the parent		104.61	62.95	104.61	62.95
Diluted, profit for the year attributable to ordinary equity holders of the parent		104.61	62.95	104.61	62.95
Earnings per share for continuing operations					
Basic, profit for the year attributable to ordinary equity holders of the parent		113.79	62.95	113.79	62.95
Diluted, profit for the year attributable to ordinary equity holders of the parent		113.79	62.95	113.79	62.95
Earnings/[loss] per share for discontinued operations					
Basic, profit from continuing operations attributable to ordinary equity holders of the parent		(9.18)	-	(9.18)	-
Diluted, profit from continuing operations attributable to ordinary equity holders of the parent		(9.18)	-	(9.18)	-

Notes to the Financial Statements

17.2 Weighted average number of ordinary shares

For the year ended 31 March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Balance as at 01 April	475,200	475,200	475,200	475,200
Movement during the period	-	-	-	-
Balance as at 31 March	475,200	475,200	475,200	475,200

17.3 Diluted earnings per share

There were no potential dilutive ordinary shares outstanding at any time during the year or previous year. Therefore, not presented.

18 CASH AND CASH EQUIVALENTS

Accounting Policy	
Cash and cash equivalents include cash in hand, demand placements with banks and loans at call/short notice and highly liquid financial assets with original maturities within three months or less from the date of acquisition. These are subject to an insignificant risk of changes in fair value and are used by the Group in the management of its short-term commitments. These items are brought to Financial Statements at face values or the gross values, where appropriate. There were no cash and cash equivalents held by the Group companies that were not available for use by the Group.	
Cash and cash equivalents are carried at amortised cost in the Statement of Financial Position.	
The maturity analysis of cash and cash equivalents is given in Note 54.1 on pages 306 to 307.	

18.1 Cash and short term deposits

As at 31 March	Note	Group		Company	
		2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Cash in hand – local currency		9,121,592	9,134,874	66,609	108,375
Cash in hand – foreign currency		2,460,384	2,582,544	-	-
Balances with local banks		83,749,493	73,602,356	1,874,668	2,058,998
Balances with foreign banks		14,231,250	18,031,971	-	-
Other instruments which are less than 3 months maturity		2,484,774	5,882,105	-	-
Less: Expected credit loss/impairment allowance	18.3	(434,523)	(370,534)	-	-
Cash and short term deposits		111,612,970	108,863,315	1,941,277	2,167,372

18.2 Unfavourable bank balances used for cash management purposes

As at 31 March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Bank overdrafts	(31,394,589)	(10,260,478)	(14,131,496)	(2,617,078)
Net cash and cash equivalents as in cash flow statement	80,218,381	98,602,837	(12,190,219)	(449,706)

18.3 Movement in provision for impairment during the year

For the year ended 31 March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Movement in Stage 1 Impairment				
Balance as at April 01,	370,534	219,092	-	-
Charge/[write back] to the Income Statement	78,383	189,288	-	-
Net (writeoff)/recoveries during the year	(1,589)	-	-	-
Exchange Translation Difference	(12,805)	(37,846)	-	-
Balance as at March 31,	434,523	370,534	-	-

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits and other instruments are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates

The Group has pledged a part of its short-term deposits to fulfil collateral requirements. Refer to Note 48 for further details.

19 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OF LOSS

Accounting Policy	
This includes financial assets that are held for trading purposes. The financial assets are classified as held for trading if:	
<ul style="list-style-type: none"> - They are acquired principally for the purpose of selling or repurchasing in the near term; or - They are held as part of portfolio that is managed together for short-term profit or position taking; or - They form part of derivative financial instruments entered into by the Group that are not financial guaranteed contracts or designated as hedging instruments in effective hedging relationships. 	
Financial assets held for trading are measured at fair value through profit or loss in the Statement of Financial Position. Interest and dividend income are recorded in "Interest Income" and "Net Gains/[(Losses)] from Trading" respectively in the Income Statement, according to the terms of the contract, or when the right to receive the payment has been established.	
Financial assets held for trading include instruments such as Government and other debt securities and equity instruments that have been acquired principally for the purpose of selling or repurchasing in the near term.	
Further as per SLFRS 9, financial assets recognised through profit or loss includes all financial assets other than those classified under fair value through other comprehensive income and amortised cost.	
The maturity analysis of financial assets recognised through profit or loss is given in Note 54.1 on pages 306 to 307	

As at 31 March	Note	Group		Company	
		2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Debt Securities					
Corporate securities	19.1	19,002,361	16,252,992	-	-
Government securities	19.2	14,292,784	1,992,839	-	-
		33,295,145	18,245,831	-	-
Equity securities	19.3	13,001,111	6,247,282	20	22
Derivative assets held for risk management	19.4	691,399	994,432	-	-
		46,987,655	25,487,545	20	22

Notes to the Financial Statements

19.1 Corporate securities

As at 31 March	Group					
	2025			2024		
	No. of Units	Cost Rs.'000	Fair Value Rs.'000	No. of Units	Cost Rs.'000	Fair Value Rs.'000
Investments in unit trusts	205,116,595	17,650,000	18,535,001	176,038,700	15,509,943	16,252,992
Investment in mutual funds	4,367,843	467,360	467,360	-	-	-
		18,117,360	19,002,361		15,509,943	16,252,992

As at 31 March	Company					
	2025			2024		
	No. of Units	Cost Rs.'000	Fair Value Rs.'000	No. of Units	Cost Rs.'000	Fair Value Rs.'000
Investments in unit trusts	-	-	-	-	-	-
		-	-		-	-

19.2 Government securities

As at 31 March	Group			
	2025		2024	
	Cost Rs. '000	Fair Value Rs. '000	Cost Rs. '000	Fair Value Rs. '000
Investments in treasury bills	9,850	54,277	8,000	9,850
Investments in treasury bonds	10,383,957	14,238,507	1,965,103	1,982,989
	10,393,807	14,292,784	1,973,103	1,992,839

19.3 Equity securities

Details of the equity trading portfolio

As at 31 March	Company					
	2025			2024		
	No. of Shares	Cost Rs.'000	Fair Value Rs.'000	No. of Shares	Cost Rs.'000	Fair Value Rs.'000
Power & Energy						
Laugfs Gas PLC	1,500	28	20	1,500	28	22
		28	20		28	22

As at 31 March	Group					
	2025			2024		
	No. of Shares	Cost Rs.'000	Fair Value Rs.'000	No. of Shares	Cost Rs.'000	Fair Value Rs.'000
Banking, Finance & Insurance						
DFCC Bank PLC	1,155,465	10,368	122,737	43,270,329	2,204,592	3,333,488
Pan Asia Bank PLC	298,698	4,500	10,533	296,698	4,500	6,320
Commercial Bank of Ceylon PLC	361,786	53,809	53,181	11,556	840	1,061
Merchant Bank of Sri Lanka	5,000	80	31	5,000	80	26
Nations Trust Bank PLC	20,178	1,528	3,844	19,490	1,528	2,138
Sampath Bank PLC	7,381	470	853	7,381	470	590
Union Bank of Colombo PLC	700	18	7	700	18	7
Nation Lanka Finance PLC	262,327	1,102	61	262,327	1,102	105
Vallibel Finance PLC	90,400	249	4,891	90,400	249	3,526
Peoples Leasing & Finance PLC	205,907	2,443	3,748	195,156	2,443	2,265
Softlogic Finance PLC	23,900	1,234	127	23,900	1,234	136
Beverage Food & Tobacco						
Raigam Wayamba Salterns PLC	26,200	66	223	26,200	66	178
Renuka Agri Foods PLC	172,675	791	604	172,675	791	639
Chemical & Pharmaceuticals						
Chemical Industries Colombo PLC	36	-	3	36	-	2
Construction & Engineering						
Colombo Dockyard PLC	600	107	46	600	107	29
Swisstek (Ceylon) PLC	51,790	602	2,501	51,790	602	989
Access Engineering PLC	10,000	270	396	10,000	270	226
Diversified Holding						
Expolanka Holdings PLC	-	-	-	91,843	1,212	16,991
Hayleys PLC	1,050	40	144	287,050	11,319	23,567
John Keells Holdings PLC	3,820	32	77	348	26	68
Investment Trust						
Ambeon Holdings PLC	100	1	8	100	1	4
Land & Property						
C T Land Development PLC	22,222	539	724	22,222	539	497
Overseas Realty (Ceylon) PLC	-	-	-	18,862,530	271,816	317,603
Cargo Boat Development Company PLC	300	36	36	300	36	36
Manufacturing						
ACL Cables PLC	55,160	1,653	6,840	55,160	1,653	4,639
Piramal Glass Ceylon PLC	148,400	625	5,220	148,400	625	4,248
Motors						
Lanka Ashok Leyland PLC	100	293	95	100	293	69
United Motors Lanka PLC	5,000	495	448	5,000	495	290
Hotels & Resorts						
Aitken Spence Hotel Holdings PLC	3,800	403	304	3,800	403	252
Hospitals						
The Lanka Hospitals Corporation PLC	10,000	503	770	10,000	503	1,160
Power & Energy						
Laufgs Gas PLC	23,000	826	426	23,000	826	557
Plantations						
Malwatte Valley Plantations PLC	600	12	33	600	12	36
Transportation						
Digital Mobility Lanka PLC	31,110,782	1,890,898	2,274,198	26,417,846	133,457	1,890,898
Designated equity investment at Fair Value						
Wealth Trust Securities Limited	3,156,480	250,000	557,346	3,156,480	250,000	634,642
Patronus Wealth Holdings (Mauritius) Limited	1,333,562	9,950,656	9,950,656	-	-	-
		12,174,649	13,001,111		2,892,108	6,247,282

Notes to the Financial Statements

Government securities

Government securities consist of treasury bills and treasury bonds held for trading purposes which are measured at fair value through profit or loss and Sri Lanka development bonds which are measured at amortised cost using the effective interest rate.

Bank deposits

Bank deposits include fixed and call deposits which are measured at amortised cost using the effective interest rate. These financial assets are expected to be recovered through contractual cash flows.

19.4 Derivative assets held for risk management

Accounting Policy

Accounting for Derivative Financial Instruments

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at their fair value. Fair values are obtained from quoted market prices in active markets. All derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Hedge Accounting

The Group holds derivative financial instruments to hedge its foreign currency risk exposure. On initial designation of derivative as hedge instrument, the Group documents the relationship between the hedging instruments and the hedged items, its risk management objective and its strategy for undertaking the hedge.

Group treasury is also required to documented assessments, both at hedge inception and on an on-going basis, of whether or not the hedging instruments, primarily forward rate contracts, that are used in hedging transactions are highly effective in offsetting the changes attributable to the hedged risks in the fair values or cash flows of the hedged items.

Cash Flow Hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges as recognised in other comprehensive income and presented in the hedging reserve in equity. Any gain or loss in fair value relating to an ineffective portion is recognised immediately in the Profit or Loss during that period. The accumulated gains and losses recognised in other comprehensive income are reclassified to the statement of profit or loss in the periods in which the hedged item will affect Profit or Loss.

If the hedge instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, or the designation is revoked, then hedge accounting is discontinued prospectively. In such a case, the cumulative gain or loss on the hedging instrument that has been recognised in other comprehensive income from the period when the hedge was effective shall remain separately in equity until the forecasted transaction occurs.

Hedge Effectiveness Testing

To qualify for hedge accounting, at the inception of the hedge and throughout its life, each hedge must be expected to be highly effective and demonstrate actual effectiveness on an on-going basis. The documentation of each hedging relationship sets out how the effectiveness of the hedge is assessed.

For establish effectiveness, the hedging instrument is expected to be highly effective in offsetting changes in cash flows attributable to the hedged risk during the period for which the hedge is designated. For actual effectiveness to be achieved, the changes in cash flows must offset each other within the range of 80% to 125%. In evaluating the hedge effectiveness, the entity takes into account the future forward currency contracts and evaluates the effectiveness of the hedge by taking into consideration the total period of the hedged item. The ineffective portion of the derivative portion will be recognised immediately in Statement of Comprehensive Income.

Derivatives that do not qualify for Hedge Accounting

All gains and losses from changes in the fair values of derivatives that do not qualify for hedge accounting are recognised immediately in the Profit or Loss.

As at 31 March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Currency swaps				
Sales	684,900	994,432	-	-
Purchases	-	-	-	-
Forward rate contracts				
Sales	-	-	-	-
Purchases	6,499	-	-	-
Total	691,399	994,432	-	-

Hedge Accounting

The Group entered in to forward exchange contracts in order to hedge the risk of variability in functional currency equivalent cash flows associated with the foreign currency- denominated loan. The forward contract is designated as a hedge of the changes in the cash flows relating to the changes in foreign currency rates relating to the loans.

Details	Description of the Hedge
Hedge Instruments	Forward foreign exchange contracts
Hedge Items	Foreign currency denominated borrowings

The fair value of derivatives designated as cash flow hedges are as follows:

As at 31 March	Group			
	2025		2024	
	Assets Rs. '000	Liabilities Rs. '000	Assets Rs. '000	Liabilities Rs. '000
Forward rate contracts	6,499	[1,938]	-	-
Notional amount	375,505	490,333	-	-

As at 31 March	Company			
	2025		2024	
	Assets Rs. '000	Liabilities Rs. '000	Assets Rs. '000	Liabilities Rs. '000
Forward rate contracts	-	-	-	-
Notional amount	-	-	-	-

The maturity analysis of cash flows of the hedge item is given below.

For the year ended 31 March	2025		2024	
	Group Rs.'000	Company Rs.'000	Group Rs.'000	Company Rs.'000
Up to 3 Months	865,838	-	-	-
4 to 12 Months	-	-	-	-
Total	865,838	-	-	-

Notes to the Financial Statements

20 INVESTMENT SECURITIES

As at 31 March	Note	Group		Company	
		2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Financial assets measured at fair value through other comprehensive income	20.1	8,756,701	55,672,137	536,101	415,725
Financial assets measured at amortised cost	20.2	132,135,185	88,493,861	44,401,684	38,841,831
		140,891,886	144,165,997	44,937,785	39,257,556

20.1 Financial assets measured at fair value through other comprehensive income

Accounting Policy
As per SLFRS 9, this comprises debt instruments measured at FVOCI and equity instruments designated at FVOCI.
Debt instruments at FVOCI
* The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
* The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
Debt instruments at FVOCI are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI. Interest income, foreign exchange gains and losses, ECL and reversals are recognised in profit or loss. On derecognition, cumulative gains or losses previously recognised in OCI are reclassified from OCI to profit or loss.
Equity instruments at FVOCI
Upon initial recognition, the Group occasionally elects to classify irrevocably some of its equity investments held for strategic purpose, as equity instruments at FVOCI when they meet the definition of Equity under LKAS 32 "Financial Instruments: Presentation" and are not held for trading. Such classification is determined on an instrument-by-instrument basis.
Gains and losses on these equity instruments are never recycled to profit or loss instead directly transferred to retained earnings at the time of derecognition. Dividends are recognised in profit or loss in "Net other operating income" when the right of the payment has been established. Equity instruments at FVOCI are not subject to an impairment assessment.
The maturity analysis of Investment Securities is given in Note 54.1 on pages 306 to 307

As at 31 March	Note	Group		Company	
		2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Corporate securities	20.1.1	69,863	2,144,945	-	-
Government securities	20.1.2	7,673,212	52,870,095	-	-
Designated FVOCI investment securities	20.1.3	335,373	346,449	105,077	105,077
Equity securities with readily determinable fair values	20.1.4	678,253	310,648	431,024	310,648
		8,756,701	55,672,137	536,101	415,725

20.1.1 Corporate securities

As at 31 March	Note	Group			
		2025		2024	
		Cost Rs. '000	Fair Value Rs. '000	Cost Rs. '000	Fair Value Rs. '000
Investments in Unit trusts		27,278	37,265	-	-
Investments in Debentures		17,960	32,598	2,118,911	2,144,945
		45,238	69,863	2,118,911	2,144,945

20.1.2 Government securities

As at 31 March	Note	Group			
		2025		2024	
		Cost Rs. '000	Fair Value Rs. '000	Cost Rs. '000	Fair Value Rs. '000
Investments in Treasury Bills		450	450	50,450	49,358
Investments in Treasury Bonds		6,497,154	7,672,762	21,029,576	52,857,180
(-) Provision for impairment	20.1.2.1	-	-	-	[36,443]
		6,497,604	7,673,212	21,080,026	52,870,095

20.1.2.1 Movement in provision for impairment during the year

	2025 Rs. '000	2024 Rs. '000
Movement in Stage 1 Impairment		
Balance as at April 01	36,443	1,530,976
Charge/(write back) to the Income Statement	-	[38]
Exchange rate variance on foreign currency provisions	[1,954]	6,054
Acquisition of Subsidiaries	-	30,364
Other adjustments	[34,489]	[1,530,913]
Balance as at March 31	-	36,443

Notes to the Financial Statements

20.1.3 Designated FVOCI investment securities

The Group designated certain investments in equity securities as fair value through other comprehensive income as listed below. This designation was chosen as the investments are expected to be held for the long-term for strategic purposes. Fair value of the investments were determined using price to book value market multiples at the reporting date.

As at 31 March	Group					
	2025			2024		
	No. of Shares	Cost Rs.'000	Fair Value Rs.'000	No. of Shares	Cost Rs.'000	Fair Value Rs.'000
Ambeon Holding PLC	18,616	37	37	18,616	37	37
Credit Bureau Investment under CMA	15,353	4,518	4,445	15,353	4,518	4,518
Credit Information Bureau Limited	510	608	608	-	-	-
Equity Investments Lanka Limited	16,875	169	169	-	-	-
Finance Houses Consortium (Private) Limited	20,000	200	400	20,000	200	200
Indo Lanka Steel Limited	200,000	6,000	6,000	200,000	6,000	6,000
Lanka Glass Manufacturing Limited	3,000,000	3,000	3,000	3,000,000	3,000	3,000
Magpek Exports Limited	250,000	1,000	1,000	250,000	1,000	1,000
ODOC Private Limited	167,058	50,002	-	167,058	50,002	8,067
Rain Forest Eco Lodge (Private) Limited	847,000	470	38,409	847,000	470	51,528
Sri Lanka Institute of Nanotechnology	9,525,450	137,500	137,500	9,525,450	137,500	137,500
Venture Frontier Lanka	1,576,459	15,765	15,765	1,576,459	15,765	15,765
Investment in Group Companies	35,075,363	3,903,047	-	36,075,363	3,596,584	-
Others	935,922,255	340,683	154,005	935,922,255	340,683	144,800
(-) Provision for impairment 20.1.3.1			[25,965]			[25,965]
		4,462,998	335,373		4,155,759	346,449

20.1.3.1 Movement in provision for impairment during the year

	2025 Rs. '000	2024 Rs. '000
Movement in Stage 1 Impairment		
Balance as at April 01,	25,965	25,965
Charge/(write back) to the Income Statement	-	-
Balance as at March 31,	25,965	25,965

As at 31 March	Company					
	2025			2024		
	No. of Shares	Cost Rs.'000	Fair Value Rs.'000	No. of Shares	Cost Rs.'000	Fair Value Rs.'000
Indo Lanka Steel Limited	200,000	6,000	6,000	200,000	6,000	6,000
Lanka Glass Manufacturing Limited	3,000,000	3,000	3,000	3,000,000	3,000	3,000
Magpek Exports Limited	250,000	1,000	1,000	250,000	1,000	1,000
Sri Lanka Institute of Nanotechnology	5,715,270	82,500	82,500	5,715,270	82,500	82,500
Venture Frontier Lanka	1,576,459	15,765	15,765	1,576,459	15,765	15,765
Other		22,577	22,577		22,577	22,577
(-) Provision for impairment 20.1.3.2			[25,765]			[25,765]
		130,842	105,077		130,842	105,077

20.1.3.2 Movement in provision for impairment during the year

	2025 Rs. '000	2024 Rs. '000
Movement in Stage 1 Impairment		
Balance as at April 01,	25,765	25,765
Charge/(write back) to the income statement	-	-
Balance as at March 31,	25,765	25,765

20.1.4 Equity securities with readily determinable fair values

As at 31 March	Group					
	2025			2024		
	No. of Shares	Cost Rs.'000	Fair Value Rs.'000	No. of Shares	Cost Rs.'000	Fair Value Rs.'000
Banking, Finance & Insurance						
The Housing Development and Finance PLC	9,707,740	451,700	431,024	9,707,740	451,700	310,648
Plantations						
Kenya Tea Packers Limited	9,656,890	247,229	247,229	-	-	-
		698,929	678,253		451,700	310,648

As at 31 March	Company					
	2025			2024		
	No. of Shares	Cost Rs.'000	Fair Value Rs.'000	No. of Shares	Cost Rs.'000	Fair Value Rs.'000
Banking, Finance & Insurance						
The Housing Development and Finance PLC	9,707,740	451,700	431,024	9,707,740	451,700	310,648
		451,700	431,024		451,700	310,648

Notes to the Financial Statements

20.2 Financial assets measured at amortised cost

Accounting Policy	
<p>"Financial assets measured at amortised cost" includes amounts due from Corporate Bonds, Government Securities and Investment in term deposits hold by the Group.</p>	
<p>As per SLFRS 9, Financial assets at amortised cost are assets that are held within a business model whose objective is to hold the assets in order to collect contractual cash flows and the contractual terms of the assets give rise on specific dates to cash flows that are solely payment of principal and interest on the principal outstanding.</p>	
<p>After initial measurement, Financial assets at amortised cost are subsequently measured at gross carrying amount using the EIR, less provision for impairment, except when the Group designates these assets at fair value through profit or loss. EIR is calculated by taking into account any discount or premium on acquisition and fees and costs. The amortisation is included in "Interest Income" while the losses arising from impairment are recognised in "Impairment charges and other losses" in the Income Statement.</p>	
<p>As per SLFRS 9, Financial assets are measured at amortised cost if it meets both of the following conditions and is not designated at FVTPL:</p> <ul style="list-style-type: none"> * 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 solely payments of principal and interest on the principal amount outstanding. 	
<p>After initial measurement, these assets are subsequently measured at amortised cost (gross carrying amount using the EIR, less provision for impairment). Amortised cost is calculated by taking into account any discount or premium on acquisition and fees and costs that are an integral part of the EIR. The amortisation is included in "Interest Income" while the losses arising from impairment are recognised in "impairment charges for loans and other losses" in the Income Statement</p>	
<p>The maturity analysis of Investment Securities is given in Note 54.1 on pages 306 to 307.</p>	

As at 31 March	Note	Group		Company	
		2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Corporate bonds	20.2.1	7,917,809	5,303,093	400,582	376,525
Government securities	20.2.2	39,212,893	15,831,014	70,061	3,136,316
Investments in term deposits	20.2.3	80,096,163	67,359,754	43,931,041	35,328,991
Reverse Repo Instruments		4,908,320	-	-	-
		132,135,185	88,493,861	44,401,684	38,841,831

20.2.1 Corporate bonds

As at 31 March	Note	Group		Company	
		2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Investment in debentures		2,234,334	1,757,151	-	-
Investment in commercial papers		5,683,475	3,545,942	400,582	376,525
Provision for impairment	20.2.1.1	-	-	-	-
		7,917,809	5,303,093	400,582	376,525

20.2.1.1 Movement in provision for impairment during the year

For the year ended 31 March		Group		Company	
		2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Movement in Stage 1 Impairment					
Balance as at April 01,		-	18,820	-	-
Charge/(write back) to the Income Statement		-	-	-	-
Exchange rate variance on foreign currency provisions		-	(598)	-	-
Disposal of subsidiary		-	(18,222)	-	-
Balance as at March 31,		-	-	-	-

20.2.2 Government securities

For the year ended 31 March	Note	Group		Company	
		2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Reverse Repo Instruments		5,405,547	6,616,004	70,061	3,136,316
Investments in Treasury Bonds		16,018,789	262,840	-	-
Investments in Treasury Bills		1,054,568	488,479	-	-
Investments in Sovereign Bonds		16,815,215	30,235,150	-	-
Provision for impairment	20.2.2.1	(81,226)	(21,771,459)	-	-
		39,212,893	15,831,014	70,061	3,136,316

When the group purchases a financial asset and simultaneously enters into an agreement to resell the asset (or a substantially similar asset) at a fixed price on a future date (reverse repo or stock borrowing), the arrangement is accounted for as a loan or advance, and the underlying asset is not recognised in the group's financial statements.

20.2.2.1 Movement in provision for impairment during the year

For the year ended 31 March		Group		Company	
		2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Movement in Stage 1 Impairment					
Balance as at April 01,		21,771,459	13,676,325	-	-
Charge/(write back) to the Income Statement		(8,061,367)	7,806,151	-	-
Exchange rate variance on foreign currency provisions		(156,489)	(1,102,568)	-	-
Transfers/ Other adjustment		(13,472,377)	1,391,551	-	-
Balance as at March 31,		81,226	21,771,459	-	-

Notes to the Financial Statements

20.2.3 Investments in term deposits

As at 31 March	Note	Group		Company	
		2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Placements		80,096,163	67,359,754	43,931,041	35,328,991
Provision for impairment	20.2.3.1	-	-	-	-
Net placements		80,096,163	67,359,754	43,931,041	35,328,991

20.2.3.1 Movement in provision for impairment during the year

	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Movement in Stage 1 Impairment				
Balance as at April 01,	-	-	-	-
Charge/(write back) to the Income Statement	-	-	-	-
Balance as at March 31,	-	-	-	-

Government securities

Government securities consist of treasury bills and treasury bonds held for liquidity management purposes which are measured at fair value through other comprehensive income and International Sovereign bonds which are measured at amortised cost using the effective interest rate.

Bank deposits

Bank deposits include fixed and call deposits which are measured at amortised cost using the effective interest rate. These financial assets are expected to be recovered through contractual cash flows.

21 FINANCIAL ASSETS AT AMORTISED COST/ FINANCE LEASE RECEIVABLES/ HIRE PURCHASES RECEIVABLES AND OPERATING LEASES

Accounting Policy
<p>A financial asset is measured at amortise cost if it meets both of the following conditions and is not designated under FVTPL,</p> <ul style="list-style-type: none"> * The asset is held within a business model whose objectives 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 solely payment of principal and interest on the principal amount outstanding. <p>Rental Receivables on Finance Leases</p> <p>Rentals receivable on leased assets are accounted for as finance leases and reflected in the statement of financial position at balance cost recoverable after eliminating unearned income and deducting pre-paid rentals, rental collections and impairment losses.</p> <p>Rental Receivables on Operating Leases</p> <p>Leases where the group as the lessor effectively retains substantially all the risk and rewards incidental to the ownership are classified as operating leases. Lease rentals from operating leases are recognised as income on a straight-line basis over the lease term.</p> <p>The maturity analysis of Financial assets at amortised cost/ Finance lease receivables and operating leases is given in Note 54.1 on pages 306 to 307.</p>

As at 31 March		Group		Company	
		2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Gross Portfolio		70,053,010	64,173,021	7,074	7,074
Stage 1		40,310,719	35,194,962	-	-
Stage 2		18,011,509	14,168,484	-	-
Stage 3		11,730,782	14,809,575	7,074	7,074
Expected credit loss		(3,388,335)	(3,914,724)	(7,074)	(7,074)
Stage 1		(122,688)	(103,264)	-	-
Stage 2		(156,334)	(105,257)	-	-
Stage 3		(3,109,313)	(3,706,203)	(7,074)	(7,074)
Net Portfolio		66,664,675	60,258,297	-	-

Analysis of net portfolio

By product

As at 31 March	Note	Group		Company	
		2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Finance lease receivables	21.1	66,583,345	60,097,589	-	-
Hire purchase receivables	21.2	13,757	11,578	-	-
Operating lease receivables	21.3	67,573	149,130	-	-
		66,664,675	60,258,297	-	-

Finance lease receivables and Operating Lease Receivables

As at 31 March	Note	Group		Company	
		2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Gross rentals receivable		91,930,254	81,885,429	-	-
Unearned finance income		(21,983,916)	(21,809,196)	-	-
Net investments in finance leases		69,946,338	60,076,233	-	-
Expected credit loss	21.1.5	(3,362,993)	(3,888,430)	-	-
Prepayments received from lessees		-	3,909,786	-	-
		66,583,345	60,097,589	-	-

21.1 Finance lease receivables

As at 31 March	Note	Group		Company	
		2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Receivables within one year	21.1.1	26,798,235	25,727,854	-	-
Receivable from one to five years	21.1.2	36,657,718	31,079,914	-	-
Receivable later than five years	21.1.3	-	-	-	-
Overdue rental receivable	21.1.4	6,490,385	7,178,250	-	-
(-) Expected credit loss	21.1.5	(3,362,993)	(3,888,430)	-	-
		66,583,345	60,097,589	-	-

Notes to the Financial Statements

21.1.1 Receivables within one year

As at 31 March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Gross rentals receivable	38,075,249	34,234,012	-	-
Unearned finance income	(11,277,014)	(8,506,158)	-	-
	26,798,235	25,727,854	-	-

21.1.2 Receivable from one to five years

As at 31 March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Gross rentals receivable	47,364,620	40,473,167	-	-
Unearned finance income	(10,706,902)	(13,303,038)	-	-
Prepayments received from lessees	-	3,909,786	-	-
	36,657,718	31,079,914	-	-

21.1.3 Receivable later than five years

As at 31 March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Gross rentals receivable	-	-	-	-
Unearned finance income	-	-	-	-
Prepayments received from lessees	-	-	-	-
	-	-	-	-

21.1.4 Overdue rental receivable

As at 31 March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Gross rentals receivable	6,490,385	7,178,250	-	-
	6,490,385	7,178,250	-	-

21.1.5 Expected credit loss

	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Balance as at 1 April	3,888,430	4,810,099	-	-
Net expected credit loss	(532,039)	(904,706)	-	-
Net write-off/(recoveries) during the year	(2,040,217)	(4,326,460)	-	-
Exchange rate variance on foreign currency provisions	[3]	[963]	-	-
Interest accrued on impaired loans and advances	184	(2,804)	-	-
Other movements/ Transfers	2,046,638	4,313,265	-	-
Balance as at 31 March	3,362,993	3,888,430	-	-

21.1.5.1 Movements in expected credit loss

	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Movements in expected credit loss				
Stage 1				
Balance as at 1 April	103,265	228,690	-	-
Charge/(Write back) to income statement	19,821	(122,173)	-	-
Net write-off/(recoveries) during the year	(101)	(36)	-	-
Exchange rate variance on foreign currency provisions	[6]	[27]	-	-
Other movements/ Transfers	(290)	(3,189)	-	-
Balance as at 31 March	122,689	103,265	-	-
Stage 2				
Balance as at 1 April	105,156	173,373	-	-
Charge/(Write back) to income statement	50,623	(61,861)	-	-
Net write-off/(recoveries) during the year	[1]	[7]	-	-
Exchange rate variance on foreign currency provisions	[2]	[17]	-	-
Other movements/ Transfers	(85)	(6,333)	-	-
Balance as at 31 March	155,691	105,156	-	-
Stage 3				
Balance as at 1 April	3,680,009	4,408,036	-	-
Charge/(Write back) to income statement	(602,484)	(720,672)	-	-
Net write-off/(recoveries) during the year	(2,040,114)	(4,326,418)	-	-
Exchange rate variance on foreign currency provisions	4	(919)	-	-
Interest accrued/(reversals) on impaired loans and advances	184	(2,804)	-	-
Other movements/ Transfers	2,047,012	4,322,787	-	-
Balance as at 31 March	3,084,611	3,680,009	-	-

Notes to the Financial Statements

21.2 Hire purchase receivables

As at 31 March	Note	Group		Company	
		2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Gross rentals receivable		32,245	31,073	-	-
Unearned finance income		[217]	[273]	-	-
Net investments in finance leases		32,028	30,800	-	-
Expected credit loss/impairment allowance	21.2.5	[18,271]	[19,222]	-	-
		13,757	11,578	-	-

As at 31 March	Note	Group		Company	
		2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Receivables within one year	21.2.1	18,466	3,975	-	-
Overdue rental receivable	21.2.4	13,562	26,825	-	-
[-] Expected credit loss/impairment allowance	21.2.5	[18,271]	[19,222]	-	-
		13,757	11,578	-	-

21.2.1 Receivables within one year

As at 31 March		Group		Company	
		2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Gross rentals receivable		18,683	4,248	-	-
Unearned finance income		[217]	[273]	-	-
		18,466	3,975	-	-

21.2.2 Receivable from one to five years

As at 31 March		Group		Company	
		2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Gross rentals receivable		-	-	-	-
Unearned finance income		-	-	-	-
Prepayments received from lessees		-	-	-	-
		-	-	-	-

21.2.3 Receivable later than five years

As at 31 March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Gross rentals receivable	-	-	-	-
Unearned finance income	-	-	-	-
Prepayments received from lessees	-	-	-	-
	-	-	-	-

21.2.4 Overdue rental receivable

As at 31 March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Gross rentals receivable	13,562	26,825	-	-
	13,562	26,825	-	-

21.2.5 Expected credit loss/impairment allowance

As at 31 March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Balance as at 1 April	19,222	17,391	-	-
Net expected credit loss/impairment during the year	6,088	13	-	-
Net write-off/(recoveries) during the year	(53)	750	-	-
Exchange rate variance on foreign currency provisions	205	(1,318)	-	-
Acquisition of Subsidiaries	(7,191)	2,386	-	-
Balance as at 31 March	18,271	19,222	-	-

Notes to the Financial Statements

21.2.5.1 Movements in expected credit loss/ Impairment allowance during the year

As at 31 March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Movement in provision for impairment				
Stage 1				
Balance as at 1 April	-	-	-	-
Charge/(Write back) to income statement	-	-	-	-
Net write-off/(recoveries) during the year	-	-	-	-
Exchange rate variance on foreign currency provisions	-	-	-	-
Interest accrued/(reversals) on impaired loans and advances	-	-	-	-
Other movements/ Transfers	-	-	-	-
Acquisition of Subsidiaries	-	-	-	-
Disposal of Subsidiaries	-	-	-	-
Balance as at 31 March	-	-	-	-
Stage 2				
Balance as at 1 April	101	164	-	-
Charge/(Write back) to income statement	542	(50)	-	-
Net write-off/(recoveries) during the year	-	-	-	-
Exchange rate variance on foreign currency provisions	-	(13)	-	-
Interest accrued/(reversals) on impaired loans and advances	-	-	-	-
Other movements/ Transfers	-	-	-	-
Acquisition of Subsidiaries	-	-	-	-
Disposal of Subsidiaries	-	-	-	-
Balance as at 31 March	643	101	-	-
Stage 3				
Balance as at 1 April	19,121	17,226	-	-
Charge/(Write back) to income statement	5,546	64	-	-
Net write-off/(recoveries) during the year	(53)	750	-	-
Exchange rate variance on foreign currency provisions	205	(1,304)	-	-
Interest accrued/(reversals) on impaired loans and advances	-	-	-	-
Other movements/ Transfers	(7,191)	2,386	-	-
Acquisition of Subsidiaries	-	-	-	-
Disposal of Subsidiaries	-	-	-	-
Balance as at 31 March	17,628	19,121	-	-

21.3 Operating lease receivables

As at 31 March	Note	Group		Company	
		2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Gross rentals receivable		1,661,562	1,371,218	7,074	7,074
Unearned finance income		(1,586,915)	(1,211,693)	-	-
Net investments in finance leases		74,647	159,525	7,074	7,074
(-) Expected credit loss	21.3.5	(7,074)	(7,074)	(7,074)	(7,074)
Prepayments received from lessees		-	(3,321)	-	-
Balance as at 31 March		67,573	149,130	-	-

As at 31 March	Note	Group		Company	
		2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Receivables within one year	21.3.1	67,573	(200)	-	-
Receivable from one to five years	21.3.2	-	-	-	-
Receivable later than five years	21.3.3	-	(3,321)	-	-
Overdue rental receivable	21.3.4	7,074	159,725	7,074	7,074
(-) Expected credit loss	21.3.5	(7,074)	(7,074)	(7,074)	(7,074)
		67,573	149,130	-	-

21.3.1 Receivables within one year

As at 31 March		Group		Company	
		2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Gross rentals receivable		1,654,488	1,211,493	-	-
Unearned finance income		(1,586,915)	(1,211,693)	-	-
		67,573	(200)	-	-

21.3.2 Receivable from one to five years

As at 31 March		Group		Company	
		2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Gross rentals receivable		-	-	-	-
Unearned finance income		-	-	-	-
Prepayments received from lessees		-	-	-	-
		-	-	-	-

Notes to the Financial Statements

21.3.3 Receivable later than five years

As at 31 March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Gross rentals receivable	-	-	-	-
Unearned finance income	-	-	-	-
Prepayments received from lessees	-	(3,321)	-	-
	-	(3,321)	-	-

21.3.4 Overdue rental receivable

As at 31 March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Gross rentals receivable	7,074	159,725	7,074	7,074
Unearned finance income	-	-	-	-
	7,074	159,725	7,074	7,074

21.3.5 Expected credit loss

For the year ended 31 March	Note	Group		Company	
		2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Balance as at 1 April	21.3.5.1	7,074	7,593	7,074	7,593
Net expected credit loss		-	(519)	-	(519)
Net write-off/(recoveries) during the year		-	-	-	-
Exchange rate variance on foreign currency provisions		-	-	-	-
Interest accrued on impaired loans and advances		-	-	-	-
Other movements/ Transfers		-	-	-	-
Acquisition of Subsidiaries		-	-	-	-
Disposal of Subsidiaries		-	-	-	-
Balance as at 31 March		7,074	7,074	7,074	7,074

Movements in expected credit loss

For the year ended 31 March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000

21.3.5.1 Movement in provision for impairment (under SLFRS 09)

Stage 3					
Balance as at 1 April	7,074	7,593	7,074	7,593	
Charge/(Write back) to income statement	-	(519)	-	(519)	
Net write-off/(recoveries) during the year	-	-	-	-	
Exchange rate variance on foreign currency provisions	-	-	-	-	
Interest accrued/(reversals) on impaired loans and advances	-	-	-	-	
Other movements/ Transfers	-	-	-	-	
Acquisition of Subsidiaries	-	-	-	-	
Disposal of Subsidiaries	-	-	-	-	
Balance as at 31 March	7,074	7,074	7,074	7,074	

21.4 Total finance lease, hire purchase and operating leases receivables

As at 31 March	Note	Group		Company	
		2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Gross rentals receivable		93,624,058	83,287,718	7,074	7,074
Unearned finance income		(23,571,048)	(23,021,162)	-	-
Net investments in finance leases		70,053,010	60,266,556	7,074	7,074
Expected credit loss	21.4.5	(3,388,335)	(3,914,724)	(7,074)	(7,074)
Prepayments received from lessees		-	3,906,465	-	-
Balance as at 31 March		66,664,675	60,258,297	-	-

Total finance lease, hire purchase and operating leases receivables

As at 31 March	Note	Group		Company	
		2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Receivables within one year	21.4.1	26,884,274	25,731,629	-	-
Receivable from one to five years	21.4.2	36,657,718	31,079,914	-	-
Receivable later than five years	21.4.3	-	(3,321)	-	-
Overdue rental receivable	21.4.4	6,511,018	7,364,799	7,074	7,074
(-) Expected credit loss	21.4.5	(3,388,335)	(3,914,724)	(7,074)	(7,074)
		66,664,675	60,258,297	-	-

Notes to the Financial Statements

21.4.1 Receivables within one year

As at 31 March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Gross rentals receivable	39,748,420	35,449,753	-	-
Unearned finance income	(12,864,146)	(9,718,124)	-	-
	26,884,274	25,731,629	-	-

21.4.2 Receivable from one to five years

As at 31 March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Gross rentals receivable	47,364,620	40,473,167	-	-
Unearned finance income	(10,706,902)	(13,303,038)	-	-
Prepayments received from lessees	-	3,909,786	-	-
	36,657,718	31,079,914	-	-

21.4.3 Receivable later than five years

As at 31 March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Gross rentals receivable	-	-	-	-
Unearned finance income	-	-	-	-
Prepayments received from lessees	-	(3,321)	-	-
	-	(3,321)	-	-

21.4.4 Overdue rental receivable

As at 31 March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Gross rentals receivable	6,511,018	7,364,799	7,074	7,074
Unearned finance income	-	-	-	-
	6,511,018	7,364,799	7,074	7,074

21.4.5 Expected credit loss

For the year ended 31 March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Balance as at 1 April	3,914,724	4,835,081	7,074	7,593
Net expected credit loss	(525,952)	(905,212)	-	(519)
Net write-off/(recoveries) during the year	(2,040,269)	(4,325,710)	-	-
Exchange rate variance on foreign currency provisions	201	(2,281)	-	-
Interest accrued on impaired loans and advances	184	(2,804)	-	-
Other movements/ Transfers	2,039,447	4,313,265	-	-
Acquisition of Subsidiaries	-	2,386	-	-
Balance as at 31 March	3,388,335	3,914,724	7,074	7,074

21.4.5.1 Movements in expected credit loss

For the year ended 31 March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Movements in expected credit loss				
Stage 1				
Balance as at 1 April	103,264	228,689	-	-
Charge/(Write back) to income statement	19,821	(122,173)	-	-
Net write-off/(recoveries) during the year	(101)	(36)	-	-
Exchange rate variance on foreign currency provisions	(6)	(27)	-	-
Other movements/ Transfers	(290)	(3,189)	-	-
Acquisition of Subsidiaries	-	-	-	-
Balance as at 31 March	122,688	103,264	-	-
Stage 2				
Balance as at 1 April	105,257	173,537	-	-
Charge/(Write back) to income statement	51,165	(61,911)	-	-
Net write-off/(recoveries) during the year	(1)	(7)	-	-
Exchange rate variance on foreign currency provisions	(2)	(30)	-	-
Other movements/ Transfers	(85)	(6,333)	-	-
Acquisition of Subsidiaries	-	-	-	-
Balance as at 31 March	156,334	105,257	-	-
Stage 3				
Balance as at 1 April	3,706,203	4,432,855	7,074	7,593
Charge/(Write back) to income statement	(596,938)	(721,128)	-	(519)
Net write-off/(recoveries) during the year	(2,040,167)	(4,325,668)	-	-
Exchange rate variance on foreign currency provisions	209	(2,224)	-	-
Interest accrued/(reversals) on impaired loans and advances	184	(2,804)	-	-
Other movements/ Transfers	2,039,822	4,322,787	-	-
Acquisition of Subsidiaries	-	2,386	-	-
Balance as at 31 March	3,109,313	3,706,203	7,074	7,074

Notes to the Financial Statements

21.5 Analysis of gross portfolio receivables by currency

For the year ended 31 March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Sri Lankan Rupee	63,230,061	63,217,120	7,074	7,074
United States Dollar	16,006	12,494	-	-
Others	6,806,943	943,407	-	-
Gross loans and receivables	70,053,010	64,173,021	7,074	7,074

21.6 Concentration by Sector

21.6.1 Lending portfolio

As at 31 March	Finance lease and operating leases	Expected credit loss	Total	Finance lease and operating leases	Expected credit loss	Total
	2025			2024		
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Group						
Industry category						
Agriculture and fishing	24,598,130	(489,433)	24,108,696	21,661,301	(624,086)	21,037,215
Arts, entertainment and recreation	163,454	(5,361)	158,093	-	-	-
Construction	7,113,019	(155,796)	6,957,223	3,300,313	(179,229)	3,121,084
Education	677,149	(18,220)	658,929	652,849	(22,035)	630,814
Financial services	509,559	(33,462)	476,097	1,077,413	(82,082)	995,331
Healthcare, social services and support services	6,423,206	(1,735,063)	4,688,144	9,296,370	(1,167,056)	8,129,315
Information technology and communication services	305,471	(9,817)	295,653	127,992	(5,094)	122,898
Manufacturing	3,529,194	(170,283)	3,358,912	4,389,520	(351,591)	4,037,929
Professional, scientific and technical activities	1,185,357	(43,735)	1,141,621	575,901	(32,766)	543,135
Tourism	860,854	(25,747)	835,108	578,394	(25,026)	553,369
Consumption	-	-	-	2,799,948	(117,210)	2,682,738
Transport and storage	14,807,702	(457,224)	14,350,478	13,833,171	(1,033,542)	12,799,630
Wholesale and retail trade	7,326,631	(204,371)	7,122,260	5,872,776	(267,936)	5,604,840
Others	2,553,284	(39,823)	2,513,461	7,074	(7,074)	-
	70,053,010	(3,388,335)	66,664,675	64,173,021	(3,914,724)	60,258,297
Company						
Others	7,074	(7,074)	-	7,074	(7,074)	-
	7,074	(7,074)	-	7,074	(7,074)	-

22 FINANCIAL ASSETS AT AMORTISED COST/ ADVANCES AND OTHER LOANS

Accounting Policy

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated under FVTPL,

- * 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 solely payment of principal and interest on the principal amount outstanding.

Advances and Other Loans to Customers

Advances and other loans to customers comprised of revolving loans, loans with fixed installments, factoring and gold loans. Revolving loans to customers are reflected in the statement of financial position at amounts disbursed less repayments and allowance for impairment losses. Loans to customers with fixed installments are stated in the statement of financial position net of possible loan losses and net of interest, which is not accrued to revenue.

Gold Loans

The Group provides gold loan facilities with different maturities which are less than one year. The amounts receivable from Gold loans are included in the advances and other loans at the amounts expected to be recovered.

The maturity analysis of Financial assets at amortised cost/ Advances and Other Loans is given in Note 54.1 on pages 306 to 307.

As at 31 March	Note	Group		Company	
		2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Gross Portfolio		797,646,763	704,332,995	92,871,873	71,832,622
Stage 01		512,846,926	527,837,154	-	-
Stage 02		104,770,436	44,759,998	-	-
Stage 03		180,029,401	131,735,842	92,871,873	71,832,622
Expected credit loss		(46,225,484)	(30,096,643)	(18,152)	(18,152)
Stage 1		(2,343,099)	(3,105,238)	-	-
Stage 2		(3,341,672)	(2,407,087)	-	-
Stage 3		(40,540,713)	(24,584,318)	(18,152)	(18,152)
Provision for individually significant impairment		-	-	-	-
Provision for individually non-significant impairment		-	-	-	-
Net Portfolio		751,421,279	674,236,352	92,853,721	71,814,470
Analysis of gross portfolio					
By product					
Advances and loans	22.1	704,535,303	639,233,339	92,853,721	71,814,470
Factoring receivables	22.2	5,125,381	6,229,637	-	-
Gold loan advances receivables	22.3	41,760,595	28,773,376	-	-
		751,421,279	674,236,352	92,853,721	71,814,470

Notes to the Financial Statements

22.1 Rentals receivable on Advances and Loans

For the year ended 31 March	Note	Group		Company	
		2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Rentals receivable on loans to customers		646,138,578	615,196,110	92,791,043	71,733,322
Capital outstanding of revolving loans		48,500,541	29,188,806	-	-
Gross rental receivables		694,639,119	644,384,916	92,791,043	71,733,322
Future interest		(27,944,326)	(22,010,731)	-	-
Net rental receivables		666,694,793	622,374,186	92,791,043	71,733,322
Overdue loan instalments		73,770,134	38,377,198	80,830	99,300
Expected credit loss	22.1.1	(35,929,624)	(21,518,046)	(18,152)	(18,152)
		704,535,303	639,233,338	92,853,721	71,814,470

22.1.1 Expected credit loss

For the year ended 31 March		Group		Company	
		2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Balance as at 1 April		21,518,046	24,511,552	18,152	18,806
Net expected credit loss from continuing operations		21,433,509	7,536,353	-	(654)
Net write-off/(recoveries) during the year		(7,642,358)	(10,665,601)	-	-
Exchange rate variance on foreign currency provisions		(1,051,192)	(1,643,272)	-	-
Interest accrued on impaired loans and advances		867,065	(212,023)	-	-
Acquisition of Subsidiaries		-	412,388	-	-
Other movements/ Transfers		2,002,900	3,529,494	-	-
Financial assets derecognised or repaid (excluding write-offs)		(1,198,346)	(1,950,846)	-	-
Balance as at 31 March		35,929,624	21,518,046	18,152	18,152

22.1.1.1 Movements in expected credit loss

As at 31 March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Movements in expected credit loss				
Stage 1				
Balance as at 1 April	2,850,482	4,802,339	-	-
Charge/(write back) to income statement from continuing operations	2,476,087	[708,712]	-	-
Net write-off/(recoveries) during the year	[300,736]	[127,790]	-	-
Exchange rate variance on foreign currency provisions	[800,304]	[114,898]	-	-
Other movements/ Transfers	[1,125,565]	[80,696]	-	-
Acquisition of subsidiaries	-	407,326	-	-
Financial assets derecognised or repaid [excluding write-offs]	[820,236]	[1,327,087]	-	-
Balance as at 31 March	2,279,728	2,850,482	-	-
Stage 2				
Balance as at 1 April	2,383,499	2,118,758	-	-
Charge/(write back) to income statement from continuing operations	2,025,404	1,244,615	-	-
Net write-off/(recoveries) during the year	[66,180]	[671,810]	-	-
Exchange rate variance on foreign currency provisions	[34,300]	[192,067]	-	-
Other movements/ Transfers	[793,652]	124,636	-	-
Financial assets derecognised or repaid [excluding write-offs]	[191,390]	[240,633]	-	-
Balance as at 31 March	3,323,381	2,383,499	-	-
Stage 3				
Balance as at 1 April	16,284,065	17,590,455	18,152	18,806
Charge/(write back) to income statement from continuing operations	16,932,018	7,000,449	-	[654]
Net write-off/(recoveries) during the year	[7,275,442]	[9,866,000]	-	-
Exchange rate variance on foreign currency provisions	[216,588]	[1,336,307]	-	-
Interest accrued/(reversals) on impaired loans and advances	867,065	[212,023]	-	-
Other movements/ Transfers	3,922,117	3,485,554	-	-
Acquisition of subsidiaries	-	5,062	-	-
Financial assets derecognised or repaid [excluding write-offs]	[186,720]	[383,126]	-	-
Balance as at 31 March	30,326,515	16,284,065	18,152	18,152

Notes to the Financial Statements

22.2 Factoring receivables

As at 31 March	Note	Group		Company	
		2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Factoring receivables		15,321,355	14,689,419	-	-
(-) Expected credit loss	22.2.1	(10,195,974)	(8,459,782)	-	-
		5,125,381	6,229,637	-	-

22.2.1 Expected credit loss

For the year ended 31 March		Group		Company	
		2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Balance as at 1 April		8,459,782	7,057,444	-	-
Net expected credit loss		1,736,192	1,402,338	-	-
Net write-off/(recoveries) during the year		-	(12,232)	-	-
Other movements/ Transfers		-	12,232	-	-
Balance as at 31 March		10,195,974	8,459,782	-	-

22.2.1.1 Movements in expected credit loss

For the year ended 31 March		Group		Company	
		2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Movements in expected credit loss					
Stage 1					
Balance as at 1 April		235,478	416,985	-	-
Charge/(Write back) to income statement		(161,705)	(181,507)	-	-
Other movements/transfers		(31,283)	-	-	-
Balance as at 31 March		42,490	235,478	-	-
Stage 2					
Balance as at 1 April		344	3,348	-	-
Charge/(Write back) to income statement		(5,540)	(3,004)	-	-
Other movements/transfers		5,415	-	-	-
Balance as at 31 March		219	344	-	-
Stage 3					
Balance as at 1 April		8,223,960	6,637,111	-	-
Charge/(Write back) to income statement		1,903,437	1,586,849	-	-
Net write-off/(recoveries) during the year		-	(12,232)	-	-
Other movements/transfers		25,868	12,232	-	-
Balance as at 31 March		10,153,265	8,223,960	-	-

22.3 Gold loan advances receivables

As at 31 March	Note	Group		Company	
		2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Gross receivables		41,860,482	28,892,189	-	-
Expected credit loss	22.3.1	(99,887)	(118,813)	-	-
Balance as at 31 March		41,760,595	28,773,376	-	-

22.3.1 Expected credit loss

For the year ended 31 March		Group		Company	
		2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Balance as at 1 April		118,813	255,330	-	-
Net expected credit loss		(18,926)	(136,517)	-	-
Net write-off/(recoveries) during the year		(4,096)	(286,472)	-	-
Other movements/ Transfers		4,096	286,472	-	-
Balance as at 31 March		99,887	118,813	-	-

22.3.1.1 Movements in expected credit loss

		Group		Company	
		2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Movements in expected credit loss					
Stage 1					
Balance as at 1 April		19,277	33,581	-	-
Charge/(Write back) to income statement		1,604	(14,304)	-	-
Balance as at 31 March		20,881	19,277	-	-
Stage 2					
Balance as at 1 April		23,243	54,316	-	-
Charge/(Write back) to income statement		(5,171)	(31,073)	-	-
Balance as at 31 March		18,072	23,243	-	-
Stage 3					
Balance as at 1 April		76,292	167,432	-	-
Charge/(Write back) to income statement		(15,359)	(91,140)	-	-
Net write-off/(recoveries) during the year		(4,096)	(286,472)	-	-
Other movements/ Transfers		4,096	286,472	-	-
Balance as at 31 March		60,933	76,292	-	-

Notes to the Financial Statements

22.4 Analysis of gross advance and other loans receivables by currency

As at 31 March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Sri Lankan Rupee	284,714,487	229,346,818	91,305,503	70,599,334
United States Dollar	269,187,151	258,453,123	1,566,370	1,233,288
Cambodian Riel	125,974,262	117,313,749	-	-
Pakistani Rupee	5,379,096	4,431,954	-	-
Myanmar Kyat	44,730,467	35,796,676	-	-
Indonesian Rupiah	6,205,452	5,499,448	-	-
Egyptian Pound	1,649,047	2,259,733	-	-
Indian Rupee	157,567	-	-	-
Nigerian Naira	797,188	658,910	-	-
Philippine Peso	7,469,552	6,781,710	-	-
Zambian Kawacha	6,909,749	5,295,104	-	-
Others	44,472,745	38,495,770	-	-
Gross loans and receivables	797,646,763	704,332,995	92,871,873	71,832,622

22.5 Maturities of the total advances and other loans

As at 31 March	Group					
	Advances and loans	Factoring receivables	Pawning advances	Advances and loans	Factoring receivables	Pawning advances
	2025			2024		
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Receivables within one year	241,964,541	15,321,353	41,860,484	147,740,692	6,426,464	28,892,189
Receivable from one to five years	337,601,277	-	-	316,190,319	-	-
Receivable later than five years	87,128,974	-	-	146,741,628	-	-
Overdue rental receivable	73,770,134	-	-	47,579,009	-	-
Less: Expected credit loss	(35,929,623)	(10,195,972)	(99,889)	(19,018,309)	(196,827)	(118,813)
	704,535,303	5,125,381	41,760,595	639,233,336	6,229,637	28,773,376

As at 31 March	Company					
	Advances and loans	Factoring receivables	Pawning advances	Advances and loans	Factoring receivables	Pawning advances
	2025			2024		
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Receivables within one year	92,787,113	-	-	71,729,391	-	-
Receivable from one to five years	3,930	-	-	3,931	-	-
Receivable later than five years	-	-	-	-	-	-
Overdue rental receivable	80,830	-	-	99,300	-	-
Less: Expected credit loss	(18,152)	-	-	(18,152)	-	-
	92,853,721	-	-	71,814,470	-	-

22.6 Concentration by Sector

As at 31 March	Group					
	Gross amount	Expected credit loss	Carrying amount	Gross amount	Expected credit loss	Carrying amount
	2025			2024		
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Agriculture and fishing	139,894,466	(6,677,302)	133,217,164	142,884,171	(4,131,121)	138,753,050
Arts, entertainment and recreation	1,030,769	(20,486)	1,010,283			-
Construction	41,007,306	(1,404,966)	39,602,340	20,236,050	(1,358,789)	18,877,261
Education	6,228,576	(240,709)	5,987,867	5,533,221	(205,969)	5,327,252
Financial services	55,048,572	(225,052)	54,823,520	112,249,519	(1,554,175)	110,695,344
Healthcare, social services and support services	78,052,906	(3,279,677)	74,773,229	19,584,928	(725,931)	18,858,997
Information technology and communication services	2,378,496	(67,957)	2,310,539	1,302,027	(15,863)	1,286,164
Infrastructure development	2,620,189	(58,058)	2,562,131	130,889	(6,827)	124,062
Manufacturing	45,053,059	(1,715,650)	43,337,409	37,126,627	(1,062,298)	36,064,329
Plantation	19,504,005	(270,667)	19,233,338	4,208,025	(2,834)	4,205,191
Professional, scientific and technical activities	6,640,119	(151,836)	6,488,283	5,658,283	(444,695)	5,213,587
Tourism	7,181,035	(179,140)	7,001,895	4,228,222	(49,390)	4,178,832
Transport and storage	26,434,908	(1,026,666)	25,408,242	22,939,531	(624,039)	22,315,492
Wholesale and retail trade	304,018,767	(14,787,283)	289,231,484	220,594,373	(9,053,096)	211,541,277
Consumptions	3,576,454	(309,153)	3,267,301	60,521,922	(1,108,692)	59,413,230
Others	58,977,136	(15,810,882)	43,166,254	46,976,841	(9,748,993)	37,227,848
	797,646,763	(46,225,484)	751,421,279	704,174,628	(30,092,713)	674,081,915

As at 31 March	Company					
	Gross amount	Expected credit loss	Carrying amount	Gross amount	Expected credit loss	Carrying amount
	2025			2024		
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Financial services	43,279,266	-	43,279,266	38,430,748	-	38,430,748
Manufacturing	5,192	(1,267)	3,925	23,623	(1,243)	22,380
Plantation	2,445,959	-	2,445,959	1,759,353	-	1,759,353
Tourism	443,445	-	443,445	412,193	-	412,193
Wholesale and retail trade	34,145,095	(3,925)	34,141,170	30,325,399	(4,038)	30,321,361
Others	12,552,916	(12,961)	12,539,956	881,306	(12,871)	868,435
	92,871,873	(18,152)	92,853,721	71,832,622	(18,152)	71,814,470

Notes to the Financial Statements

23 INSURANCE PREMIUM RECEIVABLES

Accounting Policy

Insurance Sector Product Classification

Insurance contracts are those contracts when the Group (the insurer) has accepted significant insurance risk from another party (the policyholders) by agreeing to compensate the policyholders if a specified uncertain future event (the insured event) adversely affects the policyholders. As a general guideline, the Group determines whether it has significant insurance risk, by comparing benefits paid with benefits payable if the insured event did not occur.

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 expire. Investment contracts can however be reclassified as insurance contracts after inception if insurance risk becomes significant.

Reinsurance Receivable/Payable

The Group cedes insurance risk in the normal course of business for all of its businesses. Reinsurance assets represent balances due from reinsurance companies. Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provision or settled claims associated with the reinsurer's policies and are in accordance with the related reinsurance contract.

Reinsurance assets are reviewed for impairment at each reporting date or more frequently when an indication of impairment arises during the reporting year. Impairment occurs when there is objective evidence as a result of an event that occurred after initial recognition of the reinsurance asset that the Group may not receive all outstanding amounts due under the terms of the contract and the event has a reliably measurable impact on the amounts that the Group will receive from the reinsurer. The impairment loss is recorded in the comprehensive statement of profit or loss.

Ceded reinsurance arrangements do not relieve the Group from its obligations to policyholders. Reinsurance liabilities represent balances due to reinsurance companies. Amounts payable are estimated in a manner consistent with the related reinsurance contract. Premiums and claims are presented on a gross basis for both ceded and assumed reinsurance. Reinsurance assets or liabilities are derecognised when the contractual rights are extinguished or expire.

Liability Adequacy Test

At each reporting date, an assessment is made of whether the recognised 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 recognised in the statement of profit or loss by setting up an additional provision in the Statement of Financial Position.

Insurance Premium Receivables

Collectability of premiums and other debts are reviewed on an on-going basis. Policies issued on credit basis and that are known to be uncollectible are cancelled and the respective gross written premium is reversed. A provision for doubtful debts is raised when some doubt as to collection exists.

Insurance receivables are recognised when due and measured on initial recognition at the fair value of the consideration received or receivable. Subsequent to initial recognition, insurance receivables are measured at amortised cost. The carrying value of insurance receivables is reviewed for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable, with the impairment loss recorded in the comprehensive statement of profit or loss.

Insurance receivables are derecognised when the de-recognition criteria for financial assets have been met.

As at 31 March	Note	Group		Company	
		2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Insurance premium receivables		3,230,948	4,240,019	-	-
(-) Expected credit loss/impairment allowance	23.1	(242,640)	(346,805)	-	-
		2,988,308	3,893,214	-	-

Fair value of premium receivables

The carrying amount disclosed above approximates the fair value at the reporting date.

Collateral details

The company does not hold any collateral as security against potential default by policyholders or intermediaries.

23.1 Expected credit loss

	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Balance at 01 April	346,805	404,747	-	-
Provision for the period	-	-	-	-
Other Adjustments	(104,165)	(57,942)	-	-
Balance as at 31 March	242,640	346,805	-	-

24 INVENTORIES

Accounting Policy	
Inventories are measured at the lower of cost and net realisable value.	
The cost of inventories includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition.	
In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. For manufacturing stocks, provision for slow moving inventories are made when the holding period exceeds 365 days, and the sale of the inventories is no longer probable.	
The cost incurred in bringing inventories to its present location and condition is accounted using the following cost formula:	
Type of Inventory	Method of Valuation
Input Materials	Weighted Average basis
Growing Crop - Nurseries	At the cost of direct materials, direct labour and appropriate proportion of directly attributable overheads less provision for over-grown plants
Harvested Crop	Agricultural produce harvested from an entity's biological assets shall be measured at its fair value less costs to sell at the point of harvest. Such measurement is deemed to be the cost at the time of transferring the harvested crop to inventories.
Spares and Consumables	Weighted average basis
Finished goods and work-in-progress	First in First out (FIFO) basis

Notes to the Financial Statements

As at 31 March	Note	Group		Company	
		2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Raw materials		10,691,100	4,003,451	287,584	524,881
Work-in-progress		2,411,394	1,475,974	-	-
Finished goods and trading stocks		12,245,065	12,637,499	62,159	125,836
Input materials		236,161	279,367	17,600	907
Ethanol		1,111,858	535,695	-	-
Growing Crop Nurseries		48,983	41,857	-	-
Harvested crops				-	-
- Tea		955,500	801,511	-	-
- Rubber		4,411	10,372	-	-
- Coconut		3,144	513	-	-
- Cinnamon		3,880	3,550	-	-
- Commercial cane		5,092	-	-	-
- Commercial grass		554,415	106,243	-	-
Unharvested produce stock at fair value		31,267	102,146	-	-
Consumables, maintenance and spares		4,123,729	3,496,322	-	-
Vehicle stocks		15,787	9,911	-	12,415
Food and beverages		264,459	284,777	-	-
Goods in transit		1,556,241	929,338	-	-
Real Estate Stock		4,452	(6,400)	-	-
Others		255,660	126,390	-	-
		34,522,598	24,838,514	367,344	664,039
(-) Allowance for slow moving inventories	24.1	(1,226,534)	(987,805)	(41,236)	(484)
		33,296,064	23,850,709	326,108	663,555

24.1 Allowance for slow moving inventories

As at 31 March		Group		Company	
		2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Balance at 01 April		987,805	1,297,797	484	2,166
Provision for the period		54,194	(341,738)	40,752	(1,583)
Write offs / (write backs)		(4,576)	(1,238)	-	(99)
Other adjustments		(50,811)	40,753	-	-
Acquisition of subsidiaries		244,539	-	-	-
Foreign currency translations		(4,617)	(7,768)	-	-
Balance as at 31 March		1,226,534	987,805	41,236	484

During the year the Group reversed an provision of Rs. 54 million against the inventory provision after re-assessing the net realisable value of the inventory as at 31st March 2025. The above reversal is recognised in the income statement under other expenses.

None of the inventories are pledged as security for facilities obtained by the Group or Company from banks as at 31st March 2025. (Group and Company 2023/2024-nil).

25 CURRENT TAX ASSETS

As at 31 March	Note	Group		Company	
		2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Income tax recoverable	25.1	709,110	400,177	-	-
Value added tax (VAT) recoverable		8,092,585	3,192,192	-	(15)
GST recoverable		14,783	621,380	-	-
Advanced Corporate Tax (ACT) recoverable		53,610	41,516	-	-
With-holding tax (WHT) recoverable		349,839	681,785	94,864	26,545
Economic service charge (ESC) recoverable		5,373	180,746	-	136,399
Nation building tax (NBT) recoverable		(528)	(528)	-	-
Other tax recoverable		108,988	(11,417)	-	-
		9,333,758	5,105,850	94,864	162,929

25.1 Income tax recoverable

As at 31 March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Balance at the beginning of the year	400,177	285,260	-	-
Transfer from/ (to) Income Tax Payables	74,193	13,210	-	-
Over/(Under) provision in respect of previous years	(2,058)	(3,458)	-	-
Provision for the Period	(214,123)	12,093	-	-
Payments made during the year	(67,287)	(15,383)	-	-
Acquisition of subsidiaries	562,502	149,684	-	-
Disposal of subsidiaries	-	(11,899)	-	-
Foreign currency translations	(44,294)	(29,329)	-	-
Balance at the end of the year	709,110	400,177	-	-

Notes to the Financial Statements

26 TRADE AND OTHER CURRENT ASSETS

As at 31 March	Note	Group		Company	
		2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Financial Assets					
Trade receivables	26.1	25,434,614	28,975,856	497,809	950,135
Amount due from related parties		1,484,405	2,488,056	218,980,812	195,984,061
Allowance for impairment - Amount due from related parties		(1,073,782)	(19,700)	(1,456,919)	(44,931)
Loans given to employees	26.2	169,318	165,133	2,530	3,099
Refundable deposits	26.3	425,069	332,543	-	-
Dividend receivables		1,301,372	383,391	-	-
Insurance commission receivable		560	643	-	-
Re-insurance receivable		1,104,192	635,113	-	-
Other financial receivables		24,819,186	14,960,035	249,538	207,238
Non Controlling shareholder contribution		-	12,909,567	-	-
		53,664,934	60,830,636	218,273,771	197,099,602
Non-financial Assets					
Prepayments & advances		23,236,807	25,881,134	3,471,262	3,619,634
Prepaid staff cost	26.4	192,266	8,610	-	-
Non refundable deposits		301,159	220,574	-	-
Commission receivables		-	25	-	-
Reimbursement of expenses		-	9,065,910	-	-
Other non-financial receivables		11,657,548	3,858,718	-	65,430
		35,387,780	39,034,972	3,471,262	3,685,064
		89,052,714	99,865,608	221,745,032	200,784,666

26.1 Trade receivables

Accounting Policy

Trade receivables are stated at the amounts they are estimated to realise, net of provisions for impairment. An allowance for impairment losses based on expected credit loss model at the time of origination and when there is a significant increase in credit risk.

As at 31 March	Note	Group		Company	
		2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Trade receivables	26.1.1	29,176,399	32,148,813	1,298,178	1,558,670
(-) Expected credit loss	26.1.2	(3,741,785)	(3,172,957)	(800,369)	(608,535)
		25,434,614	28,975,856	497,809	950,135

26.1.1 Age Analysis of Trade Receivables

As at 31 March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Neither past due nor impaired				
0 Days	4,970,664	2,533,296	-	-
Past due but not impaired				
0-30 days	9,557,470	3,043,681	49	130,106
31-60 days	2,811,839	2,914,571	196,948	154,500
61-90 days	4,119,603	5,731,538	287,934	271,084
> 91 days	7,716,824	17,925,727	813,247	1,002,980
Gross carrying value	29,176,399	32,148,813	1,298,178	1,558,670
Allowance for expected credit losses	(3,741,785)	(3,172,957)	(800,369)	(608,535)
Total	25,434,614	28,975,856	497,809	950,135

26.1.2 Expected credit loss

For the year ended 31 March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Balance as at 1 April	3,172,957	1,919,845	608,535	567,939
Net expected credit loss/impairment during the year	257,429	746,629	193,326	31,198
Net write-off/(recoveries) during the year	41,075	(33)	(1,492)	-
Other movements/transfers	(336,191)	1,015	-	-
Acquisition of subsidiaries	851,646	-	-	-
Disposal of subsidiaries	-	(39,981)	-	-
Reversal for write-offs	(188,243)	167,633	-	9,398
Effect of discounting	(43,732)	-	-	-
Exchange rate variance on foreign currency provisions	(13,156)	377,849	-	-
Balance as at 31 March	3,741,785	3,172,957	800,369	608,535

Notes to the Financial Statements

26.1.2.1 Movements in expected credit loss/ Impairment allowance during the year

Movements in expected credit loss

Allowances for individually significant impairment

As at 31 March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Balance as at 1 April	1,862,775	1,211,776	608,535	567,939
Charge/(Write back) to income statement	409,243	138,540	193,326	31,198
Net write-off/(recoveries) during the year	37,400	-	[1,492]	-
Transfer from individually non-significant impairment	[1,015]	1,015	-	-
Other movements/ Transfers	[336,362]	-	-	-
Acquisition of Subsidiaries	728,617	-	-	-
Disposal of Subsidiaries	-	[39,981]	-	-
Reversal for Write-offs	[477,830]	172,887	-	9,398
Exchange rate variance on foreign currency provisions	[12,887]	378,538	-	-
Balance as at 31 March	2,209,941	1,862,775	800,369	608,535
Allowances for individually non-significant impairment				
Balance as at 1 April	1,310,183	708,070	-	-
Charge/(Write back) to income statement	[151,814]	608,089	-	-
Net write-off/(recoveries) during the year	3,675	[33]	-	-
Other movements/ Transfers	1,186	-	-	-
Acquisition of Subsidiaries	123,029	-	-	-
Reversal for Write-offs	289,587	[5,254]	-	-
Effect of discounting	[43,732]	-	-	-
Exchange rate variance on foreign currency provisions	[269]	[689]	-	-
Balance as at 31 March	1,531,845	1,310,183	-	-

A receivable represents the Group's right to an amount of consideration that is unconditional. Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days. During the year, LKR. 257 Mn charge (2024 - LKR 747 Mn charge) was recognised on trade receivables.

26.2 Loans given to employees

For the year ended 31 March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Balance at 01 April	165,133	91,109	3,099	2,636
Granted during the period	222,716	605,332	1,213	2,358
Recovered during the period	(181,723)	(525,231)	(1,782)	(1,894)
Adjustment of fair value of prepaid staff cost	-	35	-	-
Transfers and other adjustments	(36,109)	(1,235)	-	-
Acquisition of Subsidiaries	1,364	419	-	-
Disposal of Subsidiaries	-	622	-	-
Exchange Differences	(2,063)	(5,918)	-	-
Balance as at 31 March	169,318	165,133	2,530	3,099

Notes to the Financial Statements

26.3 Refundable deposits

For the year ended 31 March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Balance at 01 April	332,543	349,388	-	-
Additions during the period	129,619	37,885	-	-
Adjustment of fair value	(3,853)	-	-	-
Refunded during the period	(41,676)	(35,483)	-	-
Acquisition of Subsidiaries	16,640	1,113	-	-
Exchange Differences	1,328	(19,349)	-	-
(-) Expected credit loss/impairment allowance	(9,532)	(1,011)	-	-
Balance as at 31 March	425,069	332,543	-	-

26.4 Prepaid staff cost

For the year ended 31 March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Balance at 01 April	8,610	5,004	-	-
Addition from loan granted	14,162	2,086	-	-
Amortised to profit or loss	21,650	12,324	-	-
Transfers and other adjustments	73,344	(10,804)	-	-
Acquisition of Subsidiaries	121,421	-	-	-
Exchange Differences	(46,921)	-	-	-
Balance as at 31 March	192,266	8,610	-	-

SLFRS 16 – “Leases”**Group acting as a lessee**

As a lessee, the Group leases properties, motor vehicles and equipment that are used to carry out business operations. Under SLFRS 16, the Group recognises right-of-use assets and lease liabilities for leases of properties, vehicles and equipment.

At commencement or modification of a contract that contains a lease component, the Group allocates consideration in the contract to each lease component on the basis of its stand-alone price.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The Group presents the right-of-use asset and the lease liability as separate line items in the Statement of Financial Position.

Right-of-use Assets**Initial Recognition**

The Company recognises right of use assets when the underlying asset is available for use. Right-of-use assets are initially recognised at cost.

The cost of right of use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use assets are recognised at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Subsequent Measurement

Right-of-use assets in the consolidated financial statements are subsequently measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities except in following;

If right-of-use assets relate to a class of property, plant and equipment to which the group applies the revaluation model in LKAS 16, a lessee may elect to apply that revaluation model to all of the right-of-use assets that relate to that class of property, plant and equipment.

Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right of use assets are depreciated on a straight-line basis over the shorter of its estimated useful life or the lease term. Right of use assets are subject to impairment.³

Lease Liabilities

Refer Note No 38.4 - Operating Lease Liability.

The Group acting as a lessor

When the Group acts as the lessor, it determines at lease inception whether the lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of risks and rewards incidental to ownership of the underlying asset. If this is the case, lease is a finance lease; if not it is an operating lease.

The Group sub – leases some of its properties. Under SLFRS 16, the right of use assets recognised from the head leases are presented in investment property, and measured at fair value at that date. The Group assessed the classification of the sub – lease contracts with reference to the right of use asset rather than the underlying asset, and concluded that they are operating leases under SLFRS 16.

Notes to the Financial Statements

As at 31 March	Group							
	2025						2024	
	ROU - Lands Rs.'000	ROU - Buildings Rs.'000	ROU - Vehicles Rs.'000	ROU - Machinery Rs. '000	ROU - Other Rs. '000	ROU Total Rs.'000	ROU Total Rs.'000	
Cost								
Balance at the beginning of the period	69,202,739	10,176,405	422,648	304,808	105,311	80,211,911	45,276,319	
Transferred from lease equalisation	-	-	-	-	-	-	-	
Additions during the period	182,975	1,946,306	-	5,353	90,344	2,224,978	2,416,235	
Transferred from/(to) Property, Plant and Equipment	23,775	-	(34,000)	-	-	(10,225)	(136,046)	
Impairment	(1)	-	-	-	-	(1)	(2,982)	
Transfers and other movements	(2,012,094)	(104,029)	5,012	(227,660)	227,660	(2,111,111)	178,920	
Reversal on early termination	(49,752)	(449,975)	(86,376)	-	-	(586,103)	(299,637)	
Acquisition of Subsidiaries	89,007,247	-	-	-	-	89,007,247	30,933,500	
Disposal of Subsidiaries	-	-	-	-	-	-	(2,824)	
Adjustment on changes in the estimation	(2,458)	(89,968)	-	-	-	(92,426)	667,394	
Movement for Discontinued Operations	-	-	-	-	-	-	-	
Transfer for payment	52,856	-	-	-	-	52,856	67,915	
Revaluation Surplus	5,586,673	8,188	-	-	-	5,594,861	6,106,451	
Exchange Differences	(754,187)	(130,007)	(6,690)	(201)	(10,506)	(902,318)	(4,727,169)	
Reversal on Disposal	-	-	-	-	-	-	(266,163)	
Reclassified to discontinued operations	-	-	-	-	-	-	-	
Balance at the end of the period	161,237,773	11,356,920	300,594	82,300	412,809	173,390,396	80,211,911	
Accumulated amortisation								
Balance at the beginning of the period	4,304,144	5,054,190	186,031	65,209	39,120	9,648,694	8,082,610	
Amortisation for the period from continuing operations	1,281,760	1,357,207	31,733	7,643	129,800	2,808,143	2,135,167	
Amortisation for the period Capitalised to WIP	68,468	1,304	20,880	2,680	-	93,332	101,655	
Amortisation for the period Capitalised to PPE	-	-	-	-	-	-	27,257	
Transferred to Property, Plant and Equipment	-	-	(38,333)	-	-	(38,333)	71,224	
Impairment	-	-	-	-	-	-	(2,982)	
Transfers and other movements	(1,921,012)	(41,422)	-	(37,198)	37,198	(1,962,434)	8,785	
Reversal on early termination	(49,752)	(341,245)	(5,758)	-	-	(396,755)	(210,054)	
Acquisition of Subsidiaries	340,466	-	-	-	-	340,466	72,643	
Disposal of Subsidiaries	-	-	-	-	-	-	(2,824)	
Adjustment on changes in the estimation	(8,164)	(55,231)	-	-	-	(63,395)	7,776	
Reclassified to discontinued operations	-	-	-	-	-	-	-	
Revaluations	(1,327,809)	-	-	-	-	(1,327,809)	-	
Exchange Differences	(7,625)	(53,963)	(1,443)	(31)	(3,936)	(67,153)	(552,635)	
Reversal on Disposal	-	-	-	-	-	-	(89,928)	
	2,680,476	5,920,840	193,110	38,303	202,182	9,034,911	9,648,694	
Balance at the end of the period	158,557,297	5,436,080	107,484	43,997	210,627	164,355,485	70,563,217	

Prepaid lease rentals paid to acquire land use rights have been classified as lease rentals paid in advance and are amortised over the lease term.

Notes to the Financial Statements

27.1 Maturity analysis – Contractual undiscounted cash flows

As at 31 March	Group							
	2025						2024	
	ROU - Lands Rs.'000	ROU - Buildings Rs.'000	ROU - Vehicles Rs.'000	ROU - Machinery Units	ROU - Other Rs.'000	ROU Total Rs.'000	ROU Total Rs.'000	
Less than one year	1,482,687	728,396	2,428	-	-	2,213,511	1,929,618	
Between one and five years	5,977,694	2,421,533	1,351	-	-	8,400,578	9,157,143	
More than five years	32,315,332	1,973,854	-	-	-	34,289,186	32,774,770	
	39,775,713	5,123,783	3,779	-	-	44,903,275	43,861,532	

27.2 Amount recognised in income statement

Interest on lease liabilities	11,329	428,312	2,759	146	-	442,546	2,201,047
Recognised in interest expenses	11,329	428,312	2,759	146	-	442,546	2,201,047
Expenses relating to short-term and low-value assets	-	-	752	-	-	752	-
Amortisation of Right of Use Assets - Continuing Operations	1,281,760	1,357,207	31,733	7,643	129,800	2,808,143	2,137,129
Amortisation of Right of Use Assets - Discontinuing Operations	-	-	-	-	-	-	-
Recognised in other expenses	1,281,760	1,357,207	32,485	7,643	129,800	2,808,895	2,137,129
Lease expense	-	488	111	-	-	599	1,790,466
Recognised in other expenses	-	488	111	-	-	599	1,790,466
Total amount recognised in income statement	1,293,089	1,786,007	35,355	7,789	129,800	3,252,040	6,128,643

27.3 Amounts recognised in cash flow statement

Payment for lease liabilities	44,496	1,166,058	1,263	-	-	1,211,817	258,089
	44,496	1,166,058	1,263	-	-	1,211,817	258,089

Details of right-of-use assets relating to leased properties

The Group leases office space, office equipment, motor vehicles etc. with contract terms of one to five years. These leases are either short term [term leases than one year] and/or leases of low-value items. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

	Company				
	2025			2024	
	ROU - Lands Rs.'000	ROU - Buildings Rs.'000	ROU - Vehicles Rs.'000	ROU Total Rs.'000	ROU Total Rs.'000
	-	16,901	-	16,901	13,935
	-	13,655	-	13,655	24,724
	-	-	-	-	-
	-	30,556	-	30,556	38,659
	156	7,160	182	7,498	7,230
	156	7,160	182	7,498	7,230
	-	-	-	-	-
	1,442	16,055	4,333	21,830	11,473
	-	-	-	-	-
	1,442	16,055	4,333	21,830	11,473
	-	-	-	-	-
	-	-	-	-	-
	1,598	23,215	4,515	29,328	18,703
	1,800	15,915	-	17,715	14,085
	1,800	15,915	-	17,715	14,085

Notes to the Financial Statements

28 INVESTMENT PROPERTIES

Accounting Policy

Basis of Recognition

Investment property are property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Basis of Measurement**Fair Value Model**

Investment properties are initially recognised at cost. Subsequent to initial recognition the investment properties are stated at fair value, which reflect market conditions at the reporting date. Gains or losses arising from changes in fair value are included in the statement of profit or loss in the year in which they arise.

Where Group companies occupy a significant portion of the investment property of a subsidiary, such investment properties are treated as property, plant and equipment in the Consolidated Financial Statements, and accounted for as per LKAS 16- Property, Plant and Equipment.

De-recognition

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

Subsequent Transfers to/from Investment Property

Transfers are made to investment property when, and only when, there is a change in use, evidenced by the end of owner occupation, commencement of an operating lease to another party or completion of construction or development.

Transfers are made from investment property when, and only when, there is a change in use, evidenced by commencement of owner occupation or commencement of development with a view to sale.

For a transfer from investment property to owner occupied property or inventories, the deemed cost of property for subsequent accounting is its fair value at the date of change in use. If the property occupied by the Company as an owner occupied property becomes an investment property, the Company, accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

For a transfer from inventories to investment property, any difference between the fair value of the property at that date and its previous carrying amount is recognised in the statement of profit or loss. When the Company completes the construction or development of a self-constructed investment property, any difference between the fair value of the property at that date and its previous carrying amount is recognised in the statement of profit or loss.

Determining Fair Value

External and independent professional valuers, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued, values the investment property portfolio as at each reporting date. In financial periods within that period the fair value is determined by the Board of Directors.

The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably.

For the year ended 31 March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Balance at the beginning of the year	172,353,711	151,412,550	3,562,800	3,241,300
Additions	4,916,616	364,025	-	-
Additions to investment properties from amalgamations	3,464,880	-	-	-
Acquisition of subsidiaries	-	1,366,618	-	-
Additions from foreclosure	147,927	496,333	-	-
Disposals	(519,834)	(369,776)	-	-
Disposal of subsidiaries	-	(444,131)	-	-
Transfers (to)/from property plant and equipment	(442,000)	(161,339)	-	-
Exchange translation difference	51,899	225,875	-	-
Change in fair value during the year	5,735,502	19,463,556	501,400	321,500
Balance at the end of the year	185,708,701	172,353,711	4,064,200	3,562,800

Investment property comprises of number of commercial properties that are leased / rented out to third parties. Each of the agreement contains an initial non-cancellable period of one year. Subsequent renewals are being negotiated with the lessee and on average renewal periods considered are three to five years..

28.1 Details of investment properties

As at 31 March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Owned properties	124,020,001	111,587,311	4,064,200	3,562,800
Properties held under operating leases	61,688,700	60,766,400	-	-
	185,708,701	172,353,711	4,064,200	3,562,800

28.2 Summary of Investment Properties

As at 31 March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Land	155,578,830	149,188,421	2,538,200	2,157,700
Building	30,129,871	23,165,290	1,526,000	1,405,100
	185,708,701	172,353,711	4,064,200	3,562,800

28.3 Relevant income and expenditure relating to investment properties

For the year ended 31 March	Group	
	2025 Rs.'000	2024 Rs.'000
Rent income earned	1,146,857	584,692
Direct operating expenses generating rental income	17,063	84,208
Direct operating expenses not generating rental income	81,578	22,909

28.4 Valuation of investment properties

Fair value of the investment properties are ascertained by independent valuations carried out by Chartered valuation surveyors, who have recent experience in valuing properties of similar kind of location and category. Investment property is appraised in accordance with SLFRS 13, LKAS 40 and the 8th edition of International Valuation Standards published by the International Valuation Standards Committee (IVSC), by the independent valuers.

In determining the fair value, the current condition of the properties, future usability and associated re-development requirements have been considered. Also, the valuers have made reference to market evidence of transaction prices for similar properties, with appropriate adjustments for size and location. The appraised fair values are rounded within the range of values.

The fair value measurement for all of the investment properties has been categorised as a Level 3 fair value based on the inputs to the valuation techniques used.

The following table shows the valuation techniques used in measuring the fair value of investment property, as well as the significant unobservable inputs used.

Notes to the Financial Statements

Valuation Technique	Significant observable and unobservable inputs	Interrelationship between key inputs and fair value measurement
Sales comparison method - value derived based on recent transactions of similar properties	Per perch value was derived based on similar property values. The value of a perch in the property portfolio ranges from Rs.25,000 to Rs.32,520,000 in the Western Province and Rs.25,000 to Rs.13,000,000 outside the Western Province.	The estimated fair value would increase (decrease) if: - comparable property value was higher / (lesser)
Depreciated replacement cost method	Value per square feet determined based on similar properties value and depreciated for period used. The value of a square feet in the property portfolio ranges from Rs. 1,140 to Rs.126,241 in the Western Province and Rs. 1,500 to Rs. 22,000 outside the Western Province.	The estimated fair value would increase (decrease) if: - Depreciation rate was lesser / (higher) - Square feet value was higher / (lesser)
Net income approach	Net rental income (profit rent) determined based on similar properties value and decapitalisation rate and years of purchase for period used.	The estimated fair value would increase (decrease) if: - Decapitalisation rate was lesser / (higher) - Years of purchases were higher / (lesser) - Discount rate was lesser / (higher) - Annual rental income were higher / (lesser)

28.5 Details on Investment Property Valuation

Province	Per Perch (Rs.)		Per Square Feet (Rs.)	
	Lowest	Highest	Lowest	Highest
Central Province	25,000	13,000,000	3,600	16,000
Eastern Province	47,000	4,300,000	8,500	8,500
North Western Province	111,648	10,000,000	1,500	6,213
Northern Province	2,200,000	2,200,000	-	-
Northern Central Province	365,000	6,500,000	4,000	22,000
Sabaragamuwa Province	100,000	5,600,000	5,000	19,000
Southern Province	26,000	4,200,000	4,500	11,000
Uva Province	3,200,000	3,200,000	-	-
Western Province	25,000	32,520,000	1,140	126,241

29 CONSUMABLE BIOLOGICAL ASSETS

Accounting Policy

Agricultural Activities

The Group considers all the activities that are managed in biological transformation and harvest of biological assets for sale or for conversion into agricultural produce or into additional biological asset.

Biological Assets

Biological assets are classified as mature biological assets and immature biological assets. Mature biological assets are those that have attained harvestable specifications or are able to sustain regular harvests. Immature biological assets are those that have not yet attained harvestable specifications. Tea, Rubber, Coconut, Timber, Other plantations and nurseries are classified as biological assets.

The biological assets are further classified as bearer biological assets and consumables biological assets. Bearer biological assets includes tea, rubber and coconut trees, Sugar Cane and those that are not intended to be sold or harvested, however, used to grow for harvesting agricultural produce from such biological assets. Consumable biological assets include managed timber own by the company [Eucalyptus Torariyana, Albezzia, Graveelia, Eucalyptus Grandis, Astonia, Pinus, Toona, Mahogany, Teak, Jak, Rubber, Nadun, Mango, Pellen, Hora, Domba, Lunumidella, Wal Del and Mara on the plantations have been taken into consideration in this valuation of timber trees] those that are to be harvested as agricultural produce or sold as biological assets.

The entity recognises the biological assets when, and only when, the entity controls the assets as a result of past event, it is probable that future economic benefits associated with the assets will flow to the entity and the fair value or cost of the assets can be measured reliably.

Nursery cost includes the cost of direct materials, direct labour and an appropriate proportion of directly attributable overheads, less provision for overgrown plants.

Consumable Biological Assets

Trees namely teak, mahogany, Nadun, mango, Albezzia, Wal del, and etc. are considered as consumable biological assets and measured in accordance with LKAS 41- Agriculture. The initial costs incurred in planting such trees are capitalised until the market determined prices or values are not available and for which alternative estimates of fair value are to be clearly unreliable. Once the fair value of such a biological asset becomes reliably measurable, the group measures it at its fair value less costs to sell. The change in fair values will be directly identified in statement of profit or loss.

The Group has engaged an Independent Chartered Valuation Surveyor Mr.W.M.Chandrasena in determining the fair value of managed Timber Plantation. The valuer has valued the Timber Plantation tree valuation basis by using available log prices in city centers less point-of-sale-costs. The timber plants having less than three years old have not been taken in to the valuation and hence, the cost of such plants has been added to the valuation. All other assumptions are given in Note 29.7. The Group measures the Timber Plantation at fair value less estimated-point-of-sale-costs as at each date of Statement of Financial Position. The gain or loss on changes in fair value of Timber Plantation is recognised in the statement of profit or loss.

Growing Crop Nurseries

Nursery cost includes the cost of direct materials, direct labour and an appropriate proportion of directly attributable overheads.

Permanent Land Development Costs

Permanent land development costs are those costs incurred making major infrastructure development and building new access roads on leasehold lands.

These costs have been capitalised and amortised over the remaining lease period.

For the year ended 31 March	Note	Group	
		2025 Rs.'000	2024 Rs.'000
Balance as at 01 April		10,599,596	7,847,596
Increase due to new planting and re-planting		24,858	45,956
Acquisition of subsidiaries		4,971,145	1,937,359
Decrease due to harvesting of timber trees		(251,002)	(315,673)
Net increase due to births/deaths [Growing Crop Nurseries]		(218)	(120)
Write offs/ Gain/[loss] arising from changes in fair value less cost to sell		(4,270)	(133)
Change in fair value	29.1	910,095	1,087,485
Exchange Differences		(121,589)	(2,874)
Disposal of subsidiary		-	-
Balance as at 31 March		16,128,615	10,599,596

Notes to the Financial Statements

29.1 Change in fair value less estimated costs to sell

As at 31 March		Group	
		2025 Rs.'000	2024 Rs.'000
Due to price changes		585,321	(130,618)
Due to physical changes		324,774	1,218,103
		910,095	1,087,485

29.1.1 The carrying value of Consumable biological assets as at the year end has been computed as follows;

As at 31 March	Note	Group	
		2025 Rs.'000	2024 Rs.'000
Valuation of consumer biological assets		15,811,579	10,363,034
Cost of timber plant below four years of age, not considered for valuation		318,161	236,057
Growing Crop Nurseries	29.1.2	3,337	3,555
Allowance for impairment		(4,462)	(3,051)
		16,128,615	10,599,596

Managed timber trees include commercial timber plantations cultivated on estates. The above carrying amount as at 31st March 2025 includes a sum of Rs.318.2 Mn- [As at 31st March 2024 - Rs. 236 Mn] which is the cost of immature trees up to the age of 4 years which is treated as approximate fair value particularly on the ground of little biological transformation taking place and impact of such transformation on price is expected to be immaterial.

Borrowing costs of Rs. Nil Mn [Previous year - Rs. 12.31 Mn] have been capitalised during the year in to immature fields.

29.1.2 Growing crop nurseries

As at 31 March		Group	
		2025 Rs.'000	2024 Rs.'000
Balance as at 01 April		3,555	3,648
Additions		(218)	(120)
Transfers		-	27
Balance as at 31 March		3,337	3,555

29.1.3 Plantation area

As at 31 March		Group	
		2025 Ha.	2024 Ha.
Mature plantations		9,512,633	8,628,882
Immature Plantations		170,221	172,131
Balance as at 31 March		9,682,854	8,801,013

29.2 Valuation techniques and significant unobservable inputs

Following table shows the valuation techniques in measuring Level 3 fair value of consumable biological assets as well as the significant unobservable inputs used.

Local subsidiaries

Valuation Technique	Significant observable and unobservable inputs	Interrelationship between key inputs and fair value measurement
<p>Discounted cash flows</p> <p>The valuation model considers present value of future net cash flows expected to be generated by the plantation from the timber content of managed timber plantation on a tree-per-tree basis .</p>	<p>Determination of Timber Content</p> <p>Timber trees in inter-crop areas and pure crop areas have been identified field-wise and spices were identified and harvestable trees were separated, according to their average girth and estimated age.</p>	<p>The estimated fair value would increase / (decrease) if;</p> <ul style="list-style-type: none"> - the estimated timber content were higher/(lower) - the estimated timber prices per cubic meter were higher/(lower) - the estimated timber prices per cubic meter were higher/(lower)
<p>Expected cash flows are discounted using a risk-adjusted discount rate of 15% comprising a risk premium of 4%.</p>	<p>Timber trees that have not come up to a harvestable size are valued working out the period that would take for those trees to grow up to a harvestable size.</p>	<ul style="list-style-type: none"> - the estimated selling related costs were lower/(higher) - the estimated maturity age were higher/(lower) - the risk-adjusted discount rate were lower/(higher)
	<p>Determination of Price of Timber</p> <p>Timber trees that have not come up to a harvestable size are valued working out the period that would take for those trees to grow up to a harvestable size.</p> <p>In this exercise, following factors have been taken into consideration.</p> <ul style="list-style-type: none"> a) Cost of obtaining approval of felling b) Cost of felling and cutting into logs c) Cost of transportation d) Sawing cost <p>Risk-adjusted discount rate 2024/2025 - 15% (Risk Premium - 4%) 2023/2024 - 19% (Risk Premium - 4%)</p>	

Notes to the Financial Statements

Foreign subsidiaries

Valuation Technique	Significant observable and unobservable inputs	Interrelationship between key inputs and fair value measurement
<p>Discounted cash flows</p> <p>The valuation model considers the present value of the net cash flows expected to be generated by the plantation. The cash flow projections include specific estimates for 10 years. The expected net cash flows are discounted using a risk-adjusted discount rate</p>	<p>Determination of Timber Content</p> <p>Estimated future timber market prices per cubic meter [5% of current prices of KShs 3,163/M3] [2023/24: [6% of current prices of KShs 3,067/M3]</p> <p>Estimated future costs [5% inflation of current cost of KShs 2,520/M3] [2023/24: [5% of current prices of KShs 2,467/M3]</p> <p>Estimated yields per hectare [690M3] [2023/24: 690M 3]</p> <p>Risk-adjusted annual discount rate [17.35%] [2022: 16.93%] [2021: 16.93%]</p>	<p>The estimated fair value would increase / [decrease] if;</p> <ul style="list-style-type: none"> - The estimated timber prices per cubic meter were higher/[lower] - The estimated yields per hectare were higher/[lower]; - The estimated harvest, replanting, weeding and transportation costs were lower/ [higher] - The risk-adjusted discount rates were lower/ [higher]
<p>valuation model considers the present value of the net cash flows expected to be generated by the plantation. The cash flow projections include specific estimates for 25 years. The expected net cash flows are discounted using a risk-adjusted discount rate.</p>	<p>Estimated future timber market prices per cubic meter [6% of current prices of KShs 37,278/M3] [2023/24: 6% of current prices of KShs 34,434/M 3]</p> <p>Estimated future costs [5% inflation of current cost of KShs 29,658/M3] [2023/24: 6% of current prices of KShs 27,852/M3]</p> <p>Estimated yields per hectare [500M3] [2023/24: 500M3]</p> <p>Risk-adjusted annual discount rate [18.49%] [2023/24: 17.35%]</p>	<p>The estimated fair value would increase / [decrease] if;</p> <ul style="list-style-type: none"> - The estimated timber prices per cubic meter were higher/[lower] - The estimated yields per hectare were higher/[lower]; - The estimated harvest, replanting, weeding and transportation costs were lower/ [higher] - The risk-adjusted discount rates were lower/ [higher]

29.3 The valuation of consumable biological assets was carried by Mr.W.M.Chandrasena, an independent Chartered Valuation Surveyor, using Discounted Cash Flow [DCF] methods. In ascertaining the fair value of timber, a physical verification was carried covering all the estates.

29.4 Timber Trees namely Eucalyptus Torariyana, Albezzia, Graveelia, Eucalyptus Grandis, Astonia, Pinus, Toona, Mahogany, Teak, Jak, Turpentine, Nadun, Mango, Pellen, Hora, Domba, Lunumidella, Wal Del and Mara on the plantations have been taken into consideration in this valuation of Timber Trees.

- 29.5** In valuing the timber plantations, under-mentioned factors have been taken into consideration.
- 1 The present age of trees
 - 2 Maturity age of the tree - Maturity of the tree is based on the variety of the species of the tree
 - 3 Annual marginal increase in timber content
 - 4 Number of years to harvest
 - 5 Timber content of harvestable trees on maturity
 - 6 Timber Plants having below three years of age have not been taken into the valuation
 - 7 The timber content of immature trees at an estimated future harvestable year
 - 8 The current price of species of timber per cubic foot at the relevant year
- 29.6** Trees have been valued as per the current timber prices in the domestic market based on the price list of the State Timber Corporation and prices of timber trees sold by estates and prices of logs and sawn timber in the popular timber traders in Sri Lanka.
- 29.7** The fair value is determined on the basis of net present value of expected future cash flows using a discount rate of 15% per annum. The significant assumptions used in the valuation of Consumable Biological Assets are as follows:
- 1 Future cash flows are determined by references to current timber prices without considering the inflationary effect
 - 2 The ongoing cost of growing trees which are deducted in determining the net cash flows are constant in real terms
 - 3 Timber trees that have not come upto a harvestable size are valued working out the period that would take for those trees to grow up to a
 - 4 The present value of the trees is worked out based on the projected size and the estimated number of years it would take to reach the size. This is worked out on the basis of an annual marginal increase of timber content which normally ranges from 0.50 to 1.50 cm per year for trees of diameter girth over 10 cm
 - 5 The value of each matured species of timber is worked out on the price of a cubic foot of timber in the market of the species and the available cubic content of timber in the tree
 - 6 Due consideration has been given for cost of felling, transport, sawing, cost to sell including obtaining of approval for felling
- 29.8** Managed trees include commercial timber plantations cultivated in estates. The cost of immature trees is treated at approximate fair value particularly on the ground of little biological transformation has taken place and impact of the biological transformation on price is not material. When such Plantations become mature, the additional investments since taken over to bring them to maturity are transferred from immature to mature.
- 29.9** The fair value of managed trees was ascertained since LKAS 41 is only applicable for managed agricultural activity in terms of the ruling issued by the Institute of Chartered Accountants of Sri Lanka. The valuation was carried but by using Discounted Cash Flow (DCF) methods. In ascertaining the fair value of timber a physical verification was carried out covering all the estates..
- 29.10** The valuations, as presented in the external valuation models based on net present values, take into account the long-term exploitation of the timber plantation. Because of the inherent uncertainty associated with the valuation at fair value of the biological assets due to the volatility of the variables, their carrying value may differ from their realisable value. The Board of Directors retains their view that commodity markets are inherently volatile and that long-term price projections are highly unpredictable. Hence, the sensitivity analysis regarding selling price and discount rate variations as included in this note allows every investor to reasonably challenge the financial impact of the assumptions used in LKAS 41 against his own assumptions.
- 29.11** The biological assets of Group is cultivated in the leasehold lands. When measuring the fair value of the biological assets it was assumed that these concessions can and will be renewed at normal circumstances. Timber content expects to be realised in future and is included in the calculation of the fair value that takes into account the age of the timber plants and not the expiration date of the lease.

Notes to the Financial Statements

29.12 Sensitivity analysis for biological assets

29.12.1 Sensitivity variation on sales price

Values as appearing in the Statement of Financial Position are sensitive to price changes with regard to the average sales prices applied. Simulation made for timber to show that a rise or a decrease by 10% of the estimated future selling price has the following effect on the net present value of biological assets:

As at 31 March	Note	Group	
		2025 Rs.'000	2024 Rs.'000
Carrying amount	29.1.1	16,128,615	10,599,596
Sensitivity on sales price			
	+10%	933,603	862,887
	-10%	(933,603)	(862,887)

29.12.2 Sensitivity variation on discount rate

Values as appearing in the Statement of Financial Position are sensitive to changes of the discount rate applied. Simulations made for rubber, coconut and timber show that a rise or decrease by 1% of the estimated future discount rate has the following effect on the net present value of biological assets;

As at 31 March	Note	Group	
		2025 Rs.'000	2024 Rs.'000
Carrying amount	29.1.1	16,128,615	10,599,596
Sensitivity on Discount Rate			
	+1%	(424,156)	(527,087)
	-1%	424,156	527,087

29.13 Risk factors

The Group is exposed to a number of risks related to its timber plantations;

Regulatory and environmental risks

The Group is subject to laws and regulations imposed by the environmental authorities of Sri Lanka, Kenya, Tanzania and Rwanda. The Group established environmental policies and procedures aimed at compliance with local environmental and other laws. Management performs regular reviews to identify environmental risks and to ensure that the systems in place are adequate to manage those risks.

Supply and demand risk

The Group is exposed to risks arising from fluctuations in the price and sales volume of timber. When possible Group manages this risk by aligning its harvest volume to market supply and demand. Management performs regular industry trend analyses to ensure that Group's pricing structure is in line with the market and to ensure that projected harvest volumes are consistent with the expected demand.

Climate and other risks

The Group's timber plantations are exposed to the risk of damage from climatic changes, diseases, forest fires and other natural forces. The Group has extensive processes in place aimed at monitoring and mitigating those risks, including regular forest health inspections and industry pest and disease surveys.

30 BEARER BIOLOGICAL ASSETS

Accounting Policy

Agricultural Activities

The Group considers all the activities that are managed in biological transformation and harvest of biological assets for sale or for conversion into agricultural produce or into additional biological asset..

Biological Assets

Biological assets are classified as mature biological assets and immature biological assets. Mature biological assets are those that have attained harvestable specifications or are able to sustain regular harvests. Immature biological assets are those that have not yet attained harvestable specifications. Tea, Rubber, Coconut, Timber, Other plantations and nurseries are classified as biological assets.

The biological assets are further classified as bearer biological assets and consumables biological assets. Bearer biological assets includes tea, rubber and coconut trees, Sugar Cane and those that are not intended to be sold or harvested, however, used to grow for harvesting agricultural produce from such biological assets.

Measurement of Bearer Biological Assets

The bearer biological assets are measured at cost less accumulated depreciation and accumulated impairment losses, if any, in terms of LKAS 16 - property, plant and equipment.

For the year ended 31 March	Note	Group	
		2025 Rs.'000	2024 Rs.'000
On finance lease	30.3	15,629,661	6,352,352
Investments after formation of the plantation companies	30.4	6,373,822	5,937,202
Growing crop nurseries	30.5	171,331	8,670
		22,174,814	12,298,224

30.1 Amortisation/ depreciation for the period recognised for bearer biological assets

For the year ended 31 March	Note	Group	
		2025 Rs.'000	2024 Rs.'000
On finance lease	30.3	108,436	86,335
Investments after formation of the plantation companies	30.4	1,170,141	620,480
		1,278,577	706,815

Notes to the Financial Statements

30.2 Carrying amount of bearer biological assets

	On finance lease Rs.'000	Investments after formation Rs.'000	Growing crop nurseries Rs.'000	2024/25 Total Rs.'000	2023/24 Total Rs.'000
Cost	22,477,126	17,187,103	171,331	39,835,560	25,533,113
Accumulated depreciation	(6,847,465)	(10,813,281)	-	(17,660,746)	(13,234,888)
Carrying amount as at 31 March	15,629,661	6,373,822	171,331	22,174,814	12,298,224

30.3 On finance lease

Mature plantations

	Tea Rs.'000	Rubber Rs.'000	Coconut Rs.'000	Mixed crops Rs.'000	2024/25 Total Rs.'000	2023/24 Total Rs.'000
Cost						
Balance as at 01 April	9,783,686	229	8,271	-	9,792,186	211,772
Additions	130,913	-	-	-	130,913	-
Disposal	(280,279)	(229)	-	-	(280,508)	(28,853)
Transfer in/(out)	293,287	-	-	-	293,287	-
Changes due to business combinations	12,983,329	-	-	-	12,983,329	8,412,181
Exchange Differences	(442,081)	-	-	-	(442,081)	1,197,085
Balance as at 31 March	22,468,855	-	8,271	-	22,477,126	9,792,186
Accumulated depreciation						
Balance as at 01 April	3,431,333	229	8,271	-	3,439,833	206,194
Charge for the year from continuing operations	106,264	-	-	-	106,264	86,335
Changes due to business combinations	3,489,125	-	-	-	3,489,125	2,782,328
Disposal	(161,919)	(229)	-	-	(162,148)	(27,914)
Written off	2,172	-	-	-	2,172	-
Exchange Differences	(27,781)	-	-	-	(27,781)	392,890
Balance as at 31 March	6,839,194	-	8,271	-	6,847,465	3,439,833
Carrying amount as at 31 March	15,629,661	-	-	-	15,629,661	6,352,352

30.4 Investments after formation of the plantation companies

Immature Plantations

	Tea Rs.'000	Rubber Rs.'000	Coconut Rs.'000	Cinnamon Rs.'000	Mixed Crops Rs.'000	2024/25 Total Rs.'000	2023/24 Total Rs.'000
Cost							
Balance as at 01 April	344,044	195,702	19,990	310,951	8,885	879,572	740,620
Additions/transfer in from growing crop nurseries	232,684	49,591	2,560	38,990	1,224	325,049	401,450
Disposals	(736)	-	-	-	-	(736)	-
Transfer out	(96,117)	(34,118)	(5,421)	(182,587)	(1,813)	(320,056)	(250,904)
Written off during the year	(45,980)	(18,622)	(4,609)	-	-	(69,211)	(11,593)
Changes due to business combinations	720,500	-	-	-	-	720,500	-
Exchange differences	(37,401)	-	-	-	-	(37,401)	-
Balance as at 31 March	1,116,994	192,553	12,520	167,354	8,296	1,497,717	879,572

These are investments in immature/mature plantations before the formation of Maturata Plantations Ltd. These assets (including plantation assets) taken over by way of estate leases are set out in Note 35.12. Further investments in immature plantations taken over by way of these leases are shown in the above note. When such plantations become mature, the additional investments, since initial investment to bring them to maturity, will be moved from immature to mature under this note.

Mature plantations

	Tea Rs.'000	Rubber Rs.'000	Coconut Rs.'000	Cinnamon Rs.'000	Mixed Crops Rs.'000	Sugar Cane Rs.'000	2024/25 Total Rs.'000	2023/24 Total Rs.'000
Cost								
Balance as at 01 April	2,346,613	1,328,214	72,728	879,294	9,581	10,216,254	14,852,685	14,697,324
Additions	-	-	-	-	-	710,197	710,197	1,038,969
Transfer in/(out)	96,117	34,118	5,421	182,587	1,813	-	320,056	66,500
Written Offs	-	-	-	-	-	-	-	1,818
Disposals	-	-	-	-	-	-	-	(8,452)
Exchange differences	-	-	-	-	-	(193,551)	(193,551)	(943,474)
Balance as at 31 March	2,442,730	1,362,332	78,149	1,061,881	11,394	10,732,900	15,689,387	14,852,685
Accumulated depreciation								
Balance as at 01 April	1,113,891	504,598	24,181	139,443	2,381	8,010,562	9,795,057	9,930,052
Charge for the year from continuing operations	71,433	62,779	1,662	35,388	520	998,359	1,170,141	620,480
Disposals	-	-	-	-	-	-	-	(8,229)
Exchange differences	-	-	-	-	-	(151,916)	(151,916)	(747,247)
Balance as at 31 March	1,185,324	567,377	25,843	174,831	2,901	8,857,005	10,813,280	9,795,055
Carrying amount as at 31 March	1,257,406	794,955	52,306	887,050	8,493	1,875,895	4,876,107	5,057,630

Notes to the Financial Statements

30.5 Growing crop nurseries

As at 31 March	Tea	Rubber	Cinnamon	Mixed crops	Sugar Cane	2024/25	2023/24
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Total Rs.'000	Total Rs.'000
Cost							
Balance as at 01 April	8,670	-	-	-	-	8,670	1,946
Additions	795	-	-	-	-	795	6,724
Changes due to Business Combinations	170,744	-	-	-	-	170,744	-
Exchange Differences	[8,878]	-	-	-	-	[8,878]	-
Balance as at 31 March	171,331	-	-	-	-	171,331	8,670

30.6 Additions to the immature plantations

These are investments in bearer biological assets carried at cost which comprises of immature/mature plantations since the formation of the plantation companies. Further, investment in immature plantations taken over by way of leases is shown in this note. When such plantations become mature, the additional investments need to be incurred since, taken over to bring them to maturity will be moved from immature to mature under this note. A corresponding movement from immature to mature of the investment undertaken by JEDB/SLSPC on the same plantation prior to the lease will also be carried out under this note.

The additions to bearer biological assets shown above includes the following costs among other costs incurred during the year in respect of uprooting, planting and upkeeping of bearer plants.

As at 31 March	2025		2024	
	Extent Ha	Amount Rs.'000	Extent Ha	Amount Rs.'000
Uprooting				
Tea	20	13,533	-	-
	20	13,533	-	-
Planting				
Tea	67	85,441	30	54,701
Rubber	45	20,903	-	-
Cinnamon	-	-	41	38,534
Sugarcane	1,081	227,085	-	-
	1,193	333,429	71	93,234
Upkeep				
Tea	132	102,858	47	61,100
Rubber	207	53,506	8	927
Coconut	6	808	15	5,279
Cinnamon	27	14,062	14	123,202
Sugarcane	2,652	372,938	-	-
Mixed Crop	13	3,087	2	608
	3,037	547,259	86	191,118
	4,250	894,221	157	284,352

30.8 Borrowing Costs amounting to Rs. Nil Mn [Previous Year - Rs Nil Mn] incurred on borrowings obtained to meet expenses relating to immature plantations have been capitalised as part of the cost of immature plantations. Capitalisation of borrowing costs will be ceased when the plantations are ready for bearing.

Accounting Policy

Subsidiaries are entities controlled by the Group. Control exists when the Company has the power, directly or indirectly, to govern the financial and operational policies of an entity so as to obtain benefits from its activities.

Control over an investee is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if, and only if, the Group has:

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

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

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

The Financial Statements of subsidiaries are included in the consolidated Financial Statements from the date that control commences until the date that control ceases. Acquisition of subsidiaries is accounted for using the acquisition method of accounting.

The accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Group. If a member of the group uses accounting policies other than those adopted in the consolidated Financial Statements for similar transactions and events in similar circumstances, appropriate adjustments are made to its Financial Statements in preparing the consolidated Financial Statements.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate

Application of Equity Accounting for Investment in Subsidiaries, Associates and joint Ventures in Separate Financial Statements

The Company has voluntarily changed the accounting policy on accounting for Investment in Subsidiaries, Associates and Joint Ventures from cost model to Equity Accounting model in compliance to LKAS 27 - "Separate Financial Statements" with effect from 30 June 2021. This policy change was done to provide more reliable and relevant information on the Financial position and financial performance of the Company to the economic decision-making needs of users.

Equity method prescribed in LKAS 28, enables the recognition of the investment initially at cost and is adjusted thereafter for the post-acquisition change in the investor's share of the investee's net assets. This will represent the investor's share of the investee's profit / loss and is recognised in the investor's financial statements thereby enabling a fair value of the investment.

As per LKAS 8 - "Accounting Policies, Change in Accounting Estimates and Errors", the change in accounting policy from cost model to Equity Accounting model requires to be applied retrospectively by adjusting the opening balance of each affected component of equity for the earliest prior period presented and the other comparative amounts disclosed for each prior period presented as if the new accounting policy had always been applied. Accordingly Statement of Financial Position and Statement of Changes in Equity as at 1st April 2020 has been presented with restated balances which is the opening balance of earliest prior period presented.

Notes to the Financial Statements

31.1 Company

Company	No. of Shares	Holding %	Cost Rs.'000	Balance as at 1st April 2023 Rs. '000
Subsidiaries				
Listed subsidiaries				
1 Agstar PLC	63,500	0.01%	445	-
2 Brown and Company PLC	142,092,103	66.83%	7,580,999	52,834,533
			7,581,444	52,834,533
Non-listed subsidiaries				
3 Browns Tours Limited	17,567,500	100.00%	175,375	117,308
4 Ceylon Graphene Technologies (Private) Limited	57,176,471	90.00%	450,424	280,626
5 Commercial Factors Limited	15,550,001	100.00%	155,500	148,719
6 Ceylon Precious (Pvt) Ltd	1	100.00%	0.01	-
7 Eagle Recoveries (Private) Limited	25,955,088	100.00%	259,551	322,772
8 East Coast Land Holding (Private) Limited	28,700,000	100.00%	287,000	342,877
9 Euro Asia Tea (Pvt) Ltd	94,826,239	100.00%	25,000	-
10 Green Orchard Property Investments (Private) Limited	23,795,660	100.00%	237,957	660,479
11 Galoya Holdings Limited	1,300,100	50.00%	13,005	19,613
12 LOLC Global (Pvt) Ltd	3,100,000	7.03%	684,732	710,948
13 Lanka ORIX Project Development Limited	5,200,000	100.00%	52,000	-
14 Leapstitch Appreral (Pvt) Ltd	1	100.00%	900,000	653,114
15 LOLC Advanced Technologies (Pvt) Ltd	70,151,945	100.00%	701,519	395,350
16 LOLC Asia Private Limited	150,306,584	28.86%	18,264,176	4,511,017
17 LOLC Ceylon Property Holdings (Pvt) Limited	1	100.00%	12,436,946	12,665,428
18 LOLC Capital One (Pvt) Limited	15,860,000	100.00%	158,600	137,833
19 LOLC Corporate Services Limited	15,400,000	100.00%	154,000	115,738
20 LOLC Eco Solutions Limited	64,100,000	100.00%	641,000	619,566
21 LOLC Eco Technologies Limited	1	100.00%	0.01	-
22 LOLC Factors Ltd	720,000,000	64.91%	7,200,000	-
23 LOLC Fincorp (Pvt) Ltd	1	0.00%	0.01	41,656,385
24 LOLC Financial Sector Holdings Pvt Ltd	7,045,000	100.00%	1,274,312	-
25 LOLC Technologies Ltd	1,700,000	100.00%	17,000	3,141,055
26 LOLC Investments Limited	1,479,920,000	100.00%	17,241,616	14,892,402

	New investment & Disposal Rs. '000	Share of profit/ [loss] net to tax Rs. '000	Equity Accounting Adjustment Rs. '000	Balance as at 31st March 2024 Rs.'000	New Investment & Disposal Rs. '000	Share of profit/ [loss] net to tax Rs. '000	Equity Accounting Adjustment Rs.'000	Balance as at 31st March 2025 Rs.'000
	-	-	-	-	-	-	-	-
	-	1,591,570	[7,547,524]	46,878,579	-	21,668,069	3,174,522	71,721,170
	-	1,591,570	[7,547,524]	46,878,579	-	21,668,069	3,174,522	71,721,170
	-	7,960	[29,429]	95,839	-	24,007	45,393	165,239
	-	[410,500]	129,873	-	-	-	-	-
	-	[159]	[29,429]	119,131	-	[560]	45,393	163,964
	-	-	-	-	-	-	-	-
	-	18,175	[29,429]	311,518	-	27,544	45,393	384,455
	-	[2,577]	[29,429]	310,871	-	[2,132]	52,393	361,132
	25,000	[25,000]	-	-	-	-	-	-
	-	47,883	[29,429]	678,933	-	97,835	45,393	822,161
	-	37,965	-	57,578	-	6,894	-	64,472
	-	[5,521]	737,108	1,442,535	-	156,346	[183,812]	1,415,069
	-	-	-	-	-	-	-	-
	-	[276,118]	188	377,184	-	[768,203]	391,019	-
	-	[553,827]	158,478	1	-	-	-	1
	-	[199,694]	36,668	4,347,992	-	953,460	[25,961]	5,275,491
	-	[202]	-	12,665,226	-	[368]	[229,000]	12,435,858
	-	[144]	[29,429]	108,260	-	[244]	45,393	153,409
	-	16,221	[29,429]	102,530	-	21,074	45,393	168,997
	-	[1,388]	[29,429]	588,749	-	[1,329]	45,393	632,813
	-	406	-	406	-	-	-	406
	-	-	-	-	-	-	-	-
	[41,655,627]	[758]	-	-	-	-	-	-
	-	[6,035,341]	6,035,341	-	-	493,136	378,940	872,076
	-	416,263	282,516	3,839,834	-	1,044,683	85,091	4,969,608
	-	434,449	[29,429]	15,297,422	-	[1,186,755]	2,102,809	16,213,476

Notes to the Financial Statements

31.1 Company [Contd.]

Company	No. of Shares	Holding %	Cost Rs.'000	Balance as at 1st April 2023 Rs. '000
27 LOLC Motors Limited	126,000,000	100.00%	1,260,000	1,368,629
28 LOLC Myanmar Micro Finance Limited	8,119,433	21.36%	1,022,408	1,717,637
29 LOLC Securities Limited	50,000,000	100.00%	500,000	1,054,233
30 LOLC Ventures FZE	300	100.00%	24,154	-
31 LOLC Investment Holdings Nine (Private) Limited	1	100.00%	0.01	-
32 Sundaya Lanka (Private) Limited	624,490	51.00%	6,245	-
33 LOLC Ceylon Holdings Ltd	1	0.00%	0.01	-
Equity accounted adjustments for indirect holdings			-	96,405,755
			64,142,520	181,937,484
Total			71,723,963	234,772,017

	New investment & Disposal Rs. '000	Share of profit/ [loss] net to tax Rs. '000	Equity Accounting Adjustment Rs. '000	Balance as at 31st March 2024 Rs.'000	New Investment & Disposal Rs. '000	Share of profit/ [loss] net to tax Rs. '000	Equity Accounting Adjustment Rs.'000	Balance as at 31st March 2025 Rs.'000
	-	30,633	(29,349)	1,369,913	-	(71,453)	283,156	1,581,616
	-	(229,429)	(112,662)	1,375,546	-	(166,409)	618,476	1,827,613
	-	32,327	127	1,086,687	-	40,887	187	1,127,761
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	38,756,754	14,327,906	149,490,416	-	26,076,851	(5,574,902)	169,992,364
	(41,630,627)	32,058,380	21,301,333	193,666,571	-	26,745,264	(1,783,853)	218,627,981
	(41,630,627)	33,649,950	13,753,810	240,545,150	-	48,413,333	1,390,669	290,349,152

31.2 Group holdings in subsidiaries

Accounting Policy
<p>Business Combinations</p> <p>The Group's Financial Statements comprise, Consolidated Financial Statements of the Company and its Subsidiaries in terms of the Sri Lanka Accounting Standard – SLFRS 10 on 'Consolidated Financial Statements' and the proportionate share of the profit or loss and net assets of its Associates in terms of the Sri Lanka Accounting Standard – LKAS 28 on 'Investments in Associates and Joint Ventures'.</p> <p>The Group measures goodwill as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. When the excess is negative, a bargain purchase gain is recognised immediately in Profit or Loss.</p> <p>The Group elects on a transaction-by-transaction basis whether to measure non-controlling interest at its fair value, or at its proportionate share of the recognised amount of the identifiable net assets, at the acquisition date.</p> <p>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.</p> <p>Transactions do not Result a Change in Control</p> <p>Changes in the Group's interest in a subsidiary that do not result in a loss of control status are accounted for as transactions with owners in their capacity as owners. Adjustments to non-controlling interests and parent's equity are based on a proportionate amount of the net assets of the subsidiary. No adjustments are made to goodwill recognised and no gain or loss is recognised in Profit or Loss.</p>

Notes to the Financial Statements

Details of the Group's subsidiaries at the end of the reporting period are as follows;

Subsidiary	As at 31 March Principal Activities	Proportion of ownership interest held by the Group					
		2025		2024			
		No. of Shares	Control Holding	No. of Shares	Control Holding		
Listed subsidiaries							
1	Agstar PLC	AGPLC	Trading and manufacturing	487,500,000	58.85%	487,500,000	58.85%
2	Brown & Company PLC	BCL	Trading and manufacturing	212,625,000	83.42%	212,625,000	83.42%
3	Browns Investments PLC	BIL	Investments holding	14,369,717,460	64.55%	14,369,717,460	64.55%
4	Dolphin Hotels PLC	DOLPHINPLC	Hotelier	43,849,317	69.33%	43,849,317	69.33%
5	Eden Hotels Lanka PLC	Eden	Hotelier	1,508,252,227	95.22%	1,508,252,227	95.22%
6	Hapugastenne Plantation PLC	HPL	Plantations	46,315,790	89.99%	46,315,790	89.99%
7	Hotel Sigiriya PLC	SIGIRIYAPLC	Hotelier	11,300,770	64.29%	11,300,770	64.29%
8	LOLC Finance PLC	LOFIN	Financial services	33,079,212,299	96.68%	33,079,212,299	96.68%
9	Palm Garden Hotels PLC	PGH	Investments holding	470,800,660	98.92%	470,800,660	98.92%
10	Serendib Hotels PLC	SHOTPLC	Hotelier	259,773,140	58.23%	259,773,140	58.23%
11	Udapussellawa Plantations PLC	UPL	Plantations	19,398,851	90.00%	19,398,851	90.00%
12	LOLC General Insurance PLC	LGENERAL	General Insurance	1,200,000,000	90.00%	1,200,000,000	90.00%
13	Sierra Cables PLC	SCABLE	Trading & Manufacturing	304,204,422	56.59%	-	0.00%
Non-listed subsidiaries							
14	AgStar Cropcare (Pvt) Ltd	AGCROP	Trading and manufacturing	5,000,000	100.00%	5,000,000	100.00%
15	AgStar Seeds (Pvt) Ltd	AGSEED	Trading and manufacturing	5,000,000	100.00%	4,500,000	100.00%
16	AgStar Grains (Pvt) Ltd	AGGRAINS	Trading and manufacturing	34,000,000	100.00%	34,000,000	100.00%
17	Ajax Engineers (Private) Limited	Ajax	Aluminium Fabrication	469,988	100.00%	469,988	100.00%
18	B G Air Services (Private) Limited	BGAIR	Air ticketing and outbound tours	50,000	100.00%	50,000	100.00%
19	Bl Leisure Holdings FZE	BILHFZE	Investments holding	300	100.00%	300	100.00%
20	Bl Logistics and Commodities (Private) Limited	BILOGIS	Trading and manufacturing	35,500,250	100.00%	35,500,250	100.00%
21	Bl Zhongtian Holdings (Pvt) Ltd	BIZHONG	Pre-operational	25,499,949	51.00%	25,499,949	51.00%
22	Browns Agri Solutions (Pvt) Ltd	BFPL	Agri Solutions	32,500,001	100.00%	1,000,000	83.42%
23	Browns Engineering & Construction (Pvt) Ltd	BECL	Construction	45,000,000	50.00%	45,000,000	50.00%
24	Browns Global Farm (Private) Limited	BGFL	Plantations	58,295,328	100.00%	58,295,328	100.00%
25	Browns Group Industries (Private) Limited	BGIL	Trading and manufacturing	18,162,500	100.00%	2,800,000	100.00%
26	Browns Group Motels Limited	BGML	Non-operational	15,862,500	99.37%	15,862,926	99.37%
27	Browns Health Care Negambo (Private) Limited	BML	Health Care	158,625,000	100.00%	5,000,000	100.00%
28	Browns Holdings Limited	BHL	Investments holding	575,076,303	100.00%	575,076,303	100.00%
29	Browns Hotels and Resorts Limited	BHRL	Investments holding	5,060,427,545	100.00%	5,060,427,545	100.00%
30	Browns Industrial Park (Private) Limited	BIPL	Renting Premises	88,362,500	100.00%	15,405,137	100.00%
31	Browns Leisure (Pvt) Ltd	BLL	Pre-operational	5,000,001	90.00%	4,500,001	90.00%
32	Browns Metal & Sands (Pvt) Ltd	BMS	Metal Mining	-	100.00%	-	100.00%
33	Browns Pharma Limited	BPPL	Vet Pharma	25,362,500	100.00%	10,000,000	100.00%
34	B.I. Holdings (Pvt) LTD	BPL	Investments holding	1,712,300,000	100.00%	1,712,300,000	100.00%
35	Browns Power Holding Limited	FLPH	Investments holding	100,000,000	100.00%	100,000,000	100.00%
36	Browns Property Holdings (Private) Limited	BPHPL	Property Holding	1	100.00%	1	100.00%
37	Browns Properties (Private) Limited	FLCPROP	Real Estate	60,000,000	100.00%	60,000,000	100.00%
38	Browns Teas (Pvt) Ltd	BTEAS	Pre-operational	1	100.00%	1	100.00%
39	Browns Thermal Engineering (Private) Limited	BTEL	Trading and manufacturing	16,862,500	100.00%	1,499,997	100.00%

Subsidiary			As at 31 March Principal Activities	Proportion of ownership interest held by the Group			
				2025		2024	
				No. of Shares	Control Holding	No. of Shares	Control Holding
40	Browns Tours (Private) Limited	BTL	GSA for Austrian airlines and inbound tour operations	2,030,000	100.00%	2,030,000	100.00%
41	Ceylon Graphene Technologies (Private) Limited	CGTL	Graphene Manufacturing	63,529,412	90.00%	63,529,412	90.00%
42	Ceylon Real Estate Holdings (Pvt) Ltd	CREH	Real Estate Development	1	100.00%	1	100.00%
43	Ceylon Roots Lanka (Pvt) Ltd	Roots_Lanka	Inbound tour operations	1	100.00%	1	100.00%
44	CFT Engineering Limited	CFTEL	Non-operational	3,076,130	99.99%	3,076,258	99.99%
45	Colombo Marina Development (Pvt) Ltd	CMD	Real Estate Development	1	100.00%	1	100.00%
46	Commercial Factors (Private) Limited	COMFAC	Non-operational	15,550,001	100.00%	15,550,001	100.00%
47	Dikwella Resort (Private) Limited	DRS	Hotelier	481,314	100.00%	481,314	100.00%
48	Diriya Investments (Private) Limited	DIL	Investments holding	415,313,564	100.00%	415,313,564	100.00%
49	Eagle Recoveries (Private) Limited	EAGLE	Non-operational	25,955,088	100.00%	25,955,088	100.00%
50	East Coast Land Holdings (Private) Limited	LOLH	Pre-operational	28,700,000	100.00%	28,700,000	100.00%
51	Engineering Services (Private) Limited	ESL	Real estate	15,797,502	100.00%	147,501	100.00%
52	Excel Global Holding Limited	EGHL	Real estate	53,448,329	100.00%	53,448,329	100.00%
53	Excel Restaurant (Private) Limited	ERL	Food & beverages	10,004	100.00%	10,004	100.00%
54	F L P C Management (Private) Limited	FLPC	Plantation management	96,552,842	95.34%	96,552,842	95.34%
55	Fortigrains Lanka (Pvt) Ltd	FORTIGRAINSLPL	Manufacturing	1	100.00%	1	100.00%
56	Frontier Capital Lanka (Pvt) Ltd	FRONTIER	Hotelier	3,216,295	100.00%	3,216,295	100.00%
57	Galoya Holdings (Private) Limited	GOHL	Investments holding	2,600,100	100.00%	2,600,000	100.00%
58	General Accessories and Coating (Pvt) Ltd (Amalgamated with Ajax Engineering (Pvt) Ltd)	GAC	Powder Coatings	-	-	3	100.00%
59	Green Orchard Property Investments (Private) Limited	GOPII	Real Estate	23,795,660	100.00%	23,795,660	100.00%
60	Green Paradise Resorts (Private) Limited	GPR	Hotelier	5,000,007	100.00%	5,000,007	100.00%
61	Gurind Accor (Pvt) Ltd	GURIND	Glass Processing	12,660,000	85.00%	12,660,000	85.00%
62	ICONIC Property One (Pvt) Ltd (Merger with LOLCCPHSL)	ICONIC1	Property Holding	-	-	1	100.00%
63	ICONIC Property Two (Pvt) Ltd (Merger with LOLCCPHSL)	ICONIC2	Property Holding	1	100.00%	1	100.00%
64	ICONIC Property Three (Pvt) Ltd	ICONIC3	Property Holding	1	100.00%	1	100.00%
65	ICONIC Property Five (Pvt) Ltd	ICONIC5	Property Holding	1	100.00%	1	100.00%
66	ICONIC Property Six (Pvt) Ltd	ICONIC6	Property Holding	1	100.00%	1	100.00%
67	ICONIC Property Seven (Pvt) Ltd (Merger with LOLCCPHSL)	ICONIC7	Property Holding	-	-	1	100.00%
68	ICONIC Property Eight (Pvt) Ltd	ICONIC8	Property Holding	1	100.00%	1	100.00%
69	ICONIC Property Nine (Pvt) Ltd	ICONIC9	Property Holding	1	100.00%	1	100.00%
70	ICONIC Property Ten (Pvt) Ltd	ICONIC10	Property Holding	1	100.00%	1	100.00%
71	ICONIC Property Twelve (Pvt) Ltd (Merger with LOLCCPHSL)	ICONIC12	Property Holding	-	-	1	100.00%
72	ICONIC Property Thirteen (Pvt) Ltd	ICONIC13	Property Holding	1	100.00%	1	100.00%
73	ICONIC Property Fourteen (Pvt) Ltd (Merger with LOLCCPHSL)	ICONIC14	Property Holding	-	-	1	100.00%
74	ICONIC Property Fifteen (Pvt) Ltd	ICONIC15	Property Holding	1	100.00%	1	100.00%
75	ICONIC Property Sixteen (Pvt) Ltd (Merger with LOLCCPHSL)	ICONIC16	Property Holding	-	-	1	100.00%
76	ICONIC Property Seventeen (Pvt) Ltd	ICONIC17	Property Holding	1	100.00%	1	100.00%
77	ICONIC Property Eighteen (Pvt) Ltd	ICONIC18	Property Holding	1	100.00%	1	100.00%

Notes to the Financial Statements

Subsidiary	As at 31 March Principal Activities	Proportion of ownership interest held by the Group				
		2025		2024		
		No. of Shares	Control Holding	No. of Shares	Control Holding	
78 ICONIC Property Nineteen (Pvt) Ltd (Merger with LOLCCPHSL)	ICONIC19	Property Holding	-	-	1	100.00%
79 ICONIC Property Twenty (Pvt) Ltd (Merger with LOLCCPHSL)	ICONIC20	Property Holding	-	-	1	100.00%
80 ICONIC Property Twenty One (Pvt) Ltd	ICONIC21	Property Holding	1	100.00%	1	100.00%
81 ICONIC Property Twenty Two (Pvt) Ltd (Merger with LOLCCPHSL)	ICONIC22	Property Holding	-	-	1	100.00%
82 LOLC Investment Holdings One (Pvt) Ltd (former ICONIC property 23)	ICONIC23	Property Holding	124,139,721	100.00%	124,139,721	100.00%
83 ICONIC Property Twenty Eight (Pvt) Ltd (Merger with LOLCCPHSL)	SINGHE13	Property Holding	-	-	1	100.00%
84 ICONIC Trust (Pvt) Ltd	ICONICTRUST	Investment Holding	1	100.00%	1	100.00%
85 Klevenberg (Private) Limited	KPL	Trading and manufacturing	30,962,500	100.00%	15,600,000	100.00%
86 Leapstitch Technologies (Pvt) Ltd	LEAPSTITCH	Advance Technology	25,056,490	49.00%	25,056,490	49.00%
87 Leapstitch Apparel (Pvt) Ltd	LEAPSTITCHAP	Trading and manufacturing	1	100.00%	1	100.00%
88 LOLC Advanced Technologies (Pvt) Ltd	BATL	Advance Technology	70,151,945	100.00%	70,151,945	100.00%
89 LOLC Asset Holdings Limited	LAHL	Holding Company	117,620,552	100.00%	233,048,951	100.00%
90 LOLC Ceylon Property Holding (Private) Ltd	LOLCCPH	Property Holding	1	100.00%	1	100.00%
91 LOLC Capital One (Private) Limited	LOLC CAPITAL	Non-operational	15,860,000	100.00%	15,860,000	100.00%
92 LOLC Corporate Services (Pvt) Ltd	COSER	Secretarial	15,400,000	100.00%	15,400,000	100.00%
93 LOLC Eco Solutions Limited	ECO	New venture	64,100,000	100.00%	64,100,000	100.00%
94 LOLC Factors Limited	LOFAC	Financial Services	920,000,000	100.00%	920,000,000	100.00%
95 LOLC Fincorp (Pvt) Ltd	FINCORP	Investment Holdings	1	100.00%	1	100.00%
96 LOLC GEO Technologies Pvt Ltd	LOLCGEO	Graphene Processing	28,388,071	90.00%	28,388,071	90.00%
97 LOLC Investments Limited	LOIV	Investment Holding	1,479,920,000	100.00%	1,479,920,000	100.00%
98 LOLC Investment Holdings Two (Pvt) Ltd	LOLCINV2	Investments holding	1	100.00%	1	100.00%
99 LOLC Investment Holdings Three (Pvt) Ltd	LOLCINV3	Investments holding	220,459,240	100.00%	1	100.00%
100 LOLC Investment Holdings Four (Pvt) Ltd	LOLCINV4	Investments holding	1	100.00%	1	100.00%
101 I Pay Ceylon (Pvt) Ltd (Formerly known as LOLC Investment Holdings Five (Pvt) Ltd)	LOLCINV5	Investments holding	1	100.00%	1	100.00%
102 Ceylon Precious (pvt) Ltd (Formerly known as LOLC Investment Holdings Six (Pvt) Ltd)	LOLCINV6	Investments holding	1	100.00%	1	100.00%
103 LOLC Life Assurance Limited	LLIFE	Long Term Insurance	135,000,000	100.00%	135,000,000	100.00%
104 LOLC Motors Limited	LMO	Automobile Repairs	126,000,000	100.00%	126,000,000	100.00%
105 LOLC Property Eight (Pvt) Ltd	LOLCP8	Real Estate	1	100.00%	1	100.00%
106 LOLC Property Five (Pvt) Ltd (Merger with LOLCCPHSL)	LOLCP5	Real Estate	-	-	38,000,001	100.00%
107 LOLC Property Four (Pvt) Ltd (Merger with LOLCCPHSL)	LOLCP4	Real Estate	-	-	26,000,001	100.00%
108 LOLC ECO Technologies (Pvt) Ltd	LOLCP9	Technology	1	100.00%	1	100.00%
109 LOLC Property One (Pvt) Ltd (Merger with LOLCCPHSL)	LOLCP1	Real estate	-	-	29,100,001	100.00%
110 LOLC Property Seven (Pvt) Ltd	LOLCP7	Real estate	1	100.00%	1	100.00%
111 LOLC Property Six (Pvt) Ltd	LOLCP6	Real estate	1	100.00%	1	100.00%
112 LOLC Property Three (Pvt) Ltd (Merger with LOLCCPHSL)	LOLCP3	Real estate	-	-	54,600,001	100.00%
113 LOLC Property Two (Pvt) Ltd (Merger with LOLCCPHSL)	LOLCP2	Real estate	-	-	78,000,001	100.00%
114 LOLC Securities Limited	LOSL	Stoke Brokering	50,000,000	100.00%	50,000,000	100.00%

Subsidiary		As at 31 March Principal Activities	Proportion of ownership interest held by the Group				
			2025		2024		
			No. of Shares	Control Holding	No. of Shares	Control Holding	
115	LOLC Serendib (Private) Limited	SERENDIB	Investment Holdings	1,000,000	100.00%	1,000,000	100.00%
116	LOLC Technologies Limited	LOITS	IT Services	1,700,000	100.00%	1,700,000	100.00%
117	Mahaweli Agro Trading (Pvt) Ltd	MAHAWELI	Trading & Manufacturing	19,549,996	100.00%	19,549,996	100.00%
118	Masons Mixture Limited	MML	Holding Company	4,304,124	99.67%	4,289,849	99.67%
119	Maturata Plantation Limited	MATURATA	Plantations	35,000,001	72.00%	35,000,001	72.00%
120	Marina Hotel Holdings (Pvt) Ltd	MHH	Real Estate Development	1	100.00%	1	100.00%
121	Millennium Development Limited	MDL	Renting Premises	44,390,823	100.00%	44,390,823	100.00%
122	AgStar Exports (Pvt) Ltd	AGEXPO	Trading & Manufacturing	4,500,000	100.00%	4,500,000	100.00%
123	Prith Seeds (Pvt) Ltd	PRITH	Trading & Manufacturing	10,000	100.00%	10,000	100.00%
124	Royal Seeds Pvt) Limited	ROYALSEED	Plantations	2	100.00%	1	100.00%
125	Browns Tea Exports (Private) Limited (Formerly known as Euro Asia Tea (Pvt) Ltd)	EUROASIA	Trading & Manufacturing	51,000,000	100.00%	51,000,000	100.00%
126	Sunsun Boutique Hotels Ltd	SBHL	Hotel Management	56,637,118	100.00%	56,637,118	100.00%
127	Browns Development Ltd	SDEV	Construction	27,804,304	100.00%	27,804,304	100.00%
128	Monkey Beach Estate (Pvt) Ltd	MONKEYBEACH	Real Estate	1	100.00%	1	100.00%
129	Newburgh Green Teas (Private) Limited	NGTPL	Plantations	6,481,944	54.00%	6,481,944	54.00%
130	PL Resorts Ltd	PLRESORTS	Hotelier	100	100.00%	100	100.00%
131	Riverina Resort (Private) Limited	RRL	Hotelier - Pre operational	35,050,000	100.00%	35,050,000	100.00%
132	S.F.L. Services (Private) Limited	SFL	Financial Services	1,627,500,000	100.00%	986,591	100.00%
133	Sanctuary Resorts Lanka (Pvt) Ltd	SANCTUARY	Hotelier	2	100.00%	2	100.00%
134	Serendib Leisure Mgt Ltd	LEISUREMGT	Hotelier	6,050,000	100.00%	6,050,000	100.00%
135	Sierra Piling (Pvt) Ltd	SPILING	Construction	4,310,005	100.00%	4,310,005	100.00%
136	Sifang Lanka (Private) Limited	SLPL	Trading	117,412,500	100.00%	2,050,000	100.00%
137	Snowcem Products Lanka (Private) Limited	SNOWCHEM	Trading	15,762,500	100.00%	400,000	100.00%
138	Sri Spice (Private) Limited	SRISPICE	Trading	100,000	65.00%	100,000	65.00%
139	Sumudra Beach Resorts (Private) Limited	SBRL	Hotelier	33,127,500	100.00%	33,127,500	100.00%
140	Sun & Fun Resorts (Private) Limited	SUNFUN	Hotelier	16,287,848	51.00%	16,287,848	51.00%
141	Sundaya Lanka (Private) Limited	SUNDAYA	Trading	1,224,490	51.00%	1,224,490	51.00%
142	Tea Leaf Resort (Private) Limited	TEALEAF	Non-operational	500,002	100.00%	500,002	100.00%
143	The Hatton Transport & Agency Company (Private) Limited	HATTON	Non-operational	1,537,250	100.00%	1,000	100.00%
144	Thurushakthi (Private) Limited	THURU	Property Holding	15,400,001	100.00%	15,400,001	100.00%
145	Tropical Island Commodities (Private) Limited	TROPICAL	Trading	100,000	65.00%	100,000	65.00%
146	Tropical Villas (Private) Limited	TVL	Non-operational	14,959,232	100.00%	14,959,232	100.00%
147	United Dendro Energy Ambalantota (Private) Limited	UDEA	Energy & Power	15,400,001	100.00%	15,400,001	100.00%
148	United Dendro Energy Walawewatte (Private) Limited	UDEW	Energy & Power	15,400,001	100.00%	15,400,001	100.00%
149	Walker & Greig (Private) Limited	WGL	Non-operational	15,362,501	100.00%	1	100.00%
150	Browns Fabric Limited (Disposed)	BFL	Fabric Manufacturing	-	-	1	100.00%
151	Sifang Lanka Trading (Private) Limited	SLTPL	Trading	3,000,002	100.00%	3,000,002	100.00%
152	Fairview Lands Limited	FLL	Non-operational	1	100.00%	1	100.00%
153	Bestie Beverage (Pvt) Ltd	BESTIE	Trading	240,000,000	95.94%	240,000,000	95.94%
154	LOLC Property Holding SL (Pvt) Ltd	LOLCCPHSL	Property Holding	1	100.00%	1	100.00%
155	LOLC Investment Holdings Seven (Pvt) Ltd	LOLCINV7	Investment Holdings	1	100.00%	1	100.00%

Notes to the Financial Statements

Subsidiary	As at 31 March Principal Activities	Proportion of ownership interest held by the Group					
		2025		2024			
		No. of Shares	Control Holding	No. of Shares	Control Holding		
156	LOLC Investment Holdings Eight (Pvt) Ltd	LOLCINV8	Investment Holdings	1	100.00%	1	100.00%
157	LOLC Investment Holdings Nine (Pvt) Ltd	LOLCINV9	Investment Holdings	1	100.00%	1	100.00%
158	LOLC Investment Holdings Ten (Pvt) Ltd	LOLCINV10	Investment Holdings	1	100.00%	1	100.00%
159	LOLC Investment Holdings Eleven (Pvt) Ltd	LOLCINV11	Investment Holdings	1	100.00%	1	100.00%
160	LOLC Ceylon Holdings Limited	LOLCP10	Investment Holdings	3,843,074,796	100.00%	3,843,074,796	100.00%
161	Sun Yield Bio Ingredients (Pvt) Ltd	SYBI	Trading & Manufacturing	10,000	70.00%	10,000	70.00%
162	Browns Plantation Holdings (Pvt) Limited	BPHL	Investment Holdings	601,000	100.00%	1	100.00%
163	Colombo Marina International (Pvt) Ltd	CMIPL	Real Estate Development	1	100.00%	1	100.00%
164	Marina Hotel (Pvt) Ltd	CMPL	Real Estate Development	1	100.00%	1	100.00%
165	Three Tips Ella (Pvt) Limited	TTIPS	Hotelier	1	100.00%	1	100.00%
166	Sierra Cables East Africa Limited	SCEAL	Trading & Manufacturing	5,700	95.00%	-	0.00%
167	Browns Group Industrial Park (Pvt) LTD [Formerly known as Isin Lanka (Private) Limited]	ISIN	Real estate	40,934,550	100.00%	-	0.00%
Foreign subsidiaries using different functional currencies							
168	Bodufaru Beach Resorts (Private) Limited	BBR	Hotelier - pre-operational	235,800	99.96%	235,800	99.96%
169	B Commodities ME[FZE]	BICOMEZ	Wealth Management	150,000	100.00%	150,000	100.00%
170	Browns Ari Resort (Pvt) Ltd	BARM	Hotelier - pre-operational	40,099	100.00%	40,099	100.00%
171	Browns Kaafu N Resort (Pvt) Ltd	BKNRM	Hotelier - pre-operational	99	99.00%	99	99.00%
172	Browns Raa Resort (Pvt) Ltd	BRRM	Hotelier - pre-operational	99	99.00%	99	99.00%
173	Fusion X Global FZC	FusionXFZC	Financial services Technologies	300	100.00%	300	100.00%
174	Grey Reach Investments Ltd	GRIL	Investments holding	30,000	66.67%	30,000	66.67%
175	IPay Global FZC	IPayFZC	Financial services Technologies	300	100.00%	300	100.00%
176	LOLC Kenya Microfinance Bank PLC [former Key Micro Finance Bank PLC]	KMBPLC	Micro Lending	71,735,791	83.81%	71,735,791	83.81%
177	LOLC Global (Pvt) Ltd	LOLC_ASIA	Investment Holdings	44,100,000	100.00%	44,100,000	100.00%
178	LOLC Asia(Pvt) Ltd	LOLCPL	Investment Holdings	437,719,375	84.05%	442,649,862	85.00%
179	LOLC Cambodia Plc	TPC	Financial services	4,243,774	96.97%	4,243,774	96.97%
180	LOLC Africa Holdings (Pvt) Ltd - Singapore	LAFRICA	Investments holding	28,394,157	100.00%	27,094,517	100.00%
181	LOLC Financial Sector Holdings Private Limited	LOLCFSH	Investment Holdings	7,045,000	100.00%	7,045,000	100.00%
182	LOLC Finance Zambia Limited	LZAMBIA1	Financial Services	16,000,000	100.00%	16,000,000	100.00%
183	LOLC International (Pvt) Ltd	LOLCIPL	Investment Holdings	3,961,189	100.00%	3,961,189	100.00%
184	LOLC Mauritius Holdings Limited	LMAURITIUS	Investments holding	35,955,698	100.00%	35,955,698	100.00%
185	LOLC Myanmar Micro-Finance Company Limited	LMML	Financial services	38,004,505	100.00%	38,004,505	100.00%
186	LOLC Philippines Corporation	PHILCO	Investment Holdings	526,659,203	100.00%	526,659,203	100.00%
187	LOLC Philippines Holdings Incorporated	PHILHOLD	Investment Holdings	94,166,800	99.99%	94,166,800	99.99%
188	LOLC Philippines Capital Holdings Corporation	PHILCAP	Investment Holdings	149,995,005	100.00%	149,995,005	100.00%
189	LOLC Bank Phillipines	LOLCBP	Micro finance Bank	2,018,702	48.00%	2,018,702	48.00%
190	LOLC Finance Philippines Inc.(former LOLC ASKI Finance Inc)	ASKI	Financial services	2,206,521	99.93%	2,206,521	99.93%
191	NPH Investment (Private) Limited	NPHI	Leisure	141,555,600	51.00%	141,555,600	51.00%
192	Pak Oman Micro finance Bank Limited	PAKOMAN	Financial services	230,830,000	100.00%	230,830,000	100.00%
193	PT LOLC Management Indonesia	PTLMI	Investment Holdings	50,146	68.08%	50,146	68.08%

Subsidiary	As at 31 March Principal Activities	Proportion of ownership interest held by the Group				
		2025		2024		
		No. of Shares	Control Holding	No. of Shares	Control Holding	
194 PT LOLC Ventura Indonesia (Former PT Sarana Sumut Ventura)	PTSSV	Financial services	85,000,000	84.73%	85,000,000	84.73%
195 Sunbird Bioenergy (SL) Ltd	SBSLL	Plantation	3,750	75.09%	3,750	75.09%
196 Qirat Investments LLC	QIRAT	Investment Holdings	300	100.00%	300	100.00%
197 Urumaya Resources Pvt Ltd	URUMAYA	Gold Mining	100	80.00%	100	80.00%
198 LOLC India Holdings (IFSC) Private Limited	INDHOL	Investment Holdings	1	100.00%	1	100.00%
199 ABN Micro Finance	ABN	Micro Lending	350,000,000	60.75%	304,135,828	60.43%
200 Fina Trust Micro Finance Bank Ltd	FINAT	Micro finance Bank	445,075,760	70.00%	445,075,760	70.00%
201 LOLC El-Oula Microfinance Egypt	FMFCL	Micro Lending	1,011,790	99.99%	610,000	100.00%
202 LOLC Finance Limited Malawi	EXPRESSCREDIT	Micro Lending	1,448,820,854	100.00%	1,448,820,854	100.00%
203 LLC MDO LOLC Moliya (former Fazo S LLC MDO)	Fazo	Micro Lending	15,500,000	100.00%	15,500,000	100.00%
204 Lombard Microfinance Organisation	Karat	Pawning	1,052,376	100.00%	1,052,376	100.00%
205 LOLC Tanzania Financial Services Ltd (former Tujijenge Tanzania Financial Services)	TUJIJENG	Micro Lending	3,829	97.39%	3,829	97.39%
206 Serendib Micro Insurance PLC	SMIPLC	Micro Insurance	1,000,000	100.00%	1,000,000	100.00%
207 Fortigrains Private Limited	FPLSINGA	Investment Holdings	500	50.00%	500	50.00%
208 LOLC Central Asia (Pvt) Ltd	LOLCCAPL	Investment Holdings	22,690,000	100.00%	22,690,000	100.00%
209 LOLC Ventures FZE	VENFZE	Investment Holdings	300	100.00%	300	100.00%
210 Yambukai Finance	YAMBUKAI	Micro Lending	6,000	70.00%	6,000	70.00%
211 LOLC India Finance Private Limited	INDFIN	Micro Lending	1	100.00%	1	100.00%
212 LOLC UNGUKA Finance PLC (former Unguka Bank PLC)	UNGKA	Banker	51,791,654	90.00%	51,791,654	90.00%
213 FORTUNE Holdings SD (Pvt) Ltd	FORTUNE	Investment Holdings	1	100.00%	1	100.00%
214 R-Finance' Microfinance Organization Limited Liability Partnership	RFIN	Micro Lending	100	50.01%	1	50.01%
215 Browns Engineering & Construction (Fiji) Pte Ltd	BECLFIJI	Construction	600,000	100.00%	600,000	100.00%
216 Browns Plantations Kenya Limited (former James Finlay (Kenya) Limited)	JFKL	Plantation	7,500,000	85.00%	7,500,000	85.00%
217 Browns E&C Technical Services Contracting LLC	BECLUAE	Construction	300	100.00%	300	100.00%
218 Browns Plantation Rwanda Ltd	BRWANDA	Plantation	20,745,293	100.00%	-	0.00%
219 Browns Plantation Tanzania Ltd	BTANZANIA	Plantation	8,014,373,342	100.00%	-	0.00%
220 Browns Plantation East Africa Ltd	BKENYA	Plantation	65,644,010	98.94%	-	0.00%
221 Limuru Tea PLC	LIMURU	Plantation	2,400,000	52.00%	-	0.00%
222 James Finlay (Guizhou) Tea CO., LTD	JFKGUIZHOU	Plantation	1	100.00%	-	0.00%
223 Browns Tea Trading FZCO	BTEAFZCE	Trading	75,000	60.00%	-	0.00%
224 LFSH Investments Private Limited	LFSHINV	Investment Holdings	1	100.00%	-	0.00%

Notes to the Financial Statements

31.3 Fair values of subsidiaries

The Directors' valuation of investments in subsidiaries has been done on consolidated net assets basis. The following subsidiaries are listed in the Colombo Stock Exchange and their market value details given below;

As at 31 March	Group			
	2025		2024	
	No. of Shares	Market value Rs.'000	No. of Shares	Market value Rs.'000
Brown & Company PLC	212,625,000	33,647,906	212,625,000	23,388,750
Browns Investments PLC	14,369,717,460	104,898,937	14,369,717,460	77,596,474
Dolphin Hotels PLC	43,849,317	2,003,914	43,849,317	1,539,111
Eden Hotels Lanka PLC	1,508,252,227	20,361,405	1,508,252,227	19,456,454
Hotel Sigiriya PLC	11,300,770	867,899	11,300,770	576,339
LOLC Finance PLC	33,079,212,299	198,475,274	33,079,212,299	181,935,668
Palm Garden Hotels PLC	470,800,660	29,895,842	470,800,660	20,668,149
Serendib Hotels PLC	259,773,140	4,805,803	259,773,140	3,636,824
LOLC General Insurance PLC	1,200,000,000	9,120,000	1,200,000,000	7,320,000
Hapugastenne Plantation PLC	46,315,790	2,079,579	46,315,790	1,523,789
Udapussellawa Plantations PLC	19,398,851	2,526,700	19,398,851	1,419,996
Agstar PLC - Voting Shares	461,289,465	3,505,800	461,289,465	3,551,929
Agstar PLC - Non Voting Shares	26,210,535	201,821	26,210,535	162,505
Sierra Cables PLC	304,204,422	4,776,009	-	-
		417,166,890		342,775,988

31.4 Acquisition of subsidiaries

31.4.1 Financial year 2025

31.4.1.1 Acquisition of foreign companies

Acquisition of Lipton Teas and Infusions Kenya Plc (Renamed as Browns Plantations East Africa Ltd (BEAP))

B Commodities ME FZE ,A fully owned subsidiary of Browns Investments PLC acquired 98.94% of control holding in Lipton Teas and Infusions Kenya PLC for a total consideration of Rs.18.05 Bn on 30th July 2024.

Acquisition of Limuru Tea PLC

Lipton Teas and Infusions Kenya Plc ,a subsidiary of Browns Investments PLC hold 51.99% of control holding in Limuru Tea PLC.

Acquisition of Lipton Teas and Infusions Rwanda Ltd (Renamed as Browns Plantations Rwanda Ltd (BRWANDA))

B Commodities ME FZE ,A fully owned subsidiary of Browns Investments PLC acquired 100% of control holding in Lipton Teas and Infusions Rwanda Ltd for a total consideration of Rs.2.2 Bn on 30th July 2024.

Acquisition of Lipton Teas and Infusions Tanzania Ltd (Renamed as Browns Plantations Tanzania Ltd (BTANZANIA))

B Commodities ME FZE ,A fully owned subsidiary of Browns Investments PLC acquired 100% of control holding in Browns Plantations Tanzania Ltd for a total consideration of Rs.91.7 Mn on 20th December 2024.

Acquisition of James Finlay Guizhou Company Ltd (JFKGUIZHOU)

B Commodities ME FZE ,A fully owned subsidiary of Browns Investments PLC acquired 100% of control holding in James Finlay Guizhou Company Ltd for a total consideration of Rs.302 on 31st July 2024.

31.4.1.2 Acquisition of Local Companies

Acquisition of Isin Lanka (Pvt) Ltd (ISIN)

Browns & Company PLC, a subsidiary of LOLC Holdings PLC acquired 100% of control holding in Isin Lanka (Pvt) Ltd for a total consideration of Rs.1.9 Bn on 24th September 2024.

Acquisition of Sierra Cables PLC (SCABLE)

Browns Investments PLC ,A subsidiary of LOLC Holdings PLC acquired 56.59% of control holding in Sierra Cables pLC for a total consideration of Rs.3.7 Bn on 20th March 2025.

31.4.1.3 Consideration paid

For the year ended 31 March 2025	Control holding acquired	Cash and cash equivalents Paid	Consideration to be paid	Transfer from Associates	Intra Group Investment	Fair value of the consideration paid	Fair value of previously held interest	Total consideration of acquisition
	%	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Acquisition of Browns Plantations East Africa Ltd	98.94%	3,946,330	14,100,108	-	(56,497)	17,989,941	-	17,989,941
Acquisition of Limuru Tea PLC	51.99%	-	-	-	-	-	-	-
Acquisition of Browns Plantations Rwanda Ltd	100.00%	618,495	1,638,245	-	-	2,256,740	-	2,256,740
Acquisition of Browns Plantations Tanzania Ltd	100.00%	-	91,783	-	-	91,783	-	91,783
Acquisition of James Finlay Guizhou Company Ltd	100.00%	-	-	-	-	-	-	-
Acquisition of Isin Lanka (Pvt) Ltd	100.00%	1,920,000	-	-	-	1,920,000	-	1,920,000
Acquisition of Sierra Cables PLC	56.59%	1,740,773	-	2,012,043	-	3,752,816	-	3,752,816

31.4.1.4 The fair values of the identifiable assets and liabilities of the acquire as at the date of acquisition were;

As at 31 March	BEAP	LIMURU	BRWANDA	BTANZANIA	JFKGUIZHOU	ISIN	SCABLE	Total
	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000
Assets								
Cash and cash equivalents	647,139	16,340	84,547	457,733	80,274	38,900	769,478	2,094,411
Investment Securities	260,056	-	-	-	-	-	73,677	333,733
Inventories	2,556,101	-	306,743	1,401,110	446,666	240,604	3,752,990	8,704,213
Current tax assets	4,095,983	14,402	426,683	1,093,213	93,870	382	570,722	6,295,256
Trade and other current assets	1,422,318	240,153	429,576	784,079	153,637	6,931	3,904,240	6,940,933
Right-of-use assets	66,982,251	17,532,169	2,034,747	2,117,614	-	-	-	88,666,781
Consumable biological assets	3,427,617	34,723	-	1,508,806	-	-	-	4,971,145
Bearer biological assets	6,757,342	184,552	1,215,475	2,228,080	-	-	-	10,385,448
Investments in group of companies	56,497	-	-	-	-	-	31,610	88,107
Deferred tax assets	-	-	-	1,238,663	-	-	-	1,238,663
Intangible assets	-	-	-	-	-	-	4,550	4,550
Property, plant and equipment	21,108,285	3,882,936	4,128,342	8,729,430	632,393	2,188,088	3,701,582	44,371,056
	<u>107,313,588</u>	<u>21,905,274</u>	<u>8,626,112</u>	<u>19,558,727</u>	<u>1,406,841</u>	<u>2,474,906</u>	<u>12,808,849</u>	<u>174,094,297</u>
Liabilities								
Interest-bearing borrowings	-	-	-	5,447	104,522	-	4,565,314	4,675,283
Current tax payables	1,758,039	-	42,767	825,548	-	1	333,769	2,960,124
Trade and other payables	4,084,716	49,676	703,339	1,690,019	513,458	8,391	1,000,188	8,049,786
Deferred tax liabilities	16,567,797	3,258,135	57,078	1,238,663	-	553,440	676,809	22,351,923
Retirement benefit obligations	165,308	48,844	5,859	363,953	-	-	106,206	690,170
	<u>22,575,860</u>	<u>3,356,655</u>	<u>809,042</u>	<u>4,123,630</u>	<u>617,980</u>	<u>561,832</u>	<u>6,682,285</u>	<u>38,727,285</u>

Notes to the Financial Statements

31.4.1.5 Goodwill on acquisition / [Gain on bargain purchase]

Goodwill on acquisition / [Gain on bargain purchase] is recognised as a result of the acquisitions as follows;

	BEAP	LIMURU	BRWANDA	BTANZANIA	JFKGUIZHOU	ISIN	SCABLE	Total
	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000
Fair value of consideration paid	18,046,438	-	2,256,740	91,783	-	1,920,000	3,752,816	26,067,777
Less - Transaction cost	(2,279,301)	-	(23,051)	-	-	-	-	(2,302,352)
Net consideration paid	15,767,137	-	2,233,689	91,783	-	1,920,000	3,752,816	23,765,425
Non-controlling interests acquired (Net)	39,677,761	13,413,332	2,568,115	7,086,520	364,347	(1,152)	2,527,451	65,636,374
Non controlling arising from the acquisition	(8,361,412)	-	-	-	-	-	-	(8,361,412)
Fair value of identifiable net assets acquired	84,737,728	18,548,619	7,817,070	15,435,097	788,861	1,913,074	6,126,564	135,367,012
Goodwill on acquisition/[Gain on bargain purchase]	(37,654,242)	(5,135,287)	(3,015,266)	(8,256,794)	(424,515)	5,774	153,703	(54,326,626)

31.4.1.6 Net cash used in acquisition

Goodwill on acquisition / [Gain on bargain purchase] is recognised as a result of the acquisitions as follows;

	BEAP	LIMURU	BRWANDA	BTANZANIA	JFKGUIZHOU	ISIN	SCABLE	Total
	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000
Purchase consideration								
Consideration payable	(14,100,108)	-	(1,638,245)	(91,783)	-	-	-	(15,830,136)
Fair value of the consideration paid	(3,946,330)	-	(618,495)	-	-	(1,920,000)	(1,740,773)	(8,225,598)
	(18,046,438)	-	(2,256,740)	(91,783)	-	(1,920,000)	(1,740,773)	(24,055,734)
[-] Cash & cash equivalents acquired								-
Positive cash balances	647,139	16,340	84,547	457,733	80,274	38,900	769,478	2,094,411
Net cash used in acquisition	(3,299,191)	16,340	(533,948)	457,733	80,274	(1,881,100)	(971,295)	(6,131,187)

31.4.2 Financial Year 2024

Acquisition of Yambukai Finance [Pvt] Ltd

LOLC Mauritius Holdings [Pvt] Limited ,A fully owned subsidiary of LOLC Africa Holdings [Pvt] Limited acquired 70% of control holding in Yambukai Finance [Pvt] Ltd for a total consideration of Rs.321 Mn on 1st April 2023.

Acquisition of LOLC Finance Limited [Malawi]

LOLC Mauritius Holdings [Pvt] Limited ,A fully owned subsidiary of LOLC Africa Holdings [Pvt] Limited acquired 100% of control holding in LOLC Finance Limited [Malawi] for a total consideration of Rs.602 Mn on 30th September 2023.

Acquisition of LOLC Unguka Finance PLC

LOLC Mauritius Holdings [Pvt] Limited ,A fully owned subsidiary of LOLC Africa Holdings [Pvt] Limited acquired 90% of control holding in LOLC Unguka Finance PLC for a total consideration of Rs.1.5 Bn on 30th September 2023.

Acquisition of R-Finance' Microfinance Organisation Limited Liability Partnership

FORTUNE Holdings SD [Pvt] Ltd , A fully owned subsidiary of LOLC acquired 50.01% of control holding in R-Finance' Microfinance Organisation Limited Liability Partnership for a total consideration of Rs.3.1 Bn on 30th September 2023.

Acquisition of Browns Plantation [Kenya] Ltd

B Commodities ME FZE, A fully owned subsidiary of BI Commodities and Logísticas [Pvt] Ltd acquired 85% of control holding in Browns Plantation [Kenya] Ltd for a total consideration of Rs.10.8 Bn on 30th November 2023.

Acquisition of Bestie Beverages [Pvt] Ltd

LOLC Advanced Technologies [Private] Limited ,A fully owned subsidiary of LOLC Holdings PLC further acquired 95.94% of control holding in Bestie Beverages [Pvt] Ltd for a total consideration of Rs.513 Mn on 01st April 2023.

31.4.2.1 Consideration paid

For the year ended 31 March 2024	Control holding acquired	Cash and cash equivalents Paid Rs. '000	Intra Group Investment Rs.'000	Fair value of the consideration paid Rs. '000	Fair value of previously held interest Rs. '000	Total consideration of acquisition Rs. '000
Acquisition of Yambukai Finance [Pvt] Ltd	70.00%	321,424	-	321,424	-	321,424
Acquisition of LOLC Finance Limited [Malawi]	100.00%	601,642	-	601,642	-	601,642
Acquisition of LOLC Unguka Finance PLC	90.00%	1,528,784	-	1,528,784	-	1,528,784
Acquisition of R-Finance' Microfinance Organisation Limited Liability Partnership	50.01%	3,108,149	-	3,108,149	-	3,108,149
Acquisition of Browns Plantation [Kenya] Ltd	85.00%	10,842,931	-	10,842,931	-	10,842,931
Acquisition of Bestie Beverages [Pvt] Ltd	95.94%	513,750	-	513,750	-	513,750

Notes to the Financial Statements

31.4.2.2 The fair values of the identifiable assets and liabilities of the acquire as at the date of acquisition were;

	YAMBUKAI	LOLC FIN MALAWI	UNGUKA	RFIN	BPKL	BESTIE	Total
	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000
Assets							
Cash and cash equivalents	100,762	8,643	2,062,723	3,780,574	2,346,189	2,087	8,300,978
Loans and Advances to Customers	456,334	606,918	5,194,318	12,233,060	-	-	18,490,630
Investment Securities	-	-	837,252	-	-	-	837,252
Current tax assets	-	-	-	-	122,671	-	122,671
Inventories	-	-	-	3,079	3,015,810	145,709	3,164,598
Trade and other receivables	1	9,835	461,574	390,438	3,879,719	428,922	5,170,488
Right-of-use assets	-	-	274,152	-	31,529,470	-	31,803,622
Investment properties	-	-	-	-	1,366,618	-	1,366,618
Biological Assets	-	-	-	-	7,567,212	-	7,567,212
Deferred tax assets	-	-	51,628	-	-	-	51,628
Intangible assets	-	-	10,062	1,550	403,653	-	415,265
Property, plant and equipment	9,635	7,244	124,594	573,645	23,302,484	233,179	24,250,781
	566,732	632,640	9,016,304	16,982,346	73,533,825	809,897	101,541,744
Liabilities							
Interest-bearing borrowings	46,110	449,282	283,698	12,335,731	7,183,035	354,732	20,652,589
Deposits of Customers	-	-	6,393,805	-	-	-	6,393,805
Retirement benefit obligation	-	-	67	-	1,173,406	1,182	1,174,656
Deferred tax liabilities	-	-	-	6,401	11,193,410	-	11,199,812
Trade and other payables	15,285	51,896	640,084	211,069	3,046,399	174,622	4,139,355
Bank Overdrafts	-	45,731	-	7,670	1,125,736	-	1,179,137
	61,395	546,909	7,317,655	12,560,871	23,721,987	530,536	44,739,353

31.4.2.3 Goodwill on acquisition / [Gain on bargain purchase]

Goodwill on acquisition / [Gain on bargain purchase] is recognised as a result of the acquisitions as follows;

	YAMBUKAI	LOLC FIN MALAWI	UNGUKA	RFIN	BPKL	BESTIE	Total
	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000
Fair value of consideration paid	321,424	601,642	1,528,784	3,108,149	10,842,931	513,750	16,916,680
Less - Transaction cost	-	-	-	-	-	-	-
Net consideration paid	321,424	601,642	1,528,784	3,108,149	10,842,931	513,750	16,916,680
Non-controlling interests acquired (Net)	151,601	-	169,865	2,210,295	22,019,157	11,349	24,562,267
Fair value of identifiable net assets acquired	505,337	85,731	1,698,649	4,421,475	49,811,838	279,361	56,802,391
Impairment on net asset acquired	-	-	-	-	-	(245,738)	(245,738)
Goodwill on acquisition/[Gain on bargain purchase]	(32,312)	515,911	-	896,970	(16,949,750)	-	(15,569,181)

31.4.2.4 Net cash used in acquisition

As at 31 March	YAMBUKAI	LOLC FIN MALAWI	UNGUKA	RFIN	BPKL	BESTIE	Total
	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000
Purchase consideration							
Consideration payable	-	-	-	-	(2,970,768)	-	(2,970,768)
Fair value of the consideration paid	(321,424)	(601,642)	(1,528,784)	(3,108,149)	(7,872,163)	(513,750)	(13,945,912)
	(321,424)	(601,642)	(1,528,784)	(3,108,149)	(10,842,931)	(513,750)	(16,316,680)
(-) Cash & cash equivalents acquired							
Positive cash balances	100,762	8,643	2,062,723	3,780,574	2,346,189	2,087	8,300,978
Net cash used in acquisition	(220,662)	(592,999)	533,939	672,425	(5,525,974)	(511,663)	(8,615,702)

31.5 Disposal of Subsidiaries

Accounting Policy
The parent can lose control of a subsidiary with or without a change in absolute or relative ownership levels. Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any minority interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in the 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 it is accounted for as an equity-accounted investee or as other financial asset depending on the level of influence retained.

31.5.1 Financial Year 2025

31.5.1.1 Disposal of Browns Fabric Limited

31.5.1.2 Consideration received

During the current financial year group has divested following subsidiaries;

	Controlling interest sold	Cash and cash equivalents received	Disposal related costs	Fair value of the consideration received	Fair value of Remaining Stake	Total consideration of disposal
	%	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Browns Fabric Limited	100.00%	50,000	-	50,000	-	50,000
Fair value of the consideration received		50,000	-	50,000	-	50,000

31.5.1.3 Fair values of the identifiable assets and liabilities of the disposed;

Fair values of the identifiable assets and liabilities of the disposed groups at the date of disposal were;

	BFL Rs.000
Assets	
Cash and cash equivalents	100
Property, plant and equipment	3,116
	3,216
Liabilities	
	-
	-
Fair value of identifiable net assets disposed	3,216

Notes to the Financial Statements

31.5.1.4 Gain on disposal of subsidiaries

	Note	BFL Rs.000
Total consideration received	31.5.1.2	50,000
Net Assets Attributable to Parent		
De-recognition of non-controlling interests		(7,780)
Fair value of net assets disposed	31.5.1.3	(3,216)
Gain realised on disposal		39,003

31.5.1.5 Net cash received from disposal

	BFL Rs.000
Total consideration received	50,000
(-) Disposal related costs	-
Positive cash balances	(100)
Net cash received from disposal	49,900

31.5.2 Financial Year 2024

31.5.2.1 Disposal of Tiasa Construction (Pvt) Ltd

Iconic Trust (Pvt) Ltd (Subsidiary of LOLC Group) disposed the entirety of its shareholding amounting to 100% of Tiasa Construction (Pvt) Ltd on 01st September 2023.

Disposal of Sierra Readymix (Pvt) Ltd

Iconic Trust (Pvt) Ltd (Subsidiary of LOLC Group) disposed the entirety of its shareholding amounting to 100% of Sierra Readymix (Pvt) Ltd on 01st September 2023.

Disposal of Creation Wooden Fabricators (Pvt) Ltd

Ajax Engineers (Pvt) Ltd (Subsidiary of LOLC Group) disposed the entirety of its shareholding amounting to 90% of Creation Wooden Fabricators (pvt) Ltd on 01st September 2023.

31.5.2.2 Consideration received

During the current financial year group has divested following subsidiaries;

For the year ended 31 March 2024	Controlling interest sold %	Cash and cash equivalents Received Rs. '000	Disposal related costs Rs.'000	Fair value of the consideration received Rs. '000	Fair value of Remaining Stake Rs. '000	Total consideration of disposal Rs. '000
Tiasa Construction (Pvt) Ltd	100.00%	59,191	-	59,191	-	59,191
Sierra Readymix (Pvt) Ltd	100.00%	209,859	-	209,859	-	209,859
Creation Wooden Fabricators (Pvt) Ltd	90.00%	-	-	-	-	-
Fair value of the consideration received		269,050	-	269,050	-	269,050

31.5.2.3 Fair values of the identifiable assets and liabilities of the disposed;

Fair values of the identifiable assets and liabilities of the disposed groups at the date of disposal were;

	TIASA Rs.'000	SREADYMIX Rs.'000	CREATION Rs.'000	Total Rs.'000
Assets				
Cash and cash equivalents	2,850	17,522	158	20,530
Investment Securities	116,000	2,408	-	118,408
Inventories	28,642	95,498	37,890	162,030
Current tax assets	238	11,899	-	12,137
Trade and other receivables	98,657	207,570	3,404	309,631
Right-of-use assets	9,340	53,507	-	62,847
Investment properties	-	444,131	-	444,131
Property, plant and equipment	171,595	287,585	-	459,180
Total assets	427,322	1,120,120	41,452	1,588,895
Liabilities				
Bank overdrafts	24,126	142,044	172	166,342
Interest bearing borrowings	52,997	79,205	-	132,201
Current tax payables	705	4,951	8,600	14,256
Trade and other payables	78,077	266,516	218,119	562,713
Deferred tax liabilities	36,035	141,348	5,299	182,682
Retirement benefit obligations	506	9,832	3,009	13,348
Total liabilities	192,446	643,896	235,199	1,071,543
Net assets disposed	234,876	476,225	[193,747]	517,352

31.5.2.4 Gain/[loss] on disposal of subsidiaries

	Note	TIASA Rs.000	SREADYMIX Rs.'000	CREATION Rs.'000	Total Rs.'000
Total consideration received	31.5.2.2	59,191	209,859	-	269,050
Net Assets Attributable to Parent					
De-recognition of non-controlling interests		108,488	219,970	[99,916]	228,542
Fair value of net assets disposed	31.5.2.3	[234,876]	[476,225]	193,747	[517,354]
Gain/[loss] realised on disposal		[67,197]	[46,396]	93,831	[19,762]

Notes to the Financial Statements

31.6 Non-controlling interests

Accounting Policy

Non-controlling Interests is the equity in a subsidiary not attributable, directly or indirectly, to the parent are presented in the Statement of Financial Position within Equity, separately from the Equity attributable to Shareholders Holders of the Parent (Company).

Material NCI of the Group is determined based on Group threshold contribution to statement of financial position.

The following table summarises the information relating to each of the Group's subsidiaries that has material NCI, before any intra-group eliminations.

As at 31 March 2025	Financial Services				Leisure & Entertainment					
	LOFIN	PAKOMAN	LOCAM	LOLCBP	PGH	EDEN	NPHI	GPR	MDL	
Effective NCI %	18.74%	15.95%	18.48%	32.76%	46.77%	49.07%	72.55%	49.07%	46.19%	
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	
Total Assets	429,718,043	9,947,319	473,974,048	5,643,183	23,363,957	15,225,073	43,770,637	2,819,070	6,206,594	
Total liabilities	280,194,094	8,505,515	356,460,882	4,241,219	3,916,177	3,722,882	36,401,522	1,071,155	2,430,850	
Net assets	149,523,948	1,441,804	117,513,166	1,401,965	19,447,779	11,502,191	7,369,114	1,747,915	3,775,743	
Gross Carrying amount of NCI	22,626,076	(1,629,743)	15,320,427	(362,228)	(1,483,240)	(4,570,187)	3,128,155	154,645	(674,512)	
Gross income	49,940,087	1,707,726	43,895,100	1,059,851	2,480,066	508,363	114,449	181,858	(52,210)	
Profit/(loss) for the period	25,085,141	(969,397)	11,482,036	(614,167)	1,924,132	239,248	50,169	131,346	(167,314)	
OCI for the period	2,093,336	(56,247)	(519,358)	(75,038)	(90)	867,953	2,387,479	312,530	(202)	
Profits/(loss) allocated to NCI	4,700,955	(154,619)	2,121,880	(201,201)	899,917	117,399	36,397	64,451	(77,282)	
OCI allocated to NCI	392,291	(8,971)	(95,977)	(24,582)	(42)	425,905	1,732,116	153,358	(93)	

As at 31 March 2024	Financial Services				Leisure & Entertainment					
	LOFIN	PAKOMAN	LOCAM	LOLCBP	PGH	EDEN	NPHI	GPR	MDL	
Effective NCI %	17.83%	15.01%	17.58%	32.01%	46.77%	49.07%	72.55%	49.07%	46.19%	
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	
Total Assets	377,378,077	7,223,887	470,201,805	6,544,444	20,043,512	14,629,815	29,718,900	2,318,252	6,017,949	
Total liabilities	255,281,750	4,590,891	359,616,424	4,453,275	2,519,775	4,234,824	24,787,434	1,014,213	2,074,690	
Net assets	122,096,328	2,632,996	110,585,382	2,091,169	17,523,737	10,394,991	4,931,466	1,304,039	3,943,259	
Carrying amount of NCI	(32,888,687)	(1,490,808)	13,036,472	(152,129)	(2,383,114)	(5,113,490)	1,359,641	(63,165)	(597,136)	
Gross income	54,387,790	1,920,471	41,560,720	1,278,202	(518,994)	(1,202,972)	107,015	84,586	(245,748)	
Profit/(loss) for the period	21,513,562	(1,130,618)	17,000,957	(249,083)	(743,093)	(2,034,290)	(341,380)	(131,036)	(358,798)	
OCI for the period	175,832	(125,892)	(8,475,417)	(258,684)	-	(265)	(422,791)	(877)	(174,952)	
Profits/(loss) allocated to NCI	3,835,868	(169,706)	2,988,768	(79,732)	(347,545)	(998,226)	(247,671)	(64,300)	(165,729)	
OCI allocated to NCI	31,351	(18,896)	(1,489,978)	(82,805)	-	(130)	(306,735)	(430)	(80,811)	

	Manufacturing & Trading	Investment Holdings	Plantation & Agri		Total Rs. '000
	BCL 16.63% Rs.'000	BIPLC 46.19% Rs. '000	Maturata 63.06% Rs. '000	SBSLL 73.06% Rs. '000	
	96,087,746	136,794,082	12,168,347	71,678,397	1,327,396,495
	71,101,577	133,881,713	12,177,611	22,825,695	936,930,894
	24,986,169	2,912,368	(9,264)	48,852,702	390,465,601
	(3,421,263)	(21,270,340)	(938,715)	29,711,863	36,590,938
	456,778	(6,386,001)	448,530	(1,971,581)	92,383,016
	(1,924,734)	(9,383,339)	(491,823)	(6,399,933)	18,961,366
	148,594	41,342	155,126	(861,604)	4,493,820
	(320,083)	(4,334,164)	(310,144)	(4,675,791)	(2,132,284)
	24,711	19,096	97,822	(629,488)	2,086,145

	Manufacturing & Trading	Investment Holdings	Plantation & Agri		Total Rs. '000
	BCL 16.63% Rs.'000	BIPLC 46.19% Rs. '000	Maturata 63.06% Rs. '000	SBSLL 73.06% Rs. '000	
	84,569,767	128,899,738	11,498,155	75,021,052	1,234,065,354
	57,807,458	116,645,470	11,170,722	18,906,813	863,103,738
	26,762,309	12,254,268	327,433	56,114,239	370,961,616
	(3,125,891)	(16,955,226)	(721,425)	35,017,141	(14,077,817)
	(3,445,293)	(12,985,670)	913,511	(1,329,549)	80,524,068
	(4,246,642)	(13,908,760)	(1,649,781)	(5,803,050)	7,917,987
	(357)	279	3,852	(5,552,017)	(14,831,290)
	(706,217)	(6,424,456)	(1,040,352)	(4,239,708)	(7,659,004)
	(59)	129	2,429	(4,056,303)	(6,002,240)

Notes to the Financial Statements

32 ASSOCIATE COMPANIES

Accounting Policy

Associates

Associates are those entities in which the Group has significant influence, but not control, over their financial and operating activities. Significant influence is presumed to exist when the Group holds between twenty and fifty percent of the voting power of another entity.

Associates are initially recognised at cost and subsequently accounted for using the equity method (equity accounted investees) in the Consolidated Financial Statements and at Cost in Company Financial Statements. The Group's investment in associate includes goodwill identified on acquisition, net of any accumulated impairment losses. Group has made an assessment on associates for impairment losses as per LKAS 36 and no impairment provision is required as at reporting date.

The Consolidated Financial Statements include the Group's share of the income and expenses and equity movements of equity accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

Acquisitions of additional stakes of equity accounted investees, until the control is established, are accounted as goodwill within the equity accounted investment if consideration paid is more than the net asset acquired or taken into to profit or loss as gain on bargain purchase if the net asset acquired is more than the consideration paid.

When the Group's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest (including any long-term investments) is reduced to zero and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee. Associate Companies of the Group which have been accounted for under the equity method of accounting are disclosed under Note 32.5 to these Financial Statements.

Jointly Controlled Entities

Jointly controlled entities are those entities over whose activities the Group has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions.

Jointly controlled entities are accounted for using equity method, from the date that joint control commences until the date that joint control ceases.

32.1 Company

Associate Companies	As at 01 April 2024 Rs. '000	New investment & disposal Rs. '000	Dividend received Rs. '000	Share of profit/(loss) net of tax Rs. '000	Equity accounting adjustment Rs. '000	As at 31 March 2025 Rs. '000
Galoya Plantations (Private) Limited	2,714,541	-	-	(195,608)	-	2,518,933
Seylan Bank PLC	23,260,381	-	(596,745)	2,807,038	159,853	25,630,527
Equity accounted adjustments for indirect holdings	25,738,318	-	-	1,413,047	(25,199,089)	1,952,276
	51,713,240	-	(596,745)	4,024,477	(25,039,237)	30,101,735

Associate Companies	As at 01 April 2023 Rs. '000	New investment & disposal Rs. '000	Dividend received Rs. '000	Share of profit/(loss) net of tax Rs. '000	Equity accounting adjustment Rs. '000	As at 31 March 2024 Rs. '000
Galoya Plantations (Private) Limited	2,439,204	-	-	275,337	-	2,714,541
Seylan Bank PLC	21,418,101	-	(201,479)	2,038,054	5,705	23,260,381
Equity accounted adjustments for indirect holdings	21,264,532	-	-	3,866,231	607,555	25,738,318
	45,121,837	-	(201,479)	6,179,622	613,260	51,713,240

32.2 Group holdings in equity accounted investee

Details of the Group's equity accounted investees at the end of the reporting period are as follows;

Investee	Investor Company	Proportion of ownership interest held by the Group			
		2025		2024	
		No. of Shares	Holding %	No. of Shares	Holding %
1 Associated Battery Manufacturers (Ceylon) Limited (ABM)	SFL	2,439,355	38.50%	2,439,355	38.50%
2 Commercial Insurance Brokers (Private) Limited (CIB)	LOFIN	-	-	240,000	40.00%
3 Galoya Plantations Limited (GPL)	LOLC	27,267,058	26.95%	27,267,058	26.95%
	BCL	22,309,412	22.05%	22,309,412	22.05%
	Total GPL	49,576,470	49.00%	49,576,470	49.00%
4 Seylan Bank PLC - Group	LOLC	170,498,314	51.60%	164,472,386	51.60%
	LOLC	150	-	147	-
	LOIV	29,154,737	9.55%	28,340,896	9.55%
	BCL	42,351,420	13.87%	41,169,203	13.87%
	LOFIN	159,856	0.05%	154,208	0.05%
	LOITS	2,885,233	0.87%	2,783,261	0.87%
	Total - V	71,506,306	23.43%	69,510,246	23.43%
	Total - NV	173,543,403	52.52%	167,409,855	52.52%
5 Sierra Cables PLC (SCPL)*	ICONICT	-	-	156,866,167	29.18%
	Total SCPL	-	-	156,866,167	29.18%
6 Taprobane Plantation Limited (TPL)	BIL	22,500	44.94%	22,500	44.94%
7 Virginia International Limited (VIL)	BIL	800,000	40.00%	800,000	40.00%
8 NPH Development (Pvt) Ltd	NPHI	161,999	50.00%	161,999	50.00%
9 Sanasa Development Bank PLC (SDBPLC)	LOLCIH1	24,104,800	15.00%	24,104,800	15.00%
10 Hatton National Bank PLC (HNB)**	BIL	-	-	44,599,424	9.99%
	BIL	-	-	51,871,980	45.87%
	Total - V	-	-	44,599,424	9.99%
	Total - NV	-	-	51,871,980	45.87%
11 Patronus Wealth Holdings Limited	LOLCFSH	1,296,757	29.54%	1,296,757	29.54%
12 Pay@bility (Pvt) Ltd	LOLCFSH	30,125,033	30.00%	30,125,033	30.00%
13 Cables PTE Limited (CPTE)	SCABLE	360,000	30.00%	-	-
14 T & G Lanka (Pvt) Ltd (TGL)	SCABLE	136	22.06%	-	-
15 TFS Global Brokers Pvt Ltd (TFSG)	LOLCFSH	49	49.00%	-	-
16 Seams Mule Ltd (SEAMS)	BPK	51,000	51.00%	-	-

* Sierra Cables PLC has been reclassified as a subsidiary of the Group during the financial year following the acquisition of an additional 27.41% equity stake. For further details, refer note 31 to the Financial Statements.

** The Group has reclassified its investment in Hatton National Bank PLC (HNB) as a non-current asset held for sale during the year. Refer note 51 to the Financial Statements for further details.

Notes to the Financial Statements

32.3 The summarised financial information of equity accounted investees for the year ended 31 March 2025 not adjusted for the percentage of ownership held by the Group;

Component	As at 31 March 2025			For the year ended 31 March 2025			
	Total Assets Rs. '000	Total Liabilities Rs. '000	Equity Rs. '000	Income Rs. '000	Expenses Rs. '000	Profit or loss Rs. '000	Other comprehensive income Rs. '000
Associated Battery Manufacturers (Ceylon) Limited (ABM)	4,386,009	2,731,639	1,654,370	7,486,062	6,985,521	500,540	-
Commercial Insurance Brokers (Private) Limited (CIB)	680,439	348,677	331,762	258,127	217,739	40,388	136
Galoya Plantations Limited (GPL)	34,859,471	28,425,183	6,434,288	7,854,647	8,619,474	(764,827)	29,780
Seylan Bank PLC -Group	785,516,473	711,284,880	74,231,593	7,256,381	(3,245,761)	10,502,142	595,958
Sierra Cables PLC (SCPL)	13,170,125	6,955,658	6,214,466	9,392,183	8,488,713	903,470	280,430
NPH Development (Pvt) Ltd	1,698,445	2,607,460	(909,015)	7,200,950	7,838,523	(637,574)	-
Sanasa Development Bank PLC (SDBPLC)	142,305,233	127,662,661	14,642,572	1,116,653	764,945	351,708	(67,918)
Hatton National Bank PLC (HNB)	2,356,318,016	2,080,514,771	275,803,245	(4,959,800)	(53,434,359)	48,474,559	6,603,390
Patronus Wealth Holdings Limited	919,316	110,554	808,762	1,489,880	1,361,019	128,861	-
	3,339,853,527	2,960,641,484	379,212,043	37,095,082	(22,404,185)	59,499,267	7,441,777

32.4 Fair values of equity accounted investees

The Directors' valuation of investments in equity accounted investees has been done on net assets basis. The following associates are listed in the Colombo Stock Exchange and their market value details given below;

As at 31 March	Group			
	2025		2024	
	No. of Shares	Market value Rs. 000	No. of Shares	Market value Rs. 000
Seylan Bank PLC - voting shares	71,506,306	5,570,341	69,510,246	3,266,982
Seylan Bank PLC - non-voting shares	173,543,403	9,891,974	167,409,855	6,361,574
Sanasa Development Bank PLC [SDBPLC]	24,104,800	872,594	24,104,800	783,406
Sierra Cables PLC [SCPL]	-	-	156,866,167	1,866,707
Hatton National Bank PLC [HNB] - voting shares	-	-	44,599,424	8,027,896
Hatton National Bank PLC [HNB] - non-voting shares	-	-	51,871,980	7,793,765
		16,334,909		28,100,331

Notes to the Financial Statements

32.5 Equity value of investment in equity accounted investees to the Group

For the year ended 31 March 2025

Equity accounted investee	As at 01 April 2024 Rs.'000	Acquisitions Rs.'000	On acquisition of subsidiaries Rs.'000	Disposals Rs.'000	Reclassifications/ Transfers Rs.'000	Share of profit / (loss) net of tax Rs.'000	Share of OCI	
							Never be reclassified to profit or loss Rs.'000	To be classified to P/L Rs.'000
Continuing Operations								
1 ABM	444,224	-	-	-	-	192,708	-	-
2 CIB	283,672	-	-	(265,857)	-	16,155	-	-
3 GPL	3,137,298	-	-	-	-	(355,652)	-	-
4 SBPLC	24,720,450	-	-	-	-	4,034,303	-	-
5 VIL	4,138	-	-	-	-	-	-	-
6 NPHD	32,395	-	-	-	-	(25,566)	-	(6,829)
7 PATRONUS	943,435	-	-	-	-	38,065	-	-
8 Venture Capital	2,523	-	-	-	-	-	-	-
9 SCABLES	2,177,687	53,706	-	(2,012,043)	(579,490)	274,833	85,194	113
10 SDB	2,163,211	-	-	-	-	52,756	-	-
11 PAY@BILITY	347,797	51,105	-	-	-	-	-	-
12 CPTE	-	-	28,310	-	-	-	-	-
13 TGL	-	-	3,300	-	-	-	-	-
14 TFSG	-	11	-	-	-	-	-	-
15 SEAMS	-	1,651	-	-	-	-	-	-
	34,256,830	106,473	31,610	(2,277,900)	(579,490)	4,227,602	85,194	(6,716)
Discontinued Operations								
1 HNB*	37,505,334	-	-	-	(45,485,326)	8,117,155	793,956	549,327
	37,505,334	-	-	-	(45,485,326)	8,117,155	793,956	549,327

* Share of profit from associate entities amounted to LKR 4,227,602, excluding the share of profit from Hatton National Bank PLC (HNB), which has been reclassified.

For the year ended 31 March 2024

Equity accounted investee	As at 01 April 2023 Rs.'000	Acquisitions / (disposals) Rs.'000	Reclassifications/ Transfers Rs.'000	Share of profit / (loss) net of tax Rs.'000	Share of OCI	
					Never be reclassified to profit or loss Rs.'000	To be classified to P/L Rs.'000
1 ABM	210,322	-	-	233,903	-	-
2 Beira	-	-	-	-	-	-
3 CIB	271,654	-	-	15,714	8,304	-
4 GPL	2,636,686	-	-	500,612	-	-
5 SBPLC	22,066,364	-	-	2,936,129	(10,955)	19,174
6 SCPL	-	-	-	-	-	-
7 SHL	-	-	-	-	-	-
8 VIL	4,138	-	-	-	-	-
9 NPHD	174,170	-	-	(104,921)	-	(26,741)
10 PATRONUS	865,975	-	-	77,460	-	-
11 Venture Capital	2,523	-	-	-	-	-
12 TeaCey	-	(63,750)	-	61,453	-	-
13 SCABLES	1,949,654	-	-	225,728	3,602	(600)
14 HNB	32,924,834	-	-	3,946,536	1,138,380	(60,522)
15 SDB	2,055,386	-	-	86,394	21,431	-
16 PAY@BILITY	-	347,797	-	-	-	-
	63,161,706	284,047	-	7,979,008	1,160,763	(68,689)

	Other movements in equity Rs.'000	Changes in group holdings Rs.'000	Dividend received Rs.'000	Foreign currency translations Rs.'000	Gain on bargain purchase Rs. '000	As at 31 March 2025 Rs. '000
	-	-	-	-	-	636,932
	(33,971)	-	-	-	-	-
	-	-	-	-	-	2,781,646
	-	-	(857,647)	-	-	27,897,106
	-	-	-	-	-	4,138
	-	-	-	-	-	-
	-	-	-	-	-	981,500
	-	-	-	-	-	2,523
	-	-	-	-	-	-
	-	-	-	-	-	2,215,967
	-	-	-	-	-	398,902
	-	-	-	-	-	28,310
	-	-	-	-	-	3,300
	-	-	-	-	-	11
	-	-	-	-	-	1,651
	(33,971)	-	(857,647)	-	-	34,951,986
	-	-	(1,480,446)	-	-	-
	-	-	(1,480,446)	-	-	-

ied under "Profit/(loss) after tax for the year from discontinued operations and assets held for sale".

	Other movements in equity Rs.'000	Changes in group holdings Rs.'000	Dividend received Rs.'000	Foreign currency translations Rs.'000	Gain on bargain purchase Rs. '000	As at 31 March 2024 Rs. '000
	-	-	-	-	-	444,224
	-	-	-	-	-	-
	-	-	(12,000)	-	-	283,672
	-	-	-	-	-	3,137,298
	-	-	(290,262)	-	-	24,720,450
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	4,138
	-	-	-	(10,113)	-	32,395
	-	-	-	-	-	943,435
	-	-	-	-	-	2,523
	-	(112,223)	-	-	114,521	-
	-	-	-	(698)	-	2,177,687
	-	-	(443,895)	-	-	37,505,334
	-	-	-	-	-	2,163,211
	-	-	-	-	-	347,797
	-	(112,223)	(746,157)	(10,811)	114,521	71,762,164

33 DEFERRED TAX ASSETS AND LIABILITIES

Accounting Policy

Deferred Tax

Deferred tax is recognised 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 recognised 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 and jointly controlled entities 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.
- Taxable temporary differences arising on subsidiaries, associates or joint ventures who have not distributed their entire profits to the parent or investor.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, 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 utilised. 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 benefits will be realised.

Deferred tax assets and liabilities are not discounted.

The net increase in the carrying amount of deferred tax liability net of deferred tax asset is recognised as deferred tax expense and conversely any net decrease is recognised as reversal to deferred tax expense, in the statement of profit or loss.

Accounting for Deferred Tax for the Companies Enjoying Tax Holidays

Group companies enjoying a tax exemption period shall only recognise deferred tax in their Financial Statements for temporary differences, where reversals of such differences extend beyond the tax exemption period.

Deferred Tax shall not be considered nor provided for assets/liabilities for which tax impacts and reversals take place within the tax exemption period. There will be no tax implications that take place after the expiration of the tax exemption period for such assets

Where a Company is entitled to claim the total value or any part of expenditure made during the tax holiday period, as deductions for tax purposes after the tax holiday period, such an entity will treat such amount of expenditure as part of the tax base throughout the tax holiday period in the purpose of recognising deferred tax.

Deferred Tax on Undistributed Profits of Equity Accounted Investees

The Group does not control its equity accounted investees. It is therefore generally not in a position to control the timing of the reversal of a possible taxable temporary difference relating to the undistributed profits of the equity accounted investees.

The Group calculates deferred tax based on the most likely manner of reversal, taking into account management's intent and the tax jurisdiction applicable to relevant equity accounted investees.

The management intends to recover the carrying amount of the investment primarily through sale of the investment rather than through dividends. The deferred tax implications are evaluated based on the tax consequences on the sale of investments.

Since the carrying amount is expected to be recovered through a sale transaction which has no tax consequences, no temporary difference arises on the equity accounted investees and no deferred tax is provided.

33.1 Recognised deferred tax assets

Deferred tax assets are attributable to the origination of following temporary differences

As at 31 March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Accelerated depreciation for tax purposes - Own assets	(4,288,783)	(75,730)	-	-
Accelerated depreciation for tax purposes - Leased assets	533,267	574,284	-	-
Revaluation surplus on freehold buildings	(136,428)	-	-	-
Investment properties	(11,696,093)	4,950	-	-
Lease receivables	17,765	-	-	-
Unutilised tax losses	35,866,264	20,977,591	-	-
Provision for inventories	652,813	64,132	-	-
Employee benefits	2,518,080	1,886,000	-	-
General provisions	978,360	145,274	-	-
Provision for loan loss impairment	(362,898)	(692,884)	-	-
Unrealised loss on exchange	(324,452)	(418,995)	-	-
Hedging reserve	-	247,753	-	-
Net lease liability	121,334	(397,505)	-	-
Others	(985,444)	(1,669,178)	-	-
Net deductible temporary difference	22,893,785	20,645,692	-	-
Total recognised deferred tax assets	7,366,225	5,311,045	-	-

33.2 Movement in recognised deferred tax assets

	Note	Group		Company	
		2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Balance as at 01 April		5,311,045	6,887,925	-	-
Originations/[Reversal] to the Income Statement from continuing operations		1,061,066	(259,632)	-	-
Acquisition of subsidiaries		1,238,663	(99,379)	-	-
Amount originating/[reversing] to retained earnings		-	18,628	-	-
Directly charged to the equity	33.7	(117,358)	3,540	-	-
Other adjustments/transfers		46,028	(801,515)	-	-
Exchange translation difference		(173,220)	(438,521)	-	-
Balance as at 31 March		7,366,225	5,311,045	-	-

Notes to the Financial Statements

33.3 Recognised deferred tax liabilities

Deferred tax liabilities are attributable to the origination of following temporary differences:

As at 31 March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Accelerated depreciation for tax purposes – Own assets	38,866,984	10,989,118	158,759	68,315
Accelerated depreciation for tax purposes – Leased assets	35,305,852	2,213,720	-	-
Revaluation surplus on freehold buildings	25,905,337	6,149,815	-	-
Revaluation surplus on freehold land	40,024,227	7,083,212	-	-
Investment properties	17,347,151	23,045,230	2,626,596	2,125,196
Lease receivables	1,422,969	5,677,341	-	-
Unutilised tax losses	3,382,509	36,142,774	-	-
Provision for inventories	[245,281]	667,936	-	-
Employee benefits	[3,228,303]	[1,076,592]	[392,903]	[345,490]
General provisions	[1,087,492]	615,670	[191,835]	-
Consumable biological assets	13,591,354	8,801,012	-	-
Bear biological assets	3,838,091	3,732,630	-	-
Unrealised loss on exchange	[177,086]	2	-	-
Net lease liability	223,753	352,136	20,295	5,887
Revaluation gain on ROU assets	33,249,326	23,272,848	-	-
Other movements	6,969,134	[24,449,833]	-	-
Net taxable temporary difference	215,388,525	103,217,018	2,220,911	1,853,909
Total recognised deferred tax liabilities	59,713,293	34,783,974	2,566,296	2,001,653

33.4 Movement in recognised deferred tax liabilities

	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Balance as at 01 April	34,783,974	20,743,804	2,001,653	1,574,942
Originations/[reversal] to the income statement from continuing operations	[2,387,030]	2,245,067	110,101	432,920
Acquisition of subsidiaries	22,351,924	10,840,090	-	-
Directly charged to the equity	33.7	5,338,313	18,940	454,542
Other adjustments/transfers	[116,666]	1,373,343	-	[6,209]
Recognition of previously unrecognised deferred tax	-	605,665	-	-
Exchange translation difference	[257,222]	[1,042,934]	-	-
Balance as at 31 March	59,713,293	34,783,974	2,566,296	2,001,653

33.5 Deferred tax expense

As at 31 March	Note	Group		Company	
		2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Deferred tax assets					
Originations/[reversal] during the period	33.2	(1,061,066)	259,632	-	-
Deferred tax liabilities					
Originations/[reversal] during the period	33.4	(2,387,030)	2,245,067	110,101	432,920
		(3,448,096)	2,504,699	110,101	432,920

33.6 Unrecognised deferred tax assets for deferred taxation

Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available in respective group companies against which the Group can utilise the benefits there from.

As at 31 March		Group		Company	
		2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Deductible temporary differences		13,562,884	1,809,476	-	-
Unutilised tax losses		140,665,098	83,816,422	7,696,521	11,943,414
		154,227,982	85,625,898	7,696,521	11,943,414

33.7 Deferred tax liability charged directly to equity

For the year ended 31 March	Note	Group		Company	
		2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Charged to / reversed from					
Deferred tax assets	33.2	117,358	(3,540)	-	-
Deferred tax liabilities	33.4	5,338,313	18,940	454,542	(6,209)
		5,455,671	15,400	454,542	(6,209)

According to Sri Lanka Accounting Standard - LKAS 12 "Income Taxes", deferred tax shall be charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or in a different period, directly to equity. Accordingly, the deferred tax liability or asset arising on revaluation of Property, Plant & Equipment & Actuarial Gain or [Loss] of the Group was charged directly to revaluation reserve and Retained Earnings in the Statement of Changes in Equity in 2024/25.

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

Deferred tax has been computed at 30% for all standard rate companies (including listed companies) and based on the rate disclosed in note 16.8.2. The deferred tax effect on undistributed reserves of subsidiaries has not been recognised since the parent can control the timing of the reversal of these temporary differences.

33.8 Deferred tax assets and liabilities set offs

Net deferred tax assets / liabilities of one entity cannot be set-off against another entity's assets and liabilities since there is no legally enforceable right to set-off. Therefore net deferred tax assets and liabilities of different entities are separately recognised in the Statement of Financial Position.

Notes to the Financial Statements

34 INTANGIBLE ASSETS

Accounting Policy

Basis of Recognition

An intangible asset is recognised if it is probable that future economic benefits that are attributable to the assets will flow to the entity and the cost of the assets can be measured reliably.

Basis of Measurement

Intangible assets acquired separately are measured as initial recognition at cost. Following initial recognition intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. The useful life of intangible assets is assessed to be either finite or indefinite.

Intangible assets with finite useful life are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the method for an intangible asset with a finite useful life is reviewed at least at each financial year end. Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash generating unit level.

Subsequent Expenditure

Subsequent expenditure on intangible assets are capitalised only when it increases the future economic benefits embodied these assets. All other expenditure is expensed when incurred.

De-recognition

Intangible assets are de-recognised on disposal or when no future economic benefits are expected from its use. The gain or loss arising from de-recognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset.

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

As at 31 March	Note	Group		Company	
		2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Goodwill on acquisition	34.1	6,364,044	5,999,526	-	-
Other intangible assets					
Computer Software	34.5	1,617,661	1,380,612	68,552	64,801
License and fees	34.6	1,944,578	2,367,197	9	380
Brand value	34.7	68,957	18,957	-	-
Capital Work-in-Progress [CWIP]		218,026	256,944	1,055	1,055
Total		10,213,266	10,023,235	69,616	66,237

34.1 Goodwill on acquisition

Accounting Policy

Goodwill on Acquisition

Goodwill represents the excess of the cost of any acquisition of a subsidiary or an associate over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities acquired.

Carrying amount of the goodwill arising on acquisition of subsidiaries and joint ventures is presented as an intangible and the goodwill on an acquisition of an equity accounted investment is included in the carrying value of the investment.

Impairment Testing on Goodwill

The Group tests the goodwill for impairment annually and assess for any indication of impairment to ensure that its carrying amount does not exceed the recoverable amount. If an impairment loss is identified, it is recognised immediately to the statement of profit or loss. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to groups of cash-generating units that are expected to benefit from the synergies of the combination.

The impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets pro-rata to the carrying amount of each asset in the unit. Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation.

Gain on Bargain Purchase (negative goodwill)

If the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities exceeds the cost of the acquisition of the entity, the Group will reassess the measurement of the acquiree's identifiable assets and liabilities and the measurement of the cost and recognise the difference immediately in the Consolidated statement of profit or loss.

Material Gains or Losses, Provisional Values or Error correction.

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

For the year ended 31 March	Note	Group	
		2025 Rs. 000	2024 Rs. 000
Cost recognised at the point of acquisition	34.2	6,263,189	6,103,712
Effect on currency translation	34.4	100,855	(104,186)
		6,364,044	5,999,526

34.1.1 Net carrying value of goodwill

Goodwill arising on business combinations have been allocated to the following segments for impairment testing. Each segment consists of several cash generating units (CGU's).

The recoverable amount of goodwill is determined based on various valuation techniques mentioned in note no 34.1.2 . For Value In Use (VIU) Calculations, Group has used cash flow projections based on financial budgets approved by management. The key assumptions used are given below;

	Range
- Business growth - Expected Growth rates has been obtained by referring to the Forecasted GDP Growth rates published by IMF and World Bank .	0.01
- Discount rate - Risk free rate adjusted for the specific risk relating to the industry.	14 % - 19 %

Notes to the Financial Statements

Pre-tax discount rates - Discount rates represent the current market assessment of the risks specific to each CGU, regarding the time value of money and individual risks of the underlying assets which have been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and derived from its Weighted Average Cost of Capital ("WACC"). The WACC takes into account both debt and equity. The cost of equity is derived from the expected rate of return on investment by the Group's investors. The cost of debt is based on the interest bearing borrowing the Group is obliged to service. Segment specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data.

Terminal growth rate - The forecasted terminal growth rate used does not exceed the longterm average growth rate of the industry and country in which the entities operate.

34.1.2 Allowance for Impairment

Following table shows the Impairment provisions for goodwill acquired during the business combinations which have been allocated to respective CGUs. Recoverable amount for the purpose of testing impairment has been determined as follows for each CGU.

Entity Name	2025			2024	
	Cost Rs.'000	Impairment Provision Rs.'000	Carrying Amount Rs.'000	Carrying Amount Rs.'000	Basis of Assessment
Ajax Engineers (Private) Limited	10,390	-	10,390	10,390	VIU
LOLC Development Finance PLC (Merged to LOLC Finance PLC)	400,364	-	400,364	400,364	VIU
Ceylon Roots (Private) Limited	46,831	-	46,831	46,831	VIU
Commercial Leasing and Finance Company PLC (Merged to LOLC Finance PLC)	151,415	-	151,415	151,415	VIU
Excel Restaurant (Private) Limited	20,524	-	20,524	20,524	VIU
Palm Garden Hotels PLC	180,299	-	180,299	180,299	VIU
LOLC Cambodia Plc - LOCAM	990,000	-	990,000	990,000	VIU
Pak Oman Microfinance Bank Ltd (POMB)	100,784	-	100,784	100,784	VIU
NPH Investment (Pvt) Ltd (NPHI)	27,481	-	27,481	27,481	VIU
PT LOLC Management Indonesia (PTLMI)	184,831	-	184,831	184,831	VIU
Gurind Accor (Pvt) Ltd	6,977	-	6,977	6,977	VIU
LOLC GEO Technologies (Pvt) Ltd	6,919	-	6,919	6,919	VIU
LOLC Philippines Corporation	258,712	-	258,712	258,712	VIU
Tropical Island Commodities Group	92,769	-	92,769	92,769	VIU
LOLC Kenya Microfinance Bank PLC (former Key Micro Finance Bank PLC) (KMBPLC)	102,100	-	102,100	102,100	VIU
LOLC EI-Oula Microfinance	292,769	-	292,769	292,769	VIU
LOLC Tanzania Financial Services Ltd (former Tujjenge Tanzania Financial Services) (TUJIJENG) Limited	546,613	-	546,613	546,613	VIU
Fina Trust Microfinance Bank Ltd	945,071	-	945,071	945,071	VIU
LLC MDO LOLC Moliya (former Fazo S LLC MDO) (FAZO)	325,982	-	325,982	325,982	VIU
LOLC Finance Limited (Malawi) (EXPRESSCREDIT)	515,911	-	515,911	515,911	VIU
R-Finance' Microfinance Organisation Limited Liability Partnership (RFIN)	896,970	-	896,970	896,970	VIU
ISIN Lanka (Pvt) Ltd	5,774	-	5,774	-	VIU
Sierra Cables PLC	153,703	-	153,703	-	VIU
	6,263,189	-	6,263,189	6,103,712	

* VIU - Value In Use * FVLCD - Fair Value Less Cost to Disposal

34.2 Cost of the goodwill recognised at the point of acquisition

As at 31 March	Group	
	2025 Rs. 000	2024 Rs. 000
Ajax Engineers (Private) Limited	10,390	10,390
LOLC Development Finance PLC (Merged to LOLC Finance PLC)	400,364	400,364
Ceylon Roots (Private) Limited	46,831	46,831
Commercial Leasing and Finance Company PLC (Merged to LOLC Finance PLC)	151,415	151,415
Excel Restaurant (Private) Limited	20,524	20,524
Palm Garden Hotels PLC	180,299	180,299
LOLC Cambodia Plc - (LOCAM)	990,000	990,000
Pak Oman Microfinance Bank Ltd (PAKOMAN)	100,784	100,784
NPH Investment (Pvt) Ltd (NPHI)	27,481	27,481
PT LOLC Management Indonesia (PTLMI)	184,831	184,831
Gurind Accor (Pvt) Ltd	6,977	6,977
LOLC GEO Technologies (Pvt) Ltd	6,919	6,919
LOLC Phillipines Corporation (PHILCO)	258,712	258,712
Tropical Island Commodities Group	92,769	92,769
LOLC Kenya Microfinance Bank PLC (former Key Micro Finance Bank PLC) (KMBPLC)	102,100	102,100
LOLC El-Oula Microfinance (EL-OULA)	292,769	292,769
LOLC Tanzania Financial Services Ltd (former Tujjenge Tanzania Financial Services) (TUJJIJENG)	546,613	546,613
Fina Trust Microfinance Bank Ltd (FINAT)	945,071	945,071
LLC MDO LOLC Moliya (former Fazo S LLC MDO) (FAZO)	325,982	325,982
LOLC Finance Limited (Malawi) (EXPRESSCREDIT)	515,911	515,911
R-Finance' Microfinance Organisation Limited Liability Partnership (RFIN)	896,970	896,970
ISIN Lanka (Pvt) Ltd	5,774	-
Sierra Cables PLC	153,703	-
	6,263,189	6,103,712

Goodwill as at the reporting date has been tested for impairment.

Notes to the Financial Statements

34.3 Effect on currency translation

Goodwill arising on the acquisition of LOCAM, PAKOMAN, NPHI, PHILCO, KMBPLC, EL-OULA, TUJIJENG, FINAT, FAZO, EXPRESSCREDIT and RFIN (foreign operations) was treated as an asset of the foreign operation. Thus it was expressed in the functional currency of the foreign operation and translated at the closing rate.

For the year ended 31 March	Note	Group	
		2025 Rs. 000	2024 Rs. 000
Cost recognised at the point of acquisition		5,187,224	5,187,224
Accumulated effect on currency translation	34.4	100,855	[104,186]
		5,288,079	5,083,038

34.4 Accumulated effect on currency translation

For the year ended 31 March		Group	
		2025 Rs. 000	2024 Rs. 000
Balance as at 01 April		[104,186]	1,159,696
Effect on currency translation		[84,857]	[1,263,882]
Transfer/other adjustment		289,898	-
Balance as at 31 March		100,855	[104,186]

34.5 Other intangible assets

Group	Computer Software	License and fees	Brand value	Customer base	Capital Work-in-Progress (CWIP)	Total	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	2024/2025	2023/2024
		Note 34.6	Note 34.7	Note 34.8		Rs.'000	Rs.'000
Cost							
Balance as at 01 April	5,538,006	2,808,745	94,785	49,422	256,944	8,747,901	7,135,832
Additions	830,775	10,624	-	-	478,214	1,319,613	504,936
Disposals	(44,140)	-	-	-	(26,887)	(71,027)	(33,993)
Transfers	(12,305)	(385,964)	50,000	-	(485,656)	(833,925)	(4,431)
Impairment losses	-	-	-	-	-	-	-
Acquisition of subsidiaries	30,486	-	-	-	-	30,486	1,348,955
Disposal of subsidiaries	(196)	-	-	-	-	(196)	(1,181)
Borrowing cost capitalised	-	-	-	-	-	-	(2,426)
Exchange translation difference	3,567	(22,642)	-	-	(4,589)	(23,664)	(199,792)
Balance as at 31 March 2025	6,346,193	2,410,763	144,785	49,422	218,026	9,169,188	8,747,901
Accumulated amortisation and Impairment losses							
Balance as at 01 April	4,157,394	441,548	75,828	49,422	-	4,724,191	3,157,211
Additions	-	-	-	-	-	-	-
Revaluations	-	-	-	-	-	-	(6,341)
Disposal	(38,853)	-	-	-	-	(38,853)	(33,589)
Amortisation for the year from continuing operations	469,199	1,103	-	-	-	470,302	656,001
Transfers	(18,487)	23,566	-	-	-	5,079	-
Impairment Losses	127,788	-	-	-	-	127,788	-
Acquisition of Subsidiaries	25,936	-	-	-	-	25,936	933,690
Disposal of Subsidiaries	(196)	-	-	-	-	(196)	(1,181)
Exchange translation difference	5,751	(32)	-	-	-	5,719	18,401
Balance as at 31 March	4,728,532	466,185	75,828	49,422	-	5,319,966	4,724,191
Carrying amount							
Balance as at 31 March 2025	1,617,661	1,944,578	68,957	-	218,026	3,849,222	
Balance as at 31 March 2024	1,380,612	2,367,197	18,957	-	256,944		4,023,710

34.6 License and fee

This includes the license obtained by LOLC Securities Limited (LOSEC) to operate as a registered stock broker in the Colombo Stock Exchange (CSE) in 2010/11 financial period. The cost of the license amounted to Rs. 28,242,784/- and the remaining carrying amount as at 31 March 2025 is Rs. 20,591,797.

34.7 Brand value and customer base

These intangible assets were recognised with the acquisition of Commercial Leasing and Finance PLC in May 2008. These intangible assets identified are separable from the goodwill arose on the acquisition and are recognised based on the present value of the future cash flows separately identified for these assets

The estimated useful lives are as follows;

	Initial estimation	Remaining useful life
Brand value	10 Yrs	-
Customer base	5 Yrs	-

Notes to the Financial Statements

34.8 Other Intangible assets

Company	Computer Software Rs.'000	License and fees Rs.'000	Capital Work-in-Progress (CWIP) Rs.'000	Total 2024/2025 Rs.'000	Total 2023/2024 Rs.'000
Cost					
Balance as at 01 April	738,484	437,147	1,055	1,176,686	1,189,910
Additions	33,954	-	-	33,954	2,488
Disposals	-	-	-	-	(15,712)
Balance as at 31 March	772,438	437,147	1,055	1,210,640	1,176,686
Accumulated Amortisation and Impairment losses					
Balance as at 01 April	673,683	436,766	-	1,110,449	1,071,723
Amortisation during the year	30,203	372	-	30,575	54,438
Disposals	-	-	-	-	(15,712)
Balance as at 31 March	703,886	437,138	-	1,141,024	1,110,449
Carrying Amount					
Balance as at 31 March 2025	68,552	9	1,055	69,616	-
Balance as at 31 March 2024	64,801	381	1,055	-	66,237

35 PROPERTY, PLANT AND EQUIPMENT

Accounting Policy

Basis of Recognition

Property, plant and equipment are recognised if it is probable that future economic benefits associated with the assets will flow to the Group and cost of the asset can be reliably measured.

Basis of Measurement

Items of property, plant and equipment are measured at cost/revaluation less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site at which they are located and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment

Items of property, plant and equipment are measured at cost/revaluation less accumulated depreciation and accumulated impairment losses.

Cost Model

The Group applies the cost model to all property, plant and equipment except freehold land and buildings; which is recorded at cost of purchase together with any incidental expenses thereon less any accumulated depreciation and accumulated impairment losses.

Revaluation Model

The Group revalues its land and buildings which are measured at its fair value at the date of revaluation less any subsequent accumulated depreciation and accumulated impairment losses. Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date.

On revaluation of lands and buildings, any increase in the revaluation amount is credited to the revaluation reserve in shareholder's equity unless it off sets a previous decrease in value of the same asset that was recognised in the statement of profit or loss. A decrease in value is recognised in the statement of profit or loss where it exceeds the increase previously recognised in the revaluation reserve. Upon disposal, any related revaluation reserve is transferred from the revaluation reserve to retained earnings and is not taken into account in arriving at the gain or loss on disposal.

Subsequent Costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is de-recognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in Profit or Loss as incurred.

Reclassification to Investment Property

When the use of a property changes from owner-occupied to investment property, the property is re-measured to fair value and reclassified as investment property. Any gain arising on re-measurement is recognised in Profit or Loss to the extent that it reverses a previous impairment loss on the specific property, with any remaining gain recognised and presented in the revaluation reserve in equity. Any loss is recognised immediately in Profit or Loss.

De-recognition

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of the property, plant and equipment, recognised net within other income/other expenses in the Statement of Comprehensive Income. When revalued assets are sold, the amounts included in the revaluation surplus reserve are transferred to retained earnings.

Leases in terms of which the Group assumes substantially obtained all the risks and rewards of ownership are classified as finance leases. Assets acquired by way of a finance lease are stated at an amount equal to the lower of their fair value and the present value of minimum lease payments at the inception less accumulated depreciation.

Leasehold Property, Plant & Equipment [Assets Acquired on Finance Leases]

Leases in terms of which the Group assumes substantially obtained all the risks and rewards of ownership are classified as finance leases. Assets acquired by way of a finance lease are stated at an amount equal to the lower of their fair value and the present value of minimum lease payments at the inception less accumulated depreciation.

Capital Work-in-Progress

Capital work-in-progress is stated at cost. These are expenses of a capital nature directly incurred in the construction of properties.

Borrowing Costs Capitalisation

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets that take a substantial period of time to get ready for its intended use or sale, are capitalised as part of the assets.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in Profit or Loss using the effective interest method.

Notes to the Financial Statements

35 Property, plant and equipment

Company	Freehold Lands	Freehold Buildings	Freehold Motor Vehicles	Leasehold Motor Vehicles	Furniture & Fittings	
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	
Cost/Valuation						
Balance as at 01 April	2,143,000	810,165	2,766,140	13,000	339,738	
Additions	-	-	28,724	-	11,789	
Revaluations	247,000	246,000	323,994	-	-	
Disposal	-	-	(27,400)	-	-	
Transfer from/(to) ROU	-	-	-	(13,000)	-	
Balance as at 31 March 2025	2,390,000	1,056,165	3,091,458	-	351,527	
Accumulated Depreciation and impairment losses						
Balance as at 01 April	-	62,133	748,282	8,667	295,974	
Charge for the year	-	28,176	15,515	-	13,692	
Revaluations	-	(83,145)	(748,150)	-	-	
Disposal	-	-	(8,307)	-	-	
Transfer from/(to) ROU	-	-	-	(8,667)	-	
Balance as at 31 March 2025	-	7,164	7,340	-	309,666	
Carrying Amount						
As at 31 March 2025	2,390,000	1,049,001	3,084,118	-	41,861	
As at 31 March 2024	2,143,000	748,032	2,017,858	4,333	43,764	

	Office Equipment	Computers	Capital Work- in-Progress (CWIP)	Total 2024/25	Total 2023/24
	Rs. '000		Rs. '000	Rs.'000	Rs. '000
	379,653	1,521,918	311,214	8,284,828	9,860,640
	6,593	19,555	22,230	88,891	466,585
	-	-	-	816,994	-
	(116)	(179,396)	(90,891)	(297,803)	(2,042,398)
	-	-	-	(13,000)	-
	386,130	1,362,077	242,553	8,879,910	8,284,828
	353,985	1,108,784	-	2,577,825	3,426,488
	11,511	65,365	-	134,259	811,580
	-	-	-	(831,295)	-
	(116)	-	-	(8,423)	(1,660,244)
	-	-	-	(8,667)	-
	365,380	1,174,149	-	1,863,699	2,577,825
	20,750	187,928	242,553	7,016,211	
	25,668	413,134	311,214		5,707,003

Notes to the Financial Statements

Property, plant and equipment

Group	Freehold Lands Rs. '000	Leasehold Lands Rs. '000	Reclaimed Lands Rs. '000	Freehold Buildings Rs. '000	Leasehold Buildings Rs. '000	Freehold Motor Vehicles Rs. '000	Leasehold Motor Vehicles Rs. '000	Furniture & Fittings Rs. '000
Cost/ valuation								
Balance as at 01 April	44,250,487	12,674	30,027,991	65,688,478	1,820,361	16,783,247	58,954	5,699,267
Additions	49,490	-	-	985,648	84,496	1,025,111	3,833	772,524
Revaluations	7,601,407	-	864,844	5,410,245	-	960,834	11,064	-
Disposal	-	-	-	(415,345)	-	(1,100,494)	(3,948)	(237,106)
Charge for the year	-	-	-	-	-	-	-	-
Impairment Losses	-	-	-	-	-	(6,110)	-	-
Transfers / WIP transfers	-	-	-	323,093	(31,063)	(96,947)	-	267,214
Transfers - Investment Properties	442,000	-	-	-	-	-	-	-
Acquisition of subsidiaries	6,126,771	-	-	25,571,147	-	2,726,941	-	305,120
Disposal of subsidiaries	-	-	-	-	-	-	-	-
Amalgamation of subsidiaries	(2,873,732)	-	-	(591,148)	-	-	-	-
Transfer from/(To) ROU	-	-	-	-	-	25,500	(35,590)	-
Transfer to assets held for sale	-	-	-	-	-	-	-	-
Exchange translation difference	(55,898)	-	(385,413)	(1,604,725)	(12,806)	84,169	(474)	(41,730)
Balance as at 31 March	55,540,525	12,674	30,507,422	95,367,393	1,860,988	20,402,251	33,839	6,765,289
Accumulated depreciation and impairment losses								
Balance as at 01 April	-	7,242	1,851,726	6,116,940	712,431	9,159,885	36,312	3,751,225
Charge for the year from continuing operations (note 35.3)	-	-	545,765	1,620,659	87,982	663,821	5,849	596,206
Impairment losses	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-
Revaluations	-	-	(2,225,653)	(2,130,083)	-	(1,703,563)	(11,627)	-
Disposal	-	-	-	(351,507)	(6)	(798,070)	(3,594)	(228,527)
Transfers / WIP transfers	-	-	-	(312,433)	(20,582)	(161,048)	(12,908)	69,300
Acquisition of subsidiaries	-	-	-	2,187,241	-	2,243,301	-	223,601
Disposal of subsidiaries	-	-	-	-	-	-	-	5,415
Amalgamation of subsidiaries	-	-	-	-	-	-	-	-
Transfer from ROU	-	-	-	-	-	25,500	(7,482)	-
Transfer of assets held for sale	-	-	-	-	-	-	-	-
Exchange translation difference	-	-	(20,947)	(47,720)	(8,190)	63,676	(238)	(18,364)
Balance as at 31 March	-	7,242	150,891	7,372,452	777,097	9,493,502	6,312	4,402,378
Carrying Amount								
As at 31 March 2025	55,540,525	5,432	30,356,531	87,994,941	1,083,891	10,908,749	27,527	2,362,911
As at 31 March 2024	44,250,487	5,432	28,176,265	59,571,538	1,107,930	7,623,362	22,642	1,948,042

	Office Equipment	Computers	Freehold Plant & Machinery	Leasehold Machinery	Assets on Operating Leases	Other Tangible Assets [Note 35.1]	Immovable [JEDB/SLSPC] Assets on Finance Lease [Other than Bare land]	Capital Work-in-Progress [CWIP]	Total 2024/25	Total 2023/24
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
	3,359,487	7,709,754	71,779,505	109,696	12,130	54,628,781	876,340	29,430,595	332,247,748	289,876,503
	674,405	601,386	733,707	-	-	472,484	-	14,523,944	19,927,028	16,643,271
	-	-	21	-	-	46,642	-	-	14,895,057	2,683,098
	(67,924)	(302,979)	(1,109,052)	-	-	(613)	-	(123,171)	(3,360,632)	(3,210,551)
	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	(110,934)	(117,044)	-
	15,952	326,512	2,669,934	(50,849)	(12,130)	96,117	-	(4,192,594)	(684,761)	(514,226)
	-	-	-	-	-	-	-	-	442,000	161,339
	54,865	780,257	18,881,333	-	-	488,336	-	6,051,812	60,986,582	38,667,017
	-	-	-	-	-	(6)	-	(3,116)	(3,122)	(1,069,374)
	-	-	-	-	-	-	-	-	(3,464,880)	380,824
	-	-	-	-	-	-	-	-	(10,090)	61,549
	-	-	-	-	-	-	-	-	-	61,996
	(27,699)	(42,113)	(592,619)	-	-	(1,015,918)	-	(514,877)	(4,210,103)	(11,493,698)
	4,009,086	9,072,817	92,362,829	58,847	-	54,715,823	876,340	45,061,659	416,647,783	332,247,748
	2,612,036	5,406,328	27,075,666	11,725	-	33,573,523	864,886	-	91,179,926	73,835,487
	367,012	1,051,777	2,373,656	6,508	-	1,111,398	3,893	-	9,077,252	6,988,331
	-	-	-	-	-	-	-	234,786	234,786	-
	54	-	-	-	-	-	-	-	54	-
	-	-	19	-	-	(76,599)	-	-	(6,147,506)	-
	(58,175)	(114,527)	(855,905)	-	-	(204)	-	-	(2,410,515)	(2,146,380)
	1,654	218,636	(40,486)	(14,315)	-	64,566	-	(9,274)	(216,890)	1,678,126
	41,229	506,073	11,414,058	-	-	22	-	-	16,615,525	14,416,236
	-	-	-	-	-	(6)	-	-	5,409	(610,194)
	-	-	-	-	-	-	-	-	-	306,338
	-	-	-	-	-	-	-	-	18,018	4,055
	-	-	-	-	-	-	-	-	-	26,470
	(16,975)	(17,502)	(51,060)	-	-	(617,956)	-	-	(735,276)	(3,318,544)
	2,946,835	7,071,794	40,220,724	3,918	-	34,073,346	868,779	225,512	107,620,782	91,179,926
	1,062,251	2,001,023	52,142,105	54,929	-	20,642,477	7,561	44,836,147	309,027,000	
	747,451	2,303,426	44,703,839	97,971	12,130	21,055,258	11,454	29,430,595		241,067,822

Notes to the Financial Statements

35.1 Other Tangible Assets

Group	Water Sanitation & Others Rs.'000	Roads & Bridges Rs.'000	Cutlery, Crockery & Glassware Rs.'000	Linen & Furnishing Rs.'000	Swimming Pool Rs.'000	Tools & Equipments Rs.'000	Others Rs.'000	Total 2024/25 Rs.'000
Cost/ valuation								
Balance as at 01 April	95,396	1,178,881	443,117	267,430	488,097	29,735,098	22,420,760	54,628,781
Additions	1,036	11,793	85,280	40,291	437	179,988	153,659	472,484
Revaluations	-	-	-	-	46,642	-	-	46,642
Disposal	-	-	-	-	-	(360)	(253)	(613)
Charge for the year	-	-	-	-	-	-	-	-
Transfers / WIP transfers	-	18,349	-	-	(28,499)	31,086	75,181	96,117
Acquisition of subsidiaries	-	486,731	-	-	-	-	1,605	488,336
Disposal of Subsidiaries	-	-	-	-	-	(6)	-	(6)
Exchange Translation Difference	-	(46,512)	(1,784)	(775)	(2,374)	(544,385)	(420,087)	(1,015,918)
Balance as at 31 March	96,432	1,649,242	526,613	306,946	503,302	29,401,421	22,230,867	54,715,823
Accumulated depreciation								
Balance as at 01 April	82,585	1,113,519	248,293	160,928	59,319	20,460,699	11,448,180	33,573,523
Charge for the year from continuing operations	3,453	34,988	99,558	27,171	39,293	600,184	325,353	1,130,000
Impairment losses	-	-	-	-	-	-	-	-
Revaluations	-	-	-	-	(75,380)	(1,219)	-	(76,599)
Disposal	-	-	-	-	-	(10)	(194)	(204)
Transfers / WIP transfers	-	9,274	-	-	-	-	55,292	64,566
Acquisition of subsidiaries	-	-	-	-	-	-	22	22
Disposal of subsidiaries	-	-	-	-	-	(6)	-	(6)
Exchange translation difference	-	(22,253)	(336)	(140)	(215)	(380,975)	(214,037)	(617,956)
Balance as at 31 March	86,038	1,135,528	347,515	187,959	23,017	20,670,953	11,614,616	34,073,346
Carrying Amount								
As at 31 March 2025	10,394	513,714	179,098	118,987	481,286	8,722,748	10,616,250	20,642,477
As at 31 March 2024	12,811	65,362	194,824	106,501	428,782	9,274,398	10,972,581	21,055,258

35.2 Revaluation of land and buildings

Accounting judgements, estimates and assumptions

The Group uses the revaluation model of measurement of land and buildings. The Group engaged independent expert valuers, to determine the fair value of its land and buildings. Fair value is determined by reference to market-based evidence of transaction prices for similar properties. Valuations are based on open market prices, adjusted for any difference in the nature, location or condition of the specific property. These valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. The date of the most recent revaluation was carried out on 31 March 2025.

The changes in fair value recognised in other comprehensive income and in the statement of equity. The valuer has used valuation techniques such as market values and discounted cash flow methods where there was lack of comparable market data available based on the nature of the property. Consequently, as at the reporting date, the value reflected represents the best estimate based on the market conditions that prevailed, which in valuers' considered opinion, meets the requirements in SLFRS-13 Fair Value Measurement.

35.2.1 Summary description of valuation methodologies

Open market value method (OMV)

Open market value method uses prices and other relevant information generated by market transactions involving identical or comparable assets, liabilities or a group of assets and liabilities, such as a business.

Direct capital comparison method (DCC)

This method may be adopted when the rental value is not available from the property concerned, but there are evidences of sale price of properties as a whole. In such cases, the capitalised value of the property is fixed by direct comparison with capitalised value of similar property in the locality.

Contractors method (CM)

The replacement cost (contractor's) method is used to value properties which do not generally exchange on the open market and for which comparable evidence therefore does not exist. The valuations are based on two components: the depreciated cost of the building element and the market value of the land. Current build costs and often the land price will be established by comparison.

Investment method (IM)

The investment method is used to value properties which are let to produce an income for the investor. Conventionally, investment value is a product of rent and yield. Each of these elements is derived using comparison techniques.

35.3 Depreciation Charge from Continuing Operations

Depreciation Charge from Continuing Operations consist of following;

For the year ended 31 March 2025	2025 Rs.'000
Depreciation Charge to P&L	9,077,252
	9,077,252

35.4 Cost of fully depreciated assets

The following Property, plant and equipment have been fully depreciated and continue to be in use by the Group.

For the year ended	31 Mar 2025 Rs.'000	31 Mar 2024 Rs.'000
Cost of the fully depreciated assets	44,524,081	37,344,995

35.5 Temporarily idle property, plant and equipment

There were no idle property, plant and equipment as at the reporting date [2023/24: Nil]

35.6 Property, plant and equipment retired from active use

There were no property, plant and equipment retired from active use as at the reporting date [2023/24: Nil]

35.7 Title restriction on property, plant and equipment

There were no restriction on the title of property, plant and equipment as at 31st March 2025

Notes to the Financial Statements

35.8 Property, plant and equipment pledged as security for liabilities

There were no items of property, plant and equipment pledged as securities for liabilities other than those disclose in Note 48 to these financial statements.

35.9 Compensation from third parties for items of property, plant and equipment

There were no compensation received during the year from third parties for items of property, plant and equipment that were impaired, lost or given up [2023/24: Nil]

35.10 Borrowing cost capitalisation

Borrowing Costs incurred on borrowings obtained to finance the acquisition, construction or production of qualifying asset, which takes substantial period of time to get ready for its intended use or sale, have been capitalised during the year. The borrowing cost capitalisation will be ceased when the respective asset is ready for use.

For the year ended	31 Mar 2025	31 Mar 2024
	Rs.'000	Rs.'000
Capitalised borrowing costs	5,798,423	1,257,256

35.11 Impairment of property plant and equipments

Impairment of property, plant & equipment for the period of 2024/25 - Rs.117 Mn [2023/24: Nil].

35.12 Immovable [JEDB/SLSPC] estate assets on finance lease [other than bare land]

Accounting Policy

Right-To-Use of Land on Lease

Lease agreements of all JEDB/SLSPC estates handed over to the Group's Sub Subsidiary Maturata Plantations Limited have been executed to date. All of these leases are retroactive to 15th/22nd June 1992, the dates of formation of the Group's Sub Subsidiary. The leasehold rights to the bare land on all of these estates have been taken into the books of the Group's Sub Subsidiary on 15th/22nd June 1992, immediately after formation of the Group's Sub Subsidiary, in terms of the ruling obtained from the Urgent Issue Task Force (UITF) of the Institute of Chartered Accountants of Sri Lanka. For this purpose, Board of the Group's Sub Subsidiary decided at its meetings that lease bare land would be revalued at the value established for this land by Valuation Specialist Dr. D. R. Wickramasinghe just prior to the formation of the Group's Sub Subsidiaries. The values as at 22nd June 1992 and 15th June 1992 were taken in to the books of Maturata Plantations Limited.

Since the fair value of revalued assets differs materially from its carrying amount, the Board of Directors of Maturata Plantations Limited on 20th December 2005 has decided a further revaluation to be carried out as at 31st December 2005. The net amounts have been restated to the new valuation carried out by an independent and qualified valuer, Mr.K.Arther Perera.

Amortisation

The Right-to-use of land on lease is amortised over the remaining lease term of such asset or over the useful life of the underlying asset if shorter. Leasehold rights are tested for impairment annually and are written down where applicable. The impairment loss, if any, is recognised in the statement of profit or loss.

Amortisation rates used for the purpose are as follows:

	No. of Years	Rate %
Bare Land	53	1.89
Improvement to Lands	30	3.33
Mature Plantations	30	3.33
Buildings	25	4.00
Machinery	15	6.67
Crop Diversification	30	3.33
Water and Sanitation	20	5.00
Other Vested Assets	30	3.33
Permanent Land Development	53	1.89

Liability to make lease rentals

The liability to make the rentals to the lessor is recognised on amortised cost using effective interest rate method. The finance cost is recognised in the statement of profit or loss under finance cost using effective interest rate method.

Group	Improvements to lands Rs.'000	Buildings Rs.'000	Machinery Rs.'000	Water sanitation Rs.'000	Roads and bridges Rs.'000	Other vested assets Rs.'000	Total Rs.'000
Capitalised value							
Balance as at 01 April 2024	45,456	261,554	101,437	6,610	501	460,782	876,340
Additions	-	-	-	-	-	-	-
Transfer	-	-	-	-	-	-	-
Balance as at 31 March 2025	45,456	261,554	101,437	6,610	501	460,782	876,340
Accumulated amortisation							
Balance as at 01 April 2024	57,660	261,554	101,436	6,610	244	437,382	864,886
Charged for the period	1,478	-	-	-	-	2,415	3,893
Transfer	-	-	-	-	-	-	-
Balance as at 31 March 2025	59,138	261,554	101,436	6,610	244	439,797	868,779
Carrying Amount							
Balance as at 31 March 2025	[13,682]	-	1	-	257	20,985	7,561
Balance as at 31 March 2024	[12,204]	-	1	-	257	23,400	11,454

Right-To-Use of Land on Lease [Leasehold Rights to Bare Land of JEDB/SLSPC Estates]

Lease agreements of all JEDB/SLSPC estates handed over to the Group's Sub Subsidiary Maturata Plantations Limited have been executed to date. All of these leases are retroactive to 15th/22nd June 1992, the dates of formation of the Group's Sub Subsidiary. The leasehold rights to the bare land on all of these estates have been taken into the books of the Group's Sub Subsidiary on 15th/22nd June 1992, immediately after formation of the Group's Sub Subsidiary, in terms of the ruling obtained from the Urgent Issue Task Force (UITF) of the Institute of Chartered Accountants of Sri Lanka. For this purpose, Board of the Group's Sub Subsidiary decided at its meetings that lease bare land would be revalued at the value established for this land by Valuation Specialist Dr. D. R. Wickramasinghe just prior to the formation of the Group's Sub Subsidiaries. The values as at 22nd June 1992 and 15th June 1992 were taken in to the books of Maturata Plantations Limited.

Since the fair value of revalued assets differs materially from its carrying amount, the Board of Directors of Maturata Plantations Limited on 20th December 2005 has decided a further revaluation to be carried out as at 31st December 2005. The net amounts have been restated to the new valuation carried out by an independent and qualified valuer, Mr.K.Arther Perera.

The carrying value of Leasehold Right to bare land of JEDB/SLSPC Estates of the Company that would have been included in the Financial Statements as at 31st March 2025 had the asset been carried at initial valuation less accumulated amortisation.

The right to use bare land on lease of JEDB/SLSPC estates is being amortised by equal amounts over a 53 year period and the unexpired period of the lease as at the financial reporting date is 20.25 years.

Notes to the Financial Statements

35.13 Fully depreciated assets

Property, plant & equipment of the Company includes fully depreciated assets that are still in use having a gross amount of Rs.1,577 Mn as at 31st March 2025 [2023/24 - Rs. 2,417 Mn]

35.14 Cost of revalued properties

The fair value of the revalued properties were determined by Mr. W.M Chandrasena, an independent valuer who holds recognised and relevant professional qualification and have recent experience in the location and category of the revalued properties.

Date of the revaluation	31 March 2025
Method of determining fair value	Sales comparison

If land and buildings were measured using the cost model, the carrying amounts would be as follows:

As at 31 March	2025 Rs.'000	2024 Rs.'000
Cost	249,552	249,552
(-) Accumulated depreciation and impairment	(59,437)	(55,214)
	190,115	194,338

35.15 Property, Plant and Equipment pledged as security for liabilities

There were no items of property, plant and equipment pledged as securities for liabilities other than those disclose in Note 48 to these financial statements.

35.16 Fair valuation methodology

The following table shows the valuation techniques used in measuring the fair value of significant properties of the group, as well as the significant unobservable inputs used.

Valuation Technique	Significant observable and unobservable inputs	Interrelationship between key inputs and fair value measurement
Sales comparison method - value derived based on recent transactions of similar properties	Per perch value - Please Refer Note Number 35.17	The estimated fair value would increase [decrease] if: - comparable property value was higher/[lesser]
Depreciated replacement cost method	Value per square feet determined based on similar properties value, depreciated for period used and adjusting acquisition cost	The estimated fair value would increase [decrease] if: - Depreciation rate was lesser / [higher] - Square feet value was higher / [lesser]

35.17 Details of Group's land and building stated at Revaluation model are indicated below.

Local Properties

Province	Per perch [Rs.]		Per Square Feet [Rs.]	
	Lowest	Highest	Lowest	Highest
Central Province	60,000	7,000,000	3,000	15,000
Eastern Province	100,000	2,375,000	8,000	12,000
North Western Province	3,200,000	4,582,000	7,000	7,000
Northern Province	2,850,000	3,000,000	4,000	10,000
Northern Central Province	4,180,000	4,400,000	8,000	9,000
Sabaragamuwa Province	3,325,000	3,500,000	7,000	7,000
Southern Province	300,000	2,500,000	10,000	20,000
Uva Province	174,000	2,000,000	1,000	20,000
Western Province	75,000	32,000,000	1,300	16,000

36 TRADING LIABILITIES - FAIR VALUE THROUGH PROFIT OR LOSS

As at 31 March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Derivative liabilities				
Currency Swaps	688,019	961,632	-	-
Forward rate agreements	1,938	-	-	-
	689,957	961,632	-	-

37 FINANCIAL LIABILITIES AT AMORTISED COST/ DEPOSITS LIABILITIES

37.1 Deposits from customers

As at 31 March	Note	Group		Company	
		2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Fixed deposits	37.2	510,595,587	458,650,573	-	-
Saving/Demand deposits	37.3	47,545,567	38,076,401	-	-
Interest/profits payable	37.4	7,502,943	9,763,993	-	-
		565,644,097	506,490,967	-	-

Notes to the Financial Statements

37.2 Fixed deposits

As at 31 March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Local currency deposits				
Conventional deposits	210,484,768	181,663,075	-	-
Islamic - Mudharabah	7,298,310	5,159,770	-	-
Islamic - Wakala	13,860,556	15,496,889	-	-
Foreign currency deposits				
Conventional deposits	278,951,953	256,330,839	-	-
	510,595,587	458,650,573	-	-

37.3 Saving / Demand deposits

As at 31 March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Local currency deposits				
Conventional deposits	31,459,562	24,758,548	-	-
Islamic	1,723,745	1,623,790	-	-
Foreign currency deposits				
Conventional deposits	14,362,260	11,694,063	-	-
	47,545,567	38,076,401	-	-

37.4 Interest / profits payable

As at 31 March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Interest payable on conventional deposits	4,740,454	9,100,934	-	-
Profits payable on Islamic deposits	2,762,489	663,059	-	-
	7,502,943	9,763,993	-	-

37.5 Analysis of Due to Other Customers/Deposits from Customers

a) By currency

As at 31 March		Group		Company	
		2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Sri Lankan Rupee		221,929,876	201,737,901	-	-
United States Dollar		286,025,358	260,519,633	-	-
Great Britain Pound		697,624	905,732	-	-
Euro		377,526	363,332	-	-
Australian Dollar		541,735	447,331	-	-
Cambodian Riel		21,608,805	20,499,065	-	-
Pakistani Rupee		7,679,685	1,609,311	-	-
Myanmar Kyat		9,318,547	6,754,125	-	-
Philippine Peso		3,654,778	3,908,619	-	-
Nigerian Naira		704,494	531,689	-	-
Zambian Kwacha		1,926,843	2,608,215	-	-
Others		11,178,826	6,606,014	-	-
Gross loans and receivables		565,644,097	506,490,967	-	-

38 FINANCIAL LIABILITIES AT AMORTISED COST/ INTEREST BEARING BORROWINGS

As at 31 March	Note	Group		Company	
		2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Commercial papers & promissory notes		248,096,888	209,864,745	233,638,149	202,883,235
Short-term loans and others		149,538,477	120,171,190	70,273,646	55,695,524
Debentures	38.1 & 38.5	19,296,551	24,288,592	12,139,477	17,131,595
Finance lease liabilities	38.2	2,094,332	1,949,594	1,348	2,702
Long-term borrowings	38.3	165,168,585	200,407,006	30,735,353	32,760,665
Operating Lease Liability	38.4	17,007,597	16,260,895	30,247	35,185
		601,202,430	572,942,022	346,818,220	308,508,906

Notes to the Financial Statements

38.1 Information on Group's Listed Debentures

38.1.2 Interest rate of comparable government security

Buying and selling prices of debentures on 31 March 2025

As at 31 March	Buying		Selling	
	Price Rs.	Yield %	Price Rs.	Yield %
5 Year Debentures -LOLC-BD-27/09/24-C2433	Not traded	Not traded	Not traded	Not traded
5 Year Debentures -LOLC-BD-27/09/24-C2432-15	Not traded	Not traded	Not traded	Not traded
5 Year Debentures -LOLC-BD-24/02/26-C2470-10.25	100.05	Not traded	93.25	Not traded
5 Year Debentures -LOLC-BD-24/02/26-C2469-9.85	Not traded	Not traded	Not traded	Not traded
10 Year Debentures -LOLC-BD-24/02/31-C2468-12	Not traded	Not traded	Not traded	Not traded

38.1.3 Market prices and yield during the year [ex-interest]

As at 31 March	Market Price		Market Yield	
	Rs.	%	Rs.	%
5 Year Debentures	100.44	11.87%		
10 Year Debentures	93.72	13.15%		
Debt to equity	1.93	times		
Interest cover	1.43	times		
Quick asset ratio	0.57	times		

38.1.4 The market prices during the period [ex interest]

	Highest price	Lowest price	Last traded price
5 Year Debentures -LOLC-BD-27/09/24-C2433	Not traded	Not traded	Not traded
5 Year Debentures -LOLC-BD-27/09/24-C2432-15	Not traded	Not traded	Not traded
5 Year Debentures -LOLC-BD-24/02/26-C2470-10.25	Not traded	Not traded	93.32
5 Year Debentures -LOLC-BD-24/02/26-C2469-9.85	100.76	100.76	100.77
10 Year Debentures -LOLC-BD-24/02/31-C2468-12	100.00	86.85	100.03

38.2 Finance lease liabilities

As at 31 March	Note	Group		Company	
		2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
JEDB/SLSPC estates lease liabilities	38.2.1	984,595	843,198	-	-
Other lease liabilities	38.2.2	1,109,737	1,106,396	1,348	2,702
		2,094,332	1,949,594	1,348	2,702

38.2.1 JEDB/SLSPC estates lease liabilities

For the year ended 31 March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Gross Liability				
Balance as at 1st April	1,069,050	791,698	-	-
Leases obtained during the year	148,555	280,730	-	-
Amortised interest	131,364	108,456	-	-
Repayments	(136,522)	(111,834)	-	-
Other movements	-	-	-	-
Disposal of subsidiaries	-	-	-	-
Balance as at 31st March	1,212,447	1,069,050	-	-
Finance costs allocated to future years	(227,852)	(225,852)	-	-
Net Liability	984,595	843,198	-	-
Payable within one year				
Gross liability	34,402	28,467	-	-
Finance costs allocated to future years	(24,425)	(20,996)	-	-
Net liability transferred to current liabilities	9,977	7,471	-	-
Payable within two to five years				
Gross liability	176,953	123,562	-	-
Finance costs allocated to future years	(117,044)	(81,578)	-	-
Net liability	59,909	41,983	-	-
Payable after five years				
Gross liability	1,118,564	1,006,059	-	-
Finance costs allocated to future years	(203,855)	(212,315)	-	-
Net liability	914,709	793,744	-	-

Notes to the Financial Statements

38.2.2 Other lease liabilities

As at 31 March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Gross lease rentals payable as at 01 April	1,139,314	942,034	2,702	7,450
Leases obtained during the year	151,082	185,467	-	-
Amortised interest	48,785	(16,181)	-	-
Transfer of assets held for sale	-	(4,600)	-	-
Acquisition of subsidiaries	-	206,171	-	-
Exchange Translation Difference	(36,846)	38,600	-	-
Lease rentals paid during the year	(223,184)	(212,177)	(1,354)	(4,748)
Gross lease rentals payable as at 31 March	1,079,151	1,139,314	1,348	2,702
Less: Unamortised finance cost	30,586	(32,917)	-	-
Net lease liability	1,109,737	1,106,396	1,348	2,702
Repayable within one year				
Gross lease rentals payable	441,378	743,332	1,348	1,354
Less: Unamortised finance cost	(17,618)	(39,681)	-	-
Net lease liability	423,760	703,651	1,348	1,354
Repayable after one year before five years				
Gross lease rentals payable	733,220	434,560	-	1,348
Less: Unamortised finance cost	(47,243)	(31,815)	-	-
Net lease liability	685,977	402,745	-	1,348

38.3 Long-Term Borrowings

For the year ended 31 March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Gross balance as at 01 April	200,466,399	239,285,537	32,760,665	18,076,617
Received during the year	43,683,615	80,179,168	15,013,766	26,892,288
Amortised interest	15,312,278	19,335,003	4,219,967	4,416,376
Disposal of Subsidiaries	-	(72,002)	-	-
Acquisition of subsidiaries	2,278,475	423,252	-	-
Effect of Amalgamation	-	-	-	-
Repaid during the year	(89,773,660)	(120,358,269)	(21,259,045)	(16,624,616)
Transfer to assets held for sale	(4,772,264)	(2,937,570)	-	-
Exchange translation difference	(1,958,525)	(15,388,720)	-	-
Gross borrowings as at 31 March	165,236,318	200,466,399	30,735,353	32,760,665
Less: Unamortised finance cost	(67,733)	(59,393)	-	-
Balance as at 31 March	165,168,585	200,407,006	30,735,353	32,760,665
Long-term borrowings - current	81,901,075	86,811,444	25,264,813	27,457,314
Long-term borrowings - non-current	83,267,510	113,595,562	5,470,540	5,303,351
Total	165,168,585	200,407,006	30,735,353	32,760,665
Analysis of non-current portion of long-term borrowings				
Repayable within 3 years	30,552,583	104,608,141	5,470,540	5,303,351
Repayable after 3 years	52,714,927	8,987,421	-	-
Total	83,267,510	113,595,562	5,470,540	5,303,351

The borrowings include long term and short term loans which carry interest rates which are variable and are reset on a monthly / quarterly / semi-annually / annual basis.

38.4 Operating Lease Liability

Accounting Policy

Lease Liabilities

Initial Recognition

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

Subsequent Measurement

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Incremental Borrowing Rate

Incremental borrowing rate is the rate of interest that a lessee would have to pay to borrow over a similar term and with similar security, the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment.

In the absence of specific guidance in SLFRS 16, the Group determines the incremental borrowing rate by referring to the "Application Guidance Notes on SLFRS 16 – Leases" issued by CA Sri Lanka. As per the guideline, Group determines Incremental Borrowing Rate by incorporating following key elements.

- Risk free rate [Basis rate for economic factors]
- Financial Factors [Lessee specific factors]
- Asset Factor

Assumption on Extension Option and Cancellation Option

SLFRS 16 specifies that the lessee is required to assess whether it is reasonably expected to extend the lease period. Based on our business model forecast and our past experience, we assumed that the operating leasing agreements will continue for another 3 years. For this purpose, we have exercised this extension option for operating leases which are expiring within next two years. Based on our experience, we believe that, in the event of cancellation of an agreement, the Company will enter into a new rent agreement to continue and ensure its smooth business operation. Therefore, we have not considered the cancellation option in our calculations.

Timing of the lease payments

Based on our past experience, we assumed that the rent payments will occur at the end of the month (paid in arrears). Therefore, discount factors adjusted accordingly.

Short term leases and leases of low value assets

The Group applies the short-term lease recognition exemption to leases that have a lease term of 12 months or less from the commencement date. It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Notes to the Financial Statements

For the year ended 31 March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Opening Balance	16,260,895	20,507,603	35,185	44,737
Discounted operating lease commitments	(73,682)	910,048	-	-
Leases obtained during the year	1,728,064	1,001,345	11,151	-
Amortised interest	1,832,639	2,198,294	7,316	7,230
Lease rentals paid during the year	(2,214,890)	(6,406,667)	(23,405)	(16,782)
Acquisition of Subsidiaries	5,157	-	-	-
Effect of Amalgamation	(1,318)	(39,556)	-	-
Disposal of Subsidiaries	-	(256,283)	-	-
Transfer to assets held for sale	(245,579)	(190,510)	-	-
Exchange Translation Difference	(283,689)	(1,463,379)	-	-
Net lease liability	17,007,597	16,260,895	30,247	35,185
Repayable within one year				
Gross lease rentals payable	2,926,804	2,747,394	19,598	15,845
Less: Unamortised finance cost	(1,681,457)	(1,631,456)	(4,132)	(5,555)
Net lease liability	1,245,347	1,115,938	15,466	10,290
Repayable after one year before five years				
Gross lease rentals payable	10,476,343	11,262,378	16,127	29,893
Less: Unamortised finance cost	(5,783,987)	(4,923,010)	(1,346)	(4,998)
Net lease liability	4,692,356	6,339,368	14,781	24,895
Repayable after five years				
Gross lease rentals payable	36,245,710	33,519,026	-	-
Less: Unamortised finance cost	(25,175,816)	(24,713,438)	-	-
Net lease liability	11,069,894	8,805,588	-	-
Total	17,007,597	16,260,895	30,247	35,185

38.5 Debenture details

Year of Issue	Year of Redemption		Interest Payable Frequency							
			Fixed Rate	Fixed Rate	Maturity	Fixed Rate	Group		Company	
			Annually	Semi-Annually		Quarterly	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Debentures										
2020	2025	Unsecured subordinated redeemable debenture	-	10.50%	-	-	3,371,250	3,371,250	-	-
2020	2025	Unsecured subordinated redeemable debenture	-	34.88%	-	-	1,628,750	1,628,750	-	-
2019	2024	Senior, Unsecured, listed, Redeemable, Rated Debentures	-	15.00%	-	-	-	4,999,840	-	4,999,840
2019	2024	Senior, Unsecured, listed, Redeemable, Rated Debentures	-	8.25%	-	-	-	160	-	160
2021	2026	Senior, Unsecured, listed, Redeemable, Rated Debentures	10.25%	-	-	-	2,929,230	2,929,230	2,929,230	2,929,230
2021	2026	Senior, Unsecured, listed, Redeemable, Rated Debentures	12.00%	-	-	-	6,316,110	6,316,110	6,316,110	6,316,110
2021	2031	Senior, Unsecured, listed, Redeemable, Rated Debentures	-	-	-	9.85%	754,660	754,660	754,660	754,660
2021	2026	Unlisted, Rated, Unsecured Senior Redeemable	10.25%	-	-	-	981,000	981,000	981,000	981,000
2021	2026	Unlisted, Rated, Unsecured Senior Redeemable	-	-	-	9.85%	474,500	474,500	474,500	474,500
2021	2031	Unlisted, Rated, Unsecured Senior Redeemable	12.00%	-	-	-	544,500	544,500	544,500	544,500
2022	2027	Senior, listed, Redeemable, Rated Debentures	-	-	-	15.42%	1,932,700	1,932,700	-	-
2022	2027	Senior, listed, Redeemable, Rated Debentures	15.50%	-	-	-	67,300	67,300	-	-
2014	N/A	Redeemable Preference Shares	10.00%	-	-	-	145,000	145,000	-	-
		Amortise cost/ disbursement fees					151,551	143,592	139,477	131,595
							19,296,551	24,288,592	12,139,477	17,131,595

Note

1. AWPLR [Five-year floating rate] - ['AWPLR' means the simple average of the Average Weighted Prime Lending Rate published by the Central Bank of Sri Lanka for the 12-week period, immediately preceding each Interest Determination Date]

Notes to the Financial Statements

39 INSURANCE CONTRACT LIABILITIES

As at 31 March	Note	Group	
		2025 Rs.'000	2024 Rs.'000
Long-term insurance contracts	39.1	14,467,959	10,424,015
Non-life insurance contracts	39.2	9,502,470	8,417,951
Total insurance contract liabilities		23,970,429	18,841,966

The group has satisfied liability adequacy test in both life & general insurance businesses.

39.1 Long-term insurance contract liabilities

Accounting Policy
<p>Life Insurance Business</p> <p>Gross Written Premium</p> <p>Gross written premiums on life insurance contracts are recognised as revenue when payable by the policyholder. Benefits and expenses are provided against such revenue to recognise profits over the estimated life of the policies. For single premium business, revenue is recognised on the date on which the policy is effective.</p> <p>Premium ceded to reinsurers</p> <p>Gross reinsurance premiums on insurance contracts are recognised as an expense on the earlier of the date when premiums are payable or when the policy becomes effective. Reinsurance premiums are decided based on rates agreed with reinsurers.</p> <p>Benefits, Losses and Expenses</p> <p>Expenses relate to the acquisition and maintenance of Long-term insurance business. Claims by death or maturity are charged on notification of death or on expiry of the term. Claims payable includes direct cost of settlement. Interim payments and surrenders are accounted for at the time of settlement.</p> <p>Actuarial Valuation for Long Term Insurance Provision</p> <p>The Directors determine the Long term insurance business provisions for the Company on the recommendation of the Actuary, following his annual investigation of the Life insurance business. The actuarial valuation takes into account all liabilities including contingent liabilities and is based on assumptions recommended by the reporting actuary.</p> <p>Life Insurance Contract Liabilities</p> <p>Life insurance liabilities are recognised when the contracts are entered into and premiums are charged. The liability for life insurance contracts and investment contracts with discretionary participation features (DPF) is based either on current assumptions or on assumptions established at the inception of the contract, reflecting the best estimate at the time increased with a margin for risk and adverse deviation. All contracts are subject to a liability adequacy test, which reflect management's best current estimate of future cash flows. The main assumptions used relate to mortality, morbidity, longevity, investment returns, expenses, lapse and surrender rates and discount rates. The Company bases mortality and morbidity on standard industry mortality tables which reflect historical experiences, adjusted when appropriate to reflect the Company's unique risk exposure, product characteristics, target markets and own claims severity and frequency experiences. For those contracts that insure risk related to longevity, prudent allowance is made for expected future mortality improvements, as well as wide ranging changes to life style, could result in significant changes to the expected future mortality exposure.</p>

Accounting Policy

Estimates are also made as to future investment income arising from the assets backing life insurance contracts. These estimates are based on current market returns, as well as expectations about future economic and financial developments. Assumptions on future expense are based on current expense levels, adjusted for expected expense inflation, if appropriate.

Lapse and surrender rates are based on the Company's historical experience of lapses and surrenders. Discount rates are based on current industry risk rates, adjusted for the Company's own risk exposure.

Valuation of Insurance Provision - Life Insurance Contract Liabilities

Methodology

A discounted cash flow approach, equivalent to a gross premium valuation methodology, has been used for calculating the liabilities for the existing business as at 31st March 2025. The liability has been calculated net of reinsurance.

The cash flows used for the liability calculation comprise of benefits, expenses, commission and reinsurance premium outgo, less policyholder premium and reinsurance recoveries. These have been discounted using the zero-coupon risk-free rate provided by IRCSL to calculate the present value of the liability.

In determining the policy liabilities, provisions for reinsurance have been allowed for according to the applicable reinsurance terms as per the reinsurance treaties for all products and riders that were modelled.

The base liability has been calculated allowing for a risk margin for adverse deviation. Risk margin is calculated using more prudent assumptions for non-market risk relative to the best estimate liabilities, in line with the RBC guidelines. For participating business, the base liability is stated as the maximum of guaranteed benefit liability and total benefits liability.

The liability for fund-based products has been set equal to the sum of the fund value plus non-unit liability and the total cash flows were considered for the calculation of Market risk for solvency purposes. For the calculation of the non-unit liability, the cash flows depend on the assumed future dividend rate.

The value of liabilities at the product/rider level has been floored at zero for all products and riders. In particular, rider reserves have been set to 0 if the overall rider liability is negative. However, for the segregation of rider reserve between different products/funds (for reporting purposes), the product/fund level rider reserve is zeroed only if the overall rider reserve was negative. i.e. product/fund level rider reserves are not zeroed when there's a positive overall rider reserve. For fund based products, the reserves are zeroed if the Fund Value + Non-Unit Liability is negative.

Paid-up policies have been considered in modelling base liability under the same assumptions and methodology as in-force policies. The additional provision relating to the fund value of lapsed fund-based policies within their revival period has been held. The additional provision held has been calculated as the fund value multiplied by the probability of revival for the first 12 months from the valuation date. The probability of revival is based on the revival study carried out by considering all lapse and revival data as at 31 December 2024.

An additional provision equal to 10% of the total risk claims (excluding surrender and maturity claims), net of reinsurance, in the year to date 31st March 2023 has been held to cover any Incurred but not Reported (IBNR) claims. The UPR on any additional premium charged in lieu of substandard risks has been held to cover the additional risks from substandard lives. The other non-participating products do not contain any asymmetric investment guarantees.

Assumptions

The following reserving assumptions have been used for the purpose of the annual statutory valuation as at 31st March 2025;

Notes to the Financial Statements

Accounting Policy

Mortality rates

Following table has been used as the best estimate mortality rate assumptions.

Mortality Table	All products except Isurusahana and DTA/MRP	Isurusahana	Credit Life [DTA/MRP] Munich Re MRP RI Rates	Life Family Takaful
Age Band	% of A67_70	% of A67_70		% of A67/70
18-35	90%	115%	100%	80%
36-45	70%	100%	115%	70%
46-55	50%	80%	115%	50%
56 and above	40%	50%	115%	40%

For mortality assumption setting, company's product portfolio was split in to 3 groups based on the characteristics of the products and the data availability; Credit Life Products, Isurusahana [Loan protection cover for micro loans], all other product. Age band based mortality assumptions were derived considering the divergence of actual mortality curve vs the expected mortality curve at higher ages.

Rates for benefits other than mortality

Following % of RI rate used as the best estimate morbidity rate assumption

Morbidity	% of the applicable Reinsurance premium rates
ADB	50%
CI	40%
HB	60%
PPD	30%
TPD	30%
WOP	40%
Health Rider	100%

Lapse/ Surrender Rates

Lapse rates were determined based on the lapse investigation carried out based on the 31st December 2023 portfolio. Long-term lapse rates were determined in line with the last 1 - 3-year average depending on the data availability. The best estimate lapse rates for "LOLC Reality Single" are assumed to be 10% level for each policy year.

Lapse Year	Long Term Products	Dividend -ST	LOLC Life Protected Savings	Dividend -DM	Par
1	67%	49%	60%	50%	39%
2	30%	22%	40%	19%	14%
3	23%	19%	30%	23%	8%
4	23%	26%	20%	27%	19%
5	18%	18%	10%	18%	9%
6	17%	17%	0%	17%	6%
7	12%	12%	0%	12%	9%
8	11%	11%	0%	11%	7%
9+	8%	8%	0%	8%	8%

Accounting Policy

Investment returns

In accordance with the RBC guidelines, a risk-free interest rate curve based on Sri Lankan government bond yields are used for discounting liability cash flows. The yield curve as at 31st March 2025 used for discounting the cash flows, provided by IRC SL, is tabulated below.

Years to maturity	Yield
1	8.23%
2	8.90%
3	10.08%
4	10.53%
5	10.82%
6	11.07%
7	11.22%
8	11.58%
9	11.79%
10	11.65%
11+	11.65%

Expenses inflation

The best estimate expense assumptions have been determined based on the 2024 expense study and considering a longer-term view. Details are provided in the expense study report].

Type of expense	Expense assumption
Fixed per annum [Isuru Sahana, Divisaviya]	LKR 181
Fixed per annum [MRP, Takaful MRP, DTA Non Housing]	LKR 364
Fixed per annum [Divisahana, Takaful_Divisahana, Reality, Reality Single]	LKR 1199
Fixed per annum [Dividend Products, Par Products]	LKR 3635
Fixed per annum [LOLC Guaranteed+]	LKR 1199
LOLC Life Protected Savings	LKR 1199
% of Renewal Premium *	12.00%
Expense Inflation	10.00%

Notes to the Financial Statements

As at 31 March	Group					
	2025			2024		
	Insurance \Contract liabilities Rs.'000	Reinsurance of liabilities Rs.'000	Net Rs.'000	Insurance Contract liabilities Rs.'000	Reinsurance of liabilities Rs.'000	Net Rs.'000
At 01 April	11,311,601	(887,586)	10,424,015	6,908,014	(809,343)	6,098,671
Premiums received	8,898,658	(280,683)	8,617,975	6,187,967	(302,784)	5,885,183
Claims incurred	(3,270,929)	88,044	(3,182,885)	(2,933,039)	190,287	(2,742,752)
Fees deducted	(357,297)	15,828	(341,469)	(280,649)	34,253	(246,395)
Investment return	1,512,205	-	1,512,205	1,320,546	-	1,320,546
Expenses	(2,895,428)	-	(2,895,428)	(1,906,927)	-	(1,906,927)
Gratuity - actuarial gain/[loss]	2,954	-	2,954	(207)	-	(207)
Net gain / [loss] on available-for-sale assets - Life Policyholders	178,004	-	178,004	1,926,947	-	1,926,947
Life deficit transfer	-	-	-	(150,000)	-	(150,000)
	15,379,768	(1,064,397)	14,315,371	11,072,652	(887,586)	10,185,066
Claims outstanding	152,588	-	152,588	238,950	-	238,950
At 31 March	15,532,356	(1,064,397)	14,467,959	11,311,601	(887,586)	10,424,015

39.2 Non-life insurance contract liabilities

Accounting Policy

General Insurance Business**Gross Written Premium**

Premium is accounted as and when cash is received and in the same period as the policy liabilities are created. For single premium contracts, premiums are recorded as income when received with any excess profit deferred and recognised as income in a constant relationship to the insurance in force, for annuities and the amount of expected benefit payments.

Reinsurance Premium

Reinsurance premium expense is accrued on active policies on a monthly basis.

Unearned Premium Reserve

Unearned premium is the portion of gross written premium and reinsurance premium written in the current year in respect of risk related to subsequent periods. Unearned premium is calculated on the 1/365 basis in accordance with the Rules made by the Insurance Board of Sri Lanka under the Regulation of Insurance Industry Act, No. 43 of 2000.

Unexpired Risks

Provision is made where appropriate for the estimated amount required over and above unearned premium to meet future claims and related expenses on the business in force as at 31st December.

Unexpired Risk Reserve

The calculation of premium liability requires a comparison between the company's held unearned premium reserve less DAC provision with actuarial estimate of the unexpired risk for the total general insurance business. The resulting premium liability is the higher of these two. In estimating the unexpired risk liability, assumptions are made on the expected ultimate loss ratio for each class of business and management expenses incurred whilst these policies remain exposed for claims.

Deferred Acquisition Costs [DAC]

Those direct and indirect costs incurred during the financial period arising from the writing or renewing of insurance contracts are deferred and amortised over the period in which the related revenues are earned. All other acquisition costs are recognised as an expense when incurred.

Deferred acquisition expenses represent commission and franchise fees which vary with and are directly related to the production of business. Commission expenses are deferred and charged over the period in which the related premiums are earned, on 1/365 basis.

39.2 Non-life insurance contract liabilities (Cont.)

Accounting Policy

Claims

Claims incurred include provisions for the estimated cost of claims and related handling expenses in respect of incidents up to 31st December. Claims outstanding are assessed by reviewing the individual claim files and estimating changes in the ultimate cost of settling claims. The provision in respect of claims Incurred But Not Reported (IBNR) is actuarially valued to ensure a more realistic estimation of the future liability based on past experience and trends. Actuarial valuations are performed on an annual basis. Whilst the Directors consider that the provision for claims related reinsurance recoveries are fairly stated on the basis of information currently available, the ultimate liability will vary as a result of subsequent information and events. This may result in adjustments to the amounts provided. Such adjustments are reflected in the Financial Statements for that period. The methods used, and the estimates made, are reviewed regularly.

Valuation of Insurance Provision-General Insurance Reserve for Outstanding Claims Including IBNR

Methodology for Claim Liability

Central Estimate

The Central Estimate of the Net Claim Liability has been determined based upon the gross analysis performed for the Company as at 31st December 2013, whereby a full review of the Loss Development Factors on a gross basis is performed. Various Gross-to-Net ratios are compared, and the Net Claim Liability is determined by applying a factor to the Gross Claim Liability.

Since the net analysis is based on the gross analysis, any change in the gross results will subsequently affect the results in this net valuation.

The Central Estimate is then adjusted by the same provision as the gross analysis to allow for Claims Handling Expenses (CHE) such as fees for loss adjustment, and the annual salary and related overhead costs of the claims department.

75% Confidence Level Estimate

The volatility of the Central Estimate of claims reserves are then projected to secure an overall level of sufficiency of not less than 75% confidence. In determining the Net Claim Liability on 75% confidence level, we have adopted the Prudential Reserve for Adverse Development (PRAD) and Fund Prudential Reserve for Adverse Development (FPRAD) risk margins that were derived in the gross analysis as at 31st December 2013, which were based on a Stochastic Chain Ladder approach.

Calculation of Discounted Claim Liability

The Discounted Claim Liability is calculated as the current value of the projected future claim payments for each class of business.

The Claim Liability is discounted on the same basis as the gross numbers. These are based upon the Government Securities spot rates from the Central Bank of Sri Lanka and the modelled payment patterns.

Methodology for Estimate of Premium Liability

Central Estimate

For the Central Estimate of the Premium Liability, actuary developed a trended Ultimate Loss Ratio for each class to compute the Central Estimate of the Unexpired Risk Reserve (URR). A provision, which is the same value as per the gross analysis, was added to the Central Estimate of the URR to account for CHE and a further provision, based on the Unearned Premium Reserve (UPR), has been retained to cover future Management Expenses. The adjusted loss ratios are finally applied to the UPR that the company currently holds to derive the Central Estimate of the URR.

75% Confidence Level Estimate

The Central Estimates of the URRs are then projected to secure an overall level of sufficiency of not less than 75% confidence. In determining the URR at the 75% confidence level, actuaries multiply the Central Estimate of the URR with an adjustment factor for each line of business. The adjustment factor is determined at a class level as well as at an aggregate level, and takes into account the observed relationship between the current estimate of an Accident Period's ULR and the trended ULR. The diversification is determined by comparing the sum of adjustment factors by line of business and the adjustment factor at the aggregate level.

Calculation of Discounted Claim Liability

The Discounted Claim Liability is calculated as the current value of the projected future claim payments for each class of business.

The Claim Liability is discounted on the same basis as the gross numbers. These are based upon the Government Securities spot rates from the Central Bank of Sri Lanka and the modelled payment patterns.

Notes to the Financial Statements

As at 31 March	Note	2025			2024		
		Insurance Contract liabilities Rs.'000	Reinsurance of liabilities Rs.'000	Net Rs.'000	Insurance Contract liabilities Rs.'000	Reinsurance of liabilities Rs.'000	Net Rs.'000
At 01 April							
Provision for reported claims	39.3	3,879,339	(1,347,541)	2,531,798	4,066,952	(2,054,975)	2,011,977
IBNR		1,148,747	-	1,148,747	825,170	-	825,170
Outstanding claims provision		5,028,086	(1,347,541)	3,680,545	4,892,122	(2,054,975)	2,837,147
Commission reserves	39.4	(647,765)	377,339	(270,426)	(482,682)	224,850	(257,832)
Provision for unearned premiums	39.5	7,494,554	(1,402,203)	6,092,351	6,748,539	(909,903)	5,838,636
Provision for liability adequacy		-	-	-	-	-	-
Total non-life contract liabilities		11,874,875	(2,372,405)	9,502,470	11,157,978	(2,740,027)	8,417,951

39.3 Outstanding claims provision

As at 31 March	2025			2024			
	Insurance Contract liabilities Rs.'000	Reinsurance of liabilities Rs.'000	Net Rs.'000	Insurance Contract liabilities Rs.'000	Reinsurance of liabilities Rs.'000	Net Rs.'000	
At 01 April	4,066,952	(2,054,975)	2,011,977	5,307,249	(355,418)	4,951,831	
Claims incurred in the current accident year	6,508,756	(138,898)	6,369,858	5,233,003	(283,231)	4,949,772	
Adjustment to prior year due to changes in assumptions							
Other movement in prior year	(330)	-	(330)	(31)	-	(31)	
Claims paid during the year	(6,696,039)	846,332	(5,849,707)	(6,473,269)	(1,416,326)	(7,889,595)	
Total non-life contract liabilities	3,879,339	(1,347,541)	2,531,798	4,066,952	(2,054,975)	2,011,977	

39.4 Commission reserves

As at 31 March	2025			2024		
	Insurance Contract liabilities Rs.'000	Reinsurance of liabilities Rs.'000	Net Rs.'000	Insurance Contract liabilities Rs.'000	Reinsurance of liabilities Rs.'000	Net Rs.'000
At 01 April	(482,682)	224,850	(257,832)	(338,045)	210,492	(127,553)
Change in commission reserves	(168,335)	152,489	(15,846)	(144,637)	14,358	(130,279)
Other movement	3,252	-	3,252	-	-	-
Total non-life contract liabilities	(647,765)	377,339	(270,426)	(482,682)	224,850	(257,832)

39.5 Provision for unearned premiums

As at 31 March	2025			2024		
	Insurance Contract liabilities Rs.'000	Reinsurance of liabilities Rs.'000	Net Rs.'000	Insurance Contract liabilities Rs.'000	Reinsurance of liabilities Rs.'000	Net Rs.'000
At 01 April	6,748,539	(909,903)	5,838,636	5,441,419	(592,679)	4,848,740
Premiums written in the year	13,546,260	(3,040,877)	10,505,383	11,416,171	1,961,895	13,378,066
Premiums earned during the year	(12,790,145)	2,548,577	(10,241,568)	(10,109,052)	(2,279,119)	(12,388,171)
Other movement	(10,100)	-	(10,100)	-	-	-
At 31 March	7,494,554	(1,402,203)	6,092,351	6,748,539	(909,903)	5,838,636

The valuation of the insurance contract liabilities in relation to the life business was performed by an external actuary as at 31 December 2024. Management has determined that. There is no material impact on the assumptions used for the valuation of insurance contract liabilities.

40 CURRENT TAX PAYABLES

As at 31 March	Note	Group		Company	
		2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Income tax payables	40.1	4,559,626	5,426,094	15,387	150,465
Value added tax (VAT) payable		19,913,857	14,681,246	628,017	920,891
GST Payable		1,256	3,489	-	-
Withholding tax (WHT) payable		944,900	632,435	72,452	134,029
Economic service charge (ESC) payable		1,769	22	-	-
Nation building tax (NBT) payable		15,222	36,227	-	17,263
Other tax payables		1,368,168	873,739	64,699	75,463
Balance at the end of the year		26,804,798	21,653,251	780,555	1,298,111

40.1 Income tax payables

As at 31 March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Balance at the beginning of the year	5,426,094	6,276,130	150,465	144,031
Provision for the Period	4,711,491	5,794,637	17,263	6,434
Under/ (over) provision in respect of previous years	(48,556)	(937,191)	-	-
Transfer from/ (to) Income Tax Receivables	(74,193)	52,589	-	-
Payments made during the year	(5,676,318)	(5,599,835)	(152,341)	-
Acquisition of Subsidiaries	325,854	7,098	-	-
Effect of Amalgamation	-	156,154	-	-
Disposal of Subsidiaries	-	(157,060)	-	-
Exchange translation difference	(104,746)	(166,428)	-	-
Balance at the end of the year	4,559,626	5,426,094	15,387	150,465

Notes to the Financial Statements

41 TRADE AND OTHER PAYABLES

As at 31 March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Financial liabilities				
Trade payables	45,231,860	27,283,443	543,812	654,919
Creditors for leased equipment	-	-	-	-
Amount due to related companies	2,021,203	188,985	262,121	2,362,756
Insurance premium payable	671,585	502,904	-	-
Staff related payments	2,176,633	1,515,935	19,932	5,385
Payable to Shareholders	354,960	4,562,399	-	-
Payable to CREH	24,378,904	17,313,496	-	-
Share acquisition payable	-	7,872,163	-	-
Dividend payable	107,376	132,218	-	-
Other financial liabilities	13,537,334	3,156,124	567	25,525
	88,479,855	62,527,667	826,432	3,048,585
Non-financial liabilities				
Accrued expenses/ advance payment	10,184,484	7,004,890	25,815	49,554
Excess payment received	2,133,345	1,670,972	502	623
Security Deposits Received	348,418	1,142,275	-	-
Provisions made	1,054,444	1,911,066	-	-
Advances received	1,429,534	4,875,182	-	-
Other non-financial liabilities	4,418,632	1,690,595	81,712	-
	19,568,857	18,294,980	108,029	50,177
	108,048,712	80,822,646	934,461	3,098,762

42 DEFERRED INCOME

Accounting Policy		
Grants related to assets		
Grants related to property, plant and equipment are initially deferred and allocated to statement of profit or loss on a systematic basis over the useful life of the related property, plant and equipment. Grants related to assets, including non-monetary grants at fair value, are deferred in the statement of financial position and credited to the statement of profit or loss over the useful life of the related asset as given below;		
Policy year	No. of Years	Rate %
Building	40	2.5
Plant and Machinery	13 1/3	7.5
Equipment	8	12.5
Roads	50	2
Vehicles	5	20
Relevant assets are presented separately in the Financial Statements without setting off against the respective grants.		
Grants related to Income		
Grants related to income are recognised in the statement of profit or loss in the period in which they are receivable.		

Note Group	Capital grants	Operating lease receivables - PHDT	Transfer of shares	Income received in advance	Other	Total 2024/2025	Total 2023/2024
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Gross deferred income							
Balance as at 01 April	466,764	10,735	63,994	377,891	59	919,443	858,382
Acquisition of subsidiaries	-	-	-	-	-	-	59
Deferred Income received	6,882	-	-	590,094	-	596,976	221,391
Transfers/re-classifications/ Adjustments	-	-	-	-	-	-	(17,989)
Amortised to profit & loss	-	-	-	(106,301)	-	(106,301)	-
Exchange translation difference	-	-	-	(59,867)	-	(59,867)	(142,400)
Balance as at 31 March	473,646	10,735	63,994	801,817	59	1,350,251	919,443
Accumulated amortisation							
Balance as at 01 April	154,768	10,007	24,496	156,525	-	345,796	268,917
Amortised to profit & loss	18,659	537	1,861	145,661	-	166,718	133,205
Exchange translation difference	-	-	-	(30,809)	-	(30,809)	(56,326)
Balance as at 31 March	173,427	10,544	26,357	271,377	-	481,705	345,796
Carrying amount							
Balance as at 31 March 2025	300,219	191	37,637	530,440	59	868,546	
Balance as at 31 March 2024	311,996	728	39,498	221,366	59		573,646

42.1 Capital grants

The above capital grants represent the following;

1 Funds received from the Plantation Housing and Human Development Trust (PHDT), MTIP, MPI for the development of workers welfare facilities and improvements to institutional facilities.

2 Funds received from the Plantation Reform Project for the development of Forestry Plantations.

The amounts spent is capitalised under the relevant classification of Property, Plant and Equipment. The corresponding grant component is reflected under Deferred Income and is being amortised over the useful life span of the related asset.

Grant related to the biological assets which are measured at fair value less point to sell cost is directly charged to the carrying value of such assets in accordance with the Sri Lanka Accounting Standards.

Notes to the Financial Statements

42.2 OPERATING LEASE RECEIVABLES - PHDT

Premises at St.Andrew's Drive in Nuwara Eliya has been leased out to Plantation Human Development Trust for a period of 20 years commencing from August'2005 at a total lease rental of Rs. 10.73 Mn.

Lease Rentals received are deferred and amortised over the lease period commencing from August 2005.

The timing of future operating lease rentals` are as follows;

As at 31 March	Group	
	2025 Rs.'000	2024 Rs.'000
Less than one year	191	537
Between one and five years	-	191
More than five years	-	-
	191	728

42.3 Deferred income in respect of transfer of shares - Maturata Plantations Limited

This represents the value of 6,399,375 number of shares received by Maturata Plantations Limited originally equivalent to 20% of the issued Ordinary Shares of RFELL at Rs.10/-each in lieu of releasing the leasehold rights of 488 Hectares in Enselwatte, Deniyaya for Eco Tourism Project. The value of Ordinary Shares are deferred and amortised over the unexpired balance lease period. However, due to the rights issue shareholdings percentage has come down from 20% to 13.44% subsequently.

The timing of future operating lease rentals are as follows;

As at 31 March	Group	
	2025 Rs.'000	2024 Rs.'000
Less than one year	1,861	1,861
Between one and five years	7,445	7,445
More than five years	28,331	30,193
	37,637	39,499

43 RETIREMENT BENEFIT OBLIGATIONS

Accounting Policy

Defined Contribution Plans

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

Defined Benefits Plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit pension plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past service costs are deducted.

The calculation is performed every three years by a qualified actuary using the projected unit credit method. For the purpose of determining the charge for any period before the next regular actuarial valuation falls due, an approximate estimate provided by the qualified actuary is used.

When the benefits of a plan are improved, the portion of the increased benefit related to past service by employees is recognised in Profit or Loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognised immediately in Profit or Loss.

The Group entities recognises all actuarial gains and losses arising from the defined benefit plan in other comprehensive income (OCI) and all other expenses related to defined benefit plans are recognising as personnel expenses in statement of profit or loss. The retirement benefit obligation is not externally funded.

For the year ended 31 March	Note	Group		Company	
		2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Balance as the beginning of the period		5,048,648	3,679,540	339,511	295,720
Acquisition of subsidiaries	31.4.1.4	690,170	1,174,655	-	-
Benefits paid by the plan		(629,196)	(773,006)	(23,366)	(20,497)
Expenditure recognised in the income statement from continuing operations	43.1	1,349,464	762,374	76,758	68,642
Actuarial gain/(loss) recognised in OCI		601,317	158,219	(22,799)	(5,979)
Transfers during the year		(19,483)	(119,493)	-	1,625
Exchange translation difference		40,040	108,684	-	-
Disposal of Subsidiaries		-	(13,348)	-	-
Effect of Amalgamation		1,209	71,022	-	-
Balance as at the end of the period		7,082,169	5,048,648	370,104	339,511

Notes to the Financial Statements

43.1 Expense recognised in the income statement

For the year ended 31 March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Current service costs from continuing operations	890,972	269,209	32,622	28,866
Interest Costs from continuing operations	458,492	490,398	44,136	39,776
Curtailment gain	-	2,767	-	-
Expense recognised in the income statement	1,349,464	762,374	76,758	68,642

43.2 Actuarial assumptions

Principal actuarial assumptions at the reporting date;

For the year ended 31 March		Group		Company	
		2025	2024	2025	2024
Discount rate	%	12.00%	13.00%	12.00%	13.00%
Future salary increases	%	10.00%	11.00%	10.00%	11.00%
Staff Turnover Factor	%	15%-17%	15%-17%	15.00%	15.00%
Retirement Age	Yrs	55-60	55-60	60	60

43.3 Sensitivity of the actuarial assumptions

For the year ended 31 March	Assumption	Rate change	2025		2024	
			Financial Position - Liability Rs.'000	Comprehensive Income - Charge for the period Rs.'000	Financial Position - Liability Rs.'000	Comprehensive Income - Charge for the period Rs.'000
Group		+1%	7,045,579	36,590	5,003,253	45,395
Discount rate		-1%	7,125,641	(43,472)	5,101,367	(52,719)
		+1%	7,128,685	(46,516)	5,103,322	(54,674)
Future salary increases		-1%	7,043,012	39,157	5,001,011	47,636
Company						
Discount rate		+1%	345,706	24,398	318,034	21,477
		-1%	397,772	(27,667)	363,878	(24,367)
Future salary increases		+1%	402,072	(31,967)	365,397	(25,886)
		-1%	341,680	28,424	316,398	23,113

The provision for retirement benefits obligations for the year is based on the actuarial valuation carried out by professionally qualified actuaries as at 31st March 2025. The liability is not externally funded.

Discount rate

In the absence of a deep market in long-term bonds in Sri Lanka, a long-term interest rate of 12 % p.a. [2023/24 – 13% p.a.] has been used to discount future liabilities considering the yield available on long term government bonds with a tenure equivalent to the average future working life of the employees.

Long term salary increments

Based on the actual salary increment rates of the Group over the past few years, future economic outlook of the country is factored into the valuation for the current year.

Mortality - GA 1983 Mortality Table

Disability - Long-Term Disability 1987 Soc. Sec. Table

Retirement Age - Normal Retirement Age, or Age on Valuation Date, if greater

The Group and company does not have any material issues pertaining to the employees and Industrial relations as of 31st March 2025.

43.4 Maturity analysis of the payments

The following payments are expected on employee benefit liabilities in future years

As at 31 March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Within the next 12 months	734,092	405,287	29,856	22,666
Between 1 and 2 years	960,657	611,305	32,296	31,257
Between 2 and 5 years	1,719,357	1,099,273	149,685	136,216
Between 5 and 10 years	1,842,517	2,419,040	156,936	397,752
Beyond 10 years	1,825,544	513,744	1,331	1,045
Total expected payments	7,082,167	5,048,648	370,104	588,936

Notes to the Financial Statements

44 STATED CAPITAL

Accounting Policy

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

As at 31 March		Group		Company	
		2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Issued and Fully Paid	44.1	475,200	475,200	475,200	475,200
No. of Shares	44.2	475,200	475,200	475,200	475,200

All shares rank equally with regard to the Company's residual assets. The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

44.1 Movement in stated Capital

As at 31 March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Balance at the beginning of the period	475,200	475,200	475,200	475,200
Movement during the period	-	-	-	-
Balance at the end of the period	475,200	475,200	475,200	475,200

44.2 Movement in no. of shares

As at 31 March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Balance at the beginning of the period	475,200	475,200	475,200	475,200
Movement during the period	-	-	-	-
Balance at the end of the period	475,200	475,200	475,200	475,200

45 RESERVES & RETAINED EARNINGS

As at 31 March	Note	Group		Company	
		2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Revaluation reserve	45.1	42,446,228	31,512,175	42,446,228	31,512,175
Cash flow hedge reserve	45.2	(47,558)	[14,230]	(47,558)	[14,230]
Fair value reserve	45.3	(6,936,079)	1,668,821	(6,936,079)	1,668,821
Translation reserve	45.4	40,252,409	42,918,594	40,252,409	42,918,594
Future taxation reserve	45.5	205,000	205,000	205,000	205,000
Statutory reserve fund	45.6	44,325,253	43,247,838	44,325,253	43,247,838
Retained Earnings	45.7	221,973,332	178,596,878	221,973,332	178,596,878
		342,218,585	298,135,077	342,218,585	298,135,077

Nature and purpose of reserves

45.1 Revaluation reserve

The revaluation reserve relates to the revaluation surplus of Property, Plant and Equipment. Once the respective revalued items have been disposed, the relevant portion of revaluation surplus if any is transferred to retained earnings.

45.2 Cash flow hedge reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments used in fair value hedges pending subsequent recognition of the hedged cash flows.

45.3 Fair value reserve

The fair value reserve comprises the cumulative net change in the fair value of financial assets at FVOCI includes changes in fair value of financial instruments designated as financial assets at FVOCI until the assets are derecognised or impaired.

45.4 Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

45.5 Future taxation reserve

This reserve was created in order to accommodate unexpected future tax liabilities that might arise at a future date.

45.6 Statutory reserve fund

The Statutory reserves of LOLC Finance PLC were created in accordance with the Finance Companies [Capital Funds] Direction No. 01 of 2003 issued under the Finance Business Act No. 42 of 2011 (which supercedes the Finance Companies Act No. 78 of 1988) which requires the Company to transfer 20% of its annual profit to this reserve. Foreign finance entities of the group also maintain a reserve requirement in compliance to their local regulatory requirements.

45.7 Retained earnings

The carrying amount of the retained earnings represents the undistributed earnings held by the Group and the Company. This could be used to absorb future losses and dividend declaration.

Notes to the Financial Statements

46 COMMITMENTS AND CONTINGENCIES

Accounting Policy

Provisions, Contingent Assets and Contingent Liabilities

Provisions are made for all obligations (legal or constructive) existing as at the reporting date when it is probable that such an obligation will result in an outflow of resources and a reliable estimate can be made of the quantum of the outflow. The amount recognised is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation at that date.

Contingent assets are disclosed, where inflow of economic benefit is probable.

All discernible risks are accounted for in determining the amount of all known liabilities. 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 recognised in the statement of financial position but are disclosed unless they are remote.

Contingent liabilities are possible obligations whose existence will be confirmed only by uncertain future events or present obligations where the transfer of economic benefits is not probable or cannot be readily measured as defined in the Sri Lanka Accounting Standard – LKAS 37 (Provisions, Contingent Liabilities and Contingent Assets).

In the normal course of business, the Group makes various commitments and incurs certain contingent liabilities with legal recourse to its customers. No material losses are anticipated as a result of these transactions.

To meet the financial needs of customers and subsidiaries, the Company/ Group enters into various irrevocable commitments and contingent liabilities. These consist of financial guarantees, letter of credit and other undrawn commitments to lend. Letter of credit, guarantees and acceptance commit the group to make payments on behalf of customers or subsidiaries in the event of a specific act, generally related to the import or export of goods. Guarantees and standby letters of credit carry a similar credit risk to loans.

Contingent liabilities are not recognised in the Statement of Financial Position but are disclosed unless its occurrence is remote.

Operating lease commitments of the Group (as a lessor and as a lessee) form part of commitments and pending legal claims against the Group form part of contingencies.

Even though these obligations may not be recognised on the Statement of Financial Position, they do contain credit risk and are therefore part of the overall risk of the group as disclosed in Note 56.

In the normal course of business, the group makes various irrevocable commitments and incurs certain contingent liabilities with legal recourse to its customers. Even though these obligations may not be recognised on the date of the Statement of Financial Position, they do contain credit risk and are therefore form part of the overall risk profile of the group.

46.1 Contingent liabilities

As at 31 March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Guarantees issued to banks and other institutions	961,914	820,789	303,671	298,886
Corporate guarantees given to subsidiaries to obtain loans	23,790,106	17,311,114	23,790,106	17,311,114
Other contingencies	10,629,925	7,349,871	-	-
	35,381,945	25,481,774	24,093,777	17,610,000

46.2 Commitments

As at 31 March	Note	Group		Company	
		2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Forward contracts	46.2.1	8,888,656	7,349,871	-	-
Capital commitments	46.2.2	49,147,513	8,086,540	-	-
Letter of credits opened		874,116	-	-	-
Undrawn credit commitments		31,576,411	29,988,835	-	-
Operating lease commitments	46.2.3	40,257,917	38,941,180	34,336	38,659
		130,744,612	84,366,426	34,336	38,659

46.2.1 Forward Contracts

The Group has commitments for following Forward Exchange contracts and Interest Rate Swap Agreements.

As at 31 March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Forward exchange contracts:				
Forward exchange purchases	865,838	-	-	-
Interest Rate Swap agreements/Currency Swaps:				
Currency swaps	8,022,818	7,349,871	-	-
	8,888,656	7,349,871	-	-

Notes to the Financial Statements

46.2.2 Capital commitments

The Group has commitments for acquisition of property, plant & equipment and intangible assets incidental to the ordinary course of business which have been approved by the Board of Directors, the details of which are as follows:

Capital commitments As at 31 March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Commitments in relation to property, plant & equipment				
Approved and contacted for	14,382,098	7,283,454	-	-
Approved but not contacted for	34,765,414	-	-	-
Commitments in relation to intangible assets				
Approved and contacted for	-	803,086	-	-
Approved but not contacted for	-	-	-	-
	49,147,513	8,086,540	-	-

a) Bodufaru Beach Resort Private Limited

The Board of Directors of Bodufaru Beach Resort Private Limited has approved US\$ 102 Mn budget for the construction of a tourist resort in Republic of Maldives.

b) Sierra Cables PLC

The Board of Directors of Sierra Cables PLC has approved a budget allocation of LKR 211 Mn for the construction of the main stores building and LKR 116 Mn for the construction of a factory building.

c) Riverina Resort (Private) Limited

Capital Commitments of Riverina Resort (Private) Limited as at 31st March amounted to Rs. 4,538 Mn

d) Colombo Marina Developments [Pvt] Ltd

The Board of Directors of Colombo Marina Developments [Pvt] Ltd has approved US\$ 47.4 Mn budget for the construction of a luxury retail mall and a world-class events hall at the Port City Colombo.

46.2.3 Operating lease commitments

The Group leases a number of Land, branch and office premises under operating leases. The leases generally run for a period of 10-50 years. The future minimum lease payments under non-cancellable operating leases, payable based on the maturity of the Lease Contracts as at 31st March are as follows:

As at 31 March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Within one year	1,628,259	1,809,980	16,037	13,935
Between one and five years	6,334,926	8,245,884	18,299	24,724
More than five years	32,294,732	28,885,316	-	-
	40,257,917	38,941,180	34,336	38,659

46.3 Litigation against the Group

Litigation is a common occurrence in the finance industry due to the nature of the business undertaken. The Group has formal controls and policies for managing legal claims. Once professional advice has been obtained and the amount of loss reasonably estimated, the Group makes adjustments to account for any adverse effects which the claims may have on its financial standing. At the Reporting date the Group had several unresolved legal claims. The significant unresolved legal claims against the Group for which legal advisor of the Group is of the opinion that there is no possible loss. Accordingly, no provision for any claims has been made in these Financial Statements.

46.4 Contractual maturities of commitments and contingencies

Company

	Carrying amount	less than one month	1-3 months	4-12 months	13-60 months	> 60 months
Contingent Liabilities						
Guarantees Issued to Banks and Other Institutions	303,671	-	-	303,671	-	-
Corporate guarantees given to subsidiary companies to obtain loans	23,790,106	3,945,000	-	2,000,000	17,845,106	-
Total Contingent Liabilities	24,093,777	3,945,000	-	2,303,671	17,845,106	-
Commitments						
Other Contingencies	-	-	-	-	-	-
Operating lease commitments	34,336	-	-	16,037	18,299	-
Total Commitments	34,336	-	-	16,037	18,299	-
Total Commitments and Contingencies	24,128,113	3,945,000	-	2,319,708	17,863,405	-

47 EVENTS AFTER THE REPORTING PERIOD

Accounting Policy

All material subsequent events have been considered and where appropriate adjustments or disclosures have been made in the respective Notes to the Financial Statements.

47.1 Subsequent events

No circumstances have arisen after the reporting date which would require adjustment to or disclosure in the financial statements other than following.

Acquisition of Tea Smallholder Factories PLC

On 3rd April 2025, Udapussellawa Plantations PLC (UPL), a subsidiary of the Group, acquired a 37.59% equity stake in Tea Smallholder Factories PLC for a total consideration of Rs. 394.7 million. In accordance with Rule 36 of the Company Takeovers and Mergers Code 1995 (as amended in 2003) and gazetted in Extraordinary Gazette No. 875/9 dated 26th June 1995, UPL has made a mandatory offer to the shareholders of Tea Smallholder Factories PLC. Subsequently, UPL acquired a further 37.68% voting shares through the mandatory offer process which increased its aggregate shareholding to 75.27%.

Acquisition of FLMC Plantations (Pvt) Ltd

On 5th May 2025, Browns Power Holdings (Pvt) Ltd (BPH), a subsidiary of the Group, acquired a 100% equity stake in FLMC Plantations (Pvt) Ltd for a total consideration of Rs. 4.8 billion.

FLMC Plantations (Pvt) Ltd is the holding company and management agent of Pussellawa Plantations Ltd (PPL) and Melfort Green Teas (Pvt) Ltd manages over 11,500 hectares of agricultural land across 24 estates. This includes approximately 5,400 hectares of tea, 5,900 hectares of rubber, and 200 hectares dedicated to minor crops.

Divestment of 9.99% ordinary shares of Hatton National Bank PLC

Browns Investments PLC, a subsidiary of the Group, disposed of its investment in Hatton National Bank PLC (HNB), which had been classified as a non-current asset held for sale as at the reporting date in accordance with SLFRS 5 – Non-current Assets Held for Sale and Discontinued Operations. The disposal was completed subsequent to the reporting period. The entire holding of voting shares, representing 9.99% of HNB's voting share capital, was sold at prices ranging from Rs. 305 to Rs. 313 per share. In addition, the non-voting shares, representing 44% of HNB's non-voting share capital, were disposed of at prices ranging from Rs. 280 to Rs. 318 per share after the end of the financial year.

Notes to the Financial Statements

48 ASSETS PLEDGED

The Group pledges assets that are in its statement of financial position in day to day transaction which are conducted under the usual terms and conditions applying such agreements. The Group has pledged following assets including right to use assets of leasehold properties. The details of the pledged securities are given below.

As at 31 March		Carrying amount of the assets pledged			
		Group		Company	
		2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Nature of assets	Nature of liability				
Foreign currency term deposits	Interest bearing loans and borrowings	38,367,519	34,932,616	34,002,520	34,932,616
Government treasury bonds	Interest bearing loans and borrowings	1,099,726	-	-	-
Lease, hire purchase and loans receivable	Term loan/bank drafts/short-term loan/field and processing developments	14,321,236	26,246,236	-	-
Marketable shares and loans	Bank overdrafts/term loans/investments in field development	31,775,347	12,178,314	31,384,727	11,980,314
Leasehold right	Finance lease	6,263,630	-	-	-
Leasehold property and vehicles	Term loan	7,828,946	-	-	-
Freehold land & buildings	Interest bearing loans and borrowings	1,460,797	759,237	-	-
Promissory Notes, Securitized debt certificates, Stock and book debts	Interest bearing loans and borrowings	7,275,410	13,638,058	-	12,747,233
		108,392,611	87,754,461	65,387,247	59,660,163

49 FOREIGN CURRENCY TRANSLATION

The principal exchange rates used for translation purposes were;

	Currency	2025		2024	
		Closing Rate	Average Rate	Closing Rate	Average Rate
United States Dollar	USD	296.35	297.91	301.18	317.97
Pakistani Rupee	PKR	1.06	1.07	1.08	1.12
European Euro	EUR	319.86	319.97	326.03	344.95
Cambodian Riel	KHR	0.07	0.07	0.07	0.08
Myanmar Kyat	MMK	0.14	0.14	0.14	0.15
Indonesian Rupiah	IDR	0.02	0.02	0.02	0.02
Pillippines Peso	PHP	5.16	5.16	5.35	5.69
Zambian Kwacha	ZMW	10.32	11.12	12.04	14.89
Nigerian Naira	NGN	0.19	0.20	0.21	0.43
Kenyan Shilling	KES	2.29	2.30	2.28	2.19
Malawian Kwacha	MWK	0.17	0.17	0.17	0.24
Egyptian Pound	EGP	5.86	6.08	6.37	10.06
Mauritian Rupee	MUR	6.47	6.42	6.51	7.05
Tajikistani Somoni	TJS	27.18	27.60	27.50	29.06
Tanzanian Shilling	TZS	0.11	0.11	0.12	0.13
Kyrgyzstan Som	KGS	3.43	3.44	3.37	3.59
Fijian Dollar	FJD	127.46	130.17	136.04	139.72
Rwandan Franc	RWF	0.21	0.22	0.23	0.19
Pound Sterling	GBP	383.78	380.26	380.52	399.67
Kazakhstani Tenge	KZT	0.59	0.62	0.67	0.70
Indian Rupee	INR	3.46	3.52	3.61	3.84
United Arab Emirates Dirham	AED	80.68	81.11	80.92	85.27
Australian Dollar	AUD	186.52	194.46	196.91	208.51
Chinese Yuan	CNY	40.80	41.27	-	-

50 RELATED PARTY DISCLOSURES

Accounting Policy

Terms and conditions of transactions with related parties

The Group and Company carried out transactions in the ordinary course of business with the parties who are defined as related entities in Sri Lanka Accounting Standard LKAS 24. The list of Directors at each of the subsidiary, joint venture and associate companies have been disclosed in the Group directory under the Supplementary Information section of the Annual Report.

50.1 Transactions with key management personnel

Transactions with related parties are carried out in the ordinary course of the business. These transactions carried at contractually agreed terms basis. Outstanding current account balances at year end are unsecured, interest free and settlement occurs in cash.

Non-recurrent related party transactions

There were no non-recurrent related party transactions which aggregate value exceeds 10% of the equity or 5% of the total assets whichever is lower of the Company as at 31 March 2025 audited financial statements, which required additional disclosures in the 2024/25 Financial Statements under Colombo Stock Exchange listing Rule 9.14.8 [1] and Code of Best Practices on Related Party Transactions under the Securities Exchange Commission Directive issued under Section 13 [c] of the Securities Exchange Commission Act.

Recurrent related party transactions

All the transactions which are disclosed under note 50.2 with Related Parties which are recurrent, of revenue or trading nature and which is necessary for day-to-day operations of the company and subsidiaries, in the opinion of the Related Party Transactions Review Committee, terms for all these transactions are not favourable to the Related Party than those generally available to the public.

There were no recurrent related party transactions which in aggregate value exceeds 10% of the consolidated revenue of the Group as per 31 March 2024 audited financial statements, which required additional disclosures in the 2024/25 Annual Report under Colombo Stock Exchange listing Rule 9.14.8 [2] and Code of Best Practices on Related Party Transactions under the Securities Exchange Commission Directive issued under Section 13 [c] of the Securities Exchange Commission Act.

Transactions with Key Management Personnel [KMP]

Accounting Policy

According to Sri Lanka Accounting Standard LKAS 24 - 'Related Party Disclosures', Key Management Personnel [KMP] are those persons 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, Director/Chief Executive Officer, Key Employees of the Company holding directorships in subsidiary companies have been classified as Key Management Personnel [KMP] of the Group.

Close family members are defined as spouse or dependent. Dependent is defined as anyone who depends on the respective Director for more than 50% of his/her financial needs. Close family members of the KMP are those family members who may be expected to influence or be influenced by that KMP in their dealings with the entity. They may include KMP's domestic partner, children of the KMP's domestic partner and dependants of the KMP.

As the Company is the Ultimate Parent of its subsidiaries mentioned in Note 31.2 and the Board of Directors of the Company has the authority and responsibility for planning, directing and controlling the activities of the group, the Directors of the Company and their immediate family members have been identified as the KMP of the Group.

Therefore, employees of the Company who are Directors of the subsidiary have also been classified as KMP of the subsidiary only.

Notes to the Financial Statements

Key management personnel compensation

50.1.1 Short term Employment benefits

For the year ended 31 March	Note	Group		Company	
		2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Includes:					
Director's emoluments		1,730,443	1,194,581	39,960	22,388
Other KMP emoluments and other short term benefits	50.1.1.1	246,882	429,383	231,668	248,368
		1,977,325	1,623,964	271,628	270,755

50.1.1.1 Other KMP emoluments and other short term benefits are included under Emoluments in the Statement of Profit or Loss.

50.1.2 Long term employment benefits ;

There are no long-term employment benefits paid to the Key Management Personnel during the year.

For the year ended 31 March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Post-employment benefits	1,822,111	7,600	-	-
Other long-term employment benefits	1,694	-	-	-
	1,823,805	7,600	-	-

50.1.3 Other transactions with key management personnel

For the year ended 31 March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Advances granted during the period	138,838	218,433	-	-
Advances settled during the period	80,703	104,910	-	-
Relevant interest income	140,410	21,313	-	-
Balance outstanding	340,787	258,616	-	-
Deposits taken during the period	850,462	741,973	-	-
Deposits balance	4,173,400	1,396,594	-	-
Interest paid / charged	317,923	94,089	-	-
Interest payable	218,188	43,598	-	-

50.1.4 Transactions, Arrangements and Agreements involving Entities which are Controlled, and/or Significantly Influenced by the KMP or their CFM

For the year ended 31 March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Advances granted during the period	6,223	141,643	-	-
Advances settled during the period	80,703	104,910	-	-
Property Purchased	395,752	-	-	-
Relevant interest income	19,423	21,313	-	-
Balance outstanding	182,592	2,517,669	-	-
Deposits taken during the period	850,462	741,973	-	-
Deposits balance	1,480,312	1,185,204	-	-
Interest paid / charged	55,904	62,099	-	-
Interest payable	435,527	414,510	-	-

50.2 Transactions with Related Parties

The Company carries out transactions in the ordinary course of its business with parties who are defined as related parties in Sri Lanka Accounting Standard 24 "Related Party Disclosures".

The Group had the following financial dealings during the year 2024/25 with companies which are considered, related parties and unless otherwise stated, transactions were carried out in the ordinary course of business at commercial rates with companies mentioned below.

The parties given below are considered related parties mainly due to significant influence arising as a result of common directorships and through shareholdings. These companies, names of the Directors and the nature of transactions entered into are listed below.

Notes to the Financial Statements

50.2.1 Transactions with subsidiaries, associates and joint-venture

For the year ended 31 March	Note	Company	
		2025 Rs.'000	2024 Rs.'000
Subsidiaries			
Fund transfers in		145,903,204	161,124,535
Fund transfers out		145,895,204	165,188,173
Reimbursement of Expenses		22,716,506	42,502,965
Income from shared services		840,188	765,807
Asset hire income		10,820	171,192
Interest received on fund transfer		33,799,339	41,410,093
Guarantee fee income		171,852	146,441
Rental income		138,496	79,368
Show back income		843,022	1,030,945
Rent Expenses		62,843	37,987
Associates			
Dividend received		164,472	145,583
Guarantee fee income		121,250	-
Interest charged/received		439,423	433,292
Loan granted		4,255,000	4,886,727
Repayment of loans and finance leases obtained		3,994,515	3,557,522
Expenses shared		10,127	-

Balance outstanding on facilities granted to related parties as at 31 March

For the year ended 31 March		Company	
		2025 Rs.'000	2024 Rs.'000
Subsidiaries	Finance leases and loans granted	83,241,414	69,974,361
Associates	Finance leases and loans granted	2,442,028	1,755,423
		85,683,442	71,749,784

For the year ended 31 March	Group	
	2025 Rs. '000	2024 Rs. '000
Associates		
Trading transactions		
- Sales	32,507	156
- Purchases	6,388,139	8,824
Interest charged/received	440,331	439,423
Loans Granted	4,588,599	4,886,727
Repayment of loans and finance leases obtained	3,995	3,558
Expenses shared	44,514	3,337
Management fee	20,494	112,983
Dividend income	-	145,583
Balances receivables on facilities granted	17,730	-
Guarantee fee income	121,250	-

50.2.2 Transactions and balances with other related parties

A number of key management personnel, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of these entities.

A number of these entities have transactions with the Group during the year. The terms and conditions of the transactions with key management personnel and their related parties were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-key management personnel related entities on a contractually agreed terms basis.

The transactions related to key management personnel and entities over which they have control were as follows;

For the year ended 31 March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Loans granted	267,114	6,105,737	-	-
Rental collections	10,135	-	-	-
Interest income/expense	58,638	7,118,102	-	-
Deposits held with the company	1,659,510	2,028,702	-	-
Settlement of loans granted	52,270	23,864,033	-	-
Interest received on loans given	19,423	7,474,470	-	-
Balances payable on				
- Loans obtained	329	-	-	-
- Interest payable	60	-	-	-
Balances receivable on loans granted	9,818	26,475,310	-	-

Notes to the Financial Statements

50.3 Balances with Related Parties

50.3.1 Amounts due from related parties

As at 31 March	Note	Group		Company	
		2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Subsidiaries					
Ajax Engineers (Private) Limited		-	-	679,510	125,003
Bodufaru Beach Resorts (Pvt) Ltd		-	-	1,402	1,189
B G Air Services (Private) Limited		-	-	68,793	54,071
BI Commodities & Logistics (Private) Limited		-	-	9,377	9,443
B Commodities ME(FZE)		-	-	374,629	379,255
Brown and Company PLC		-	-	3,203,330	806,992
Browns Ari Resort (Pvt) Ltd		-	-	14,445	13,828
Browns Raa Resort (Pvt) Ltd		-	-	425	425
Browns Engineering & Construction (Private) Limited		-	-	639,044	67,380
Browns Leisure (Pvt) Ltd		-	-	742,292	193,093
Browns Hotel and Resorts Limited		-	-	33,052,607	28,057,694
Browns Holdings Limited		-	-	948	513
Browns Investments PLC		-	-	116,968,013	98,901,210
Browns Metal & Sands (Pvt) Ltd		-	-	40,480	25,794
Browns Tours (Private) Limited		-	-	245,630	134,512
Browns Power Holding Limited		-	-	72,530	104,121
Ceylon Graphene Technologies (Private) Limited		-	-	233,931	161,772
Commercial Factors (Private) Limited		-	-	1,809	1,273
Dikwella Resort Limited		-	-	3,354,664	2,897,623
Dolphin Hotels PLC		-	-	1,566	41,447
Eagle Recoveries (Pvt) Ltd		-	-	2,566	2,169
East Coast Land Holdings (Private) Limited		-	-	7,736	8,794
Eden Hotels Lanka PLC		-	-	839,093	164,653
Excel Global Holding Limited		-	-	81	81
Excel Restaurant (Private) Limited		-	-	464,456	359,215
Frontier Capital Lanka (Pvt) Ltd		-	-	2,677	49,174
Green Orchard Property Investments Limited		-	-	3,301	2,177
Green Paradise Resorts (Private) Limited		-	-	315,166	260,638
Gurind Accor (Pvt) Ltd		-	-	209,194	135,492
General Accessories and Coating (Pvt) Ltd		-	-	-	54,181
Hotel Sigiriya PLC		-	-	4,172	3,463
ICONIC Trust (Private) Limited		-	-	120,506	18,306
Leapstitch Technologies Pvt Ltd		-	-	711,259	616,601
Leapstitch Apperal Pvt Ltd		-	-	700,729	568,488
LOLC Asia (Private) Limited		-	-	2,935	3,639
LOLC Advanced Technologies (Private) Limited		-	-	4,643,078	3,500,114
LOLC Capital One (Private) Limited		-	-	3,806	3,749
LOLC Ceylon Property Holdings (Private) Limited		-	-	3,571	-
LOLC Ceylon Holdings Ltd		-	-	987,659	848,062
LOLC Property Holdings SL (Private) Limited		-	-	8,058	-

As at 31 March	Note	Group		Company	
		2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Subsidiaries					
LOLC Corporate Services (Private) Limited		-	-	5,623	26,173
LOLC Factors Limited		-	-	40,554,283	41,272,953
LOLC Finance PLC		-	-	579,864	237,058
LOLC Financial Sector Holdings Private Limited		-	-	132,109	133,815
LOLC Fincorp (Pvt) Ltd		-	-	787	734
LOLC General Insurance Limited		-	-	102,675	-
LOLC Life Assurance Limited		-	-	57,711	-
LOLC Myanmar Micro-Finance Company Limited		-	-	18,769	19,402
LOLC Property Four (Pvt) Ltd		-	-	-	871
LOLC Property Six (Pvt) Ltd		-	-	926	700
LOLC Property Nine (Pvt) Ltd		-	-	132	132
LOLC (Pvt) Ltd		-	-	58,189	152,534
LOLC Securities Limited		-	-	59,731	-
LOLC Serendib (Private) Limited		-	-	2,910	2,387
LOLC Technologies Limited		-	-	104,213	-
LOLC GEO Technologies Pvt Ltd		-	-	44,871	-
LOLC Asset Holdings Limited		-	-	35,625	-
LOLC Property Five (Pvt) Ltd		-	-	-	8,774
LOLC Investment Holdings Six (Pvt.) Ltd.		-	-	307	196
LOLC Investment Holdings Nine (Pvt) Ltd		-	-	164	-
LOLC Investments Limited		-	-	675	3,214,244
Maturata Plantations Limited		-	-	-	117,716
Millennium Development Limited		-	-	840,539	674,635
NPH Investments (Pvt) Ltd		-	-	42,350	26,426
PALM Garden Hotels PLC		-	-	2,520,928	1,707,966
Riverina Resort (Private) Limited		-	-	3,658,819	8,492,128
Sumudra Beach Resorts (Private) Limited		-	-	421,562	233,063
Serendib Leisure Mgt Ltd		-	-	129,955	259,251
Speed Italia Limited		-	-	43,615	43,615
Sun & Fun Resorts (Private) Limited		-	-	541,207	411,685
Sundaya Lanka (Private) Limited		-	-	802	675
Serendib Hotels PLC		-	-	70,884	273,274
Sun Yield Bio Ingredients Pvt Ltd		-	-	334	-
Thurushakthi (Private) Limited		-	-	435	322
Tropical Villas (Private) Limited		-	-	2,184	1,630
TEACEY Beverages (Pvt) Ltd		-	-	5,131	31,608
United Dendro Energy Ambalantota (Private) Limited		-	-	24,929	24,920
United Dendro Energy Walawewatte (Private) Limited		-	-	483	369
Associates					
Galoya Plantations Limited		-	-	173,340	31,025
Taprobane Plantations (Private) Limited		-	-	6,808	6,673

Notes to the Financial Statements

As at 31 March	Note	Group		Company	
		2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Other related Parties					
Agalawatte Plantations PLC		-	-	101	101
Ceylon Tea Estate (Private) Limited		-	-	105	105
Pussellawa Plantations Limited		-	-	1,267	1,267
		-	-	-	-
[-] Allowance for impairment	50.3.1.1	-	-	[1,456,920]	[44,931]
		-	-	217,523,892	195,939,130

50.3.1.1 Allowance of impairment

As at 31 March	Note	Group		Company	
		2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Speed Italia Limited		-	-	44,931	44,931
Leapstitch Technologies Pvt Ltd		-	-	711,260	-
Leapstitch Apperal Pvt Ltd		-	-	700,729	-
		-	-	1,456,920	44,931

50.3.1.2 Movement in allowance of impairment

For the year ended 31 March	Note	Group		Company	
		2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Opening balance		-	-	44,931	44,931
Revesal for the period		-	-	-	-
Provided for the period		-	-	1,411,989	-
Closing balance		-	-	1,456,920	44,931

50.3.2 Amounts due to related parties

As at 31 March	Note	Group		Company	
		2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Subsidiaries					
Browns Properties (Private) Limited		-	-	7,798	1,656
Diriya Investments (Private) Limited		-	-	5,644	6,257
LOLC Asset Holdings Limited		-	-	-	1,175,063
LOLC Eco Solutions Limited		-	-	577	1,902
LOLC Life Assurance Limited		-	-	-	36,168
LOLC Motors Limited		-	-	208,305	378,457
LOLC Ventures FZE		-	-	24,154	-
LOLC Technologies Limited		-	-	-	399,174
LOLC General Insurance Limited		-	-	-	2,040
LOLC Property Two (Pvt) Ltd		-	-	-	13,159
LOLC Property One (Pvt) Ltd		-	-	-	9,379
LOLC Property Three (Pvt) Ltd		-	-	-	13,065
LOLC Securities Limited		-	-	-	17,309
LOLC Ceylon Property Holding Private Limited		-	-	-	309,127
Maturata Plantations Limited		-	-	15,644	-
		-	-	262,121	2,362,756

Notes to the Financial Statements

51 NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

The Group's investment in Hatton National Bank PLC [HNB], previously classified as an equity-accounted investee in accordance with LKAS 28 – Investments in Associates and Joint Ventures, has been reclassified as a non-current asset held for sale in line with the requirements of SLFRS 5 – Non-Current Assets Held for Sale and Discontinued Operations.

Following a strategic review, the Group's Investment Committee resolved to divest certain non-core long-term listed equity investments. As of the balance sheet date, the Group had initiated an active plan to sell the investment, including engagement with potential buyers. Subsequently, on 27th May 2025, the Group disposed of 45,529,624 listed ordinary voting shares of HNB, representing 9.99% of HNB's issued voting share capital.

Accordingly, the Group has assessed the investment under SLFRS 5 and determined that the criteria for classification as a non-current asset held for sale have been met. As required, the investment was remeasured at the lower of its carrying amount and fair value less costs to sell, resulting in a fair value loss of LKR 17.5 billion, which has been recognised in the income statement under "Fair value Gain/(Loss) on Non-Current Assets Held for Sale."

In accordance with SLFRS 5, current year results relating to the investment in HNB (including the share of profit from the equity-accounted investee, net of tax) have been separately presented as part of discontinued operations in the Income Statement, Statement of Financial Position and Statement of Cash Flows of both the Separate and Consolidated Financial Statements of LOLC Holdings PLC.

	Note	Group Rs.'000	Company Rs.'000
Carrying value as at 1st April 2023		32,924,835	17,718,048
Share of profits of equity accounted investees [Net of Tax]		3,946,536	2,123,774
Share of other comprehensive income of equity accounted investees [Net of Tax]		1,077,858	580,034
Dividend received		[443,895]	[238,876]
Carrying value as at 31st March 2024		37,505,334	20,182,981
Share of profits of equity accounted investees [Net of Tax]		8,117,155	4,368,136
Share of other comprehensive income of equity accounted investees [Net of Tax]		1,343,281	722,868
Dividend received		[1,480,445]	[796,681]
Carrying value of equity-accounted investees immediately before classifying to assets held for sale		45,485,325	24,477,304
Fair value Gain/(Loss) recognised to income statement		[17,499,477]	[9,417,104]
Fair value Gain/(Loss) recognised to Other comprehensive income		[535,098]	[287,956]
Carrying value as at 31st March 2025		27,450,750	14,772,245
Profit/(loss) after tax for the period from discontinued operations and assets held for sale			
Share of profits of equity accounted investees [Net of Tax]		8,117,155	5,056,424
Fair value Gain/(Loss) recognised to income statement		[17,499,477]	[9,417,104]
		[9,382,322]	[4,360,680]

52 ASSETS AND LIABILITIES MEASURED AT FAIR VALUE AND FAIR VALUE HIERARCHY

52.1 Fair value hierarchy

The Group's accounting policy on fair value measurements is discussed in accounting policy 3.3

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

- 1 Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.
"When available, the Group measures the fair value of an instrument using active quoted prices or dealer price quotations (assets and long positions are measured at a bid price; liabilities and short positions are measured at an ask price), without any deduction for transaction costs. 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."
- 2 "Level 2: Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using:
 - a) quoted market prices in active markets for similar instruments;
 - b) quoted prices for identical or similar instruments in markets that are considered less than active; or
 - c) other valuation techniques where all significant inputs are directly or indirectly observable from market data."
- 3 Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Valuation techniques include net present value and discounted cash flow models comparison with similar instruments for which observable market prices exist, option pricing models and other valuation models.

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 bonds. Availability of observable prices and model inputs reduces the need for management judgement 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 recognised only when the inputs become observable or on derecognition of the instrument.

The following table provides an analysis of assets and liabilities measured at fair value as at the Reporting date, by the level in the fair value hierarchy into which the fair value measurement is categorised. These amounts were based on the values recognised in the Statement of Financial Position.

There were no material transfers between levels of fair value hierarchy during 2024/25 and 2023/24.

The independent valuers provide the fair value of land and buildings once in three years according to the Group's policy. Therefore the fair value exist in the recent valuation which was carried out by professionally qualified independent valuers in compliance with Sri Lanka Accounting Standards - SLFRS 13 (Fair Value Measurement) less subsequent accumulated depreciation and impairment losses is considered as the fair value exist as at the reporting date (31st March 2025).

In determining the fair value, highest and best use of the property has been considered including the current condition of the properties, future usability and associated redevelopment requirements have been considered. Also, the valuers have made reference to market evidence of transaction prices for similar properties, with appropriate adjustments for size and location. The appraised fair values are rounded within the range of values.

Notes to the Financial Statements

	Note	As at 31st March 2025			Total Rs.'000
		Level 1 Quoted prices in active markets Rs.'000	Level 2 Significant observable inputs Rs.'000	Level 3 Significant un-observable inputs Rs.'000	
Group					
Financial Assets					
Trading assets - fair value through profit or loss					
Corporate securities	19.1	19,002,361	-	-	19,002,361
Government securities	19.2	-	14,292,784	-	14,292,784
Equity securities	19.3	13,001,111	-	-	13,001,111
Derivative assets held for risk management	19.4	-	691,399	-	691,399
		32,003,472	14,984,183	-	46,987,655
Investment securities					
Corporate securities	20.1.1	69,863	-	-	69,863
Government securities	20.1.2	-	7,673,212	-	7,673,212
Designated FVOCI investment securities	20.1.3	-	335,373	-	335,373
Equity securities with readily determinable fair values	20.1.4	431,024	247,229	-	678,253
		500,887	8,255,814	-	8,756,701
Total financial assets at fair value		32,504,359	23,239,997	-	55,744,356
Non-Financial Assets					
Investment Properties	28	-	185,708,701	-	185,708,701
Consumable biological assets	29	-	-	16,128,615	16,128,615
Property, plant & equipment					
- Land	35	-	55,540,525	-	55,540,525
- Buildings (Leasehold & Freehold)	35	-	87,994,941	-	87,994,941
- Reclaimed Lands	35	-	30,356,531	-	30,356,531
Right of Use Lands	27	-	-	158,557,297	158,557,297
Total non-financial assets at fair value		-	359,600,698	174,685,912	534,286,610
Total assets at fair value		32,504,359	382,840,695	174,685,912	590,030,966
Financial Liabilities					
Trading liabilities - fair value through profit or loss					
Derivative financial liabilities	36	-	689,957	-	689,957
Total liabilities at fair value		-	689,957	-	689,957

	Note	As at 31st March 2024			
		Level 1	Level 2	Level 3	Total
		Quoted prices in active markets Rs.'000	Significant observable inputs Rs.'000	Significant un-observable inputs Rs.'000	Rs.'000
Group					
Financial Assets					
Trading assets - fair value through profit or loss					
Corporate securities	19.1	16,252,992	-	-	16,252,992
Government securities	19.2	-	1,992,839	-	1,992,839
Equity securities	19.3	4,356,384	-	1,890,898	6,247,282
Derivative assets held for risk management	19.4	-	994,432	-	994,432
		20,609,376	2,987,271	1,890,898	25,487,545
Investment securities					
Financial assets measured at fair value through other comprehensive income					
Corporate securities	20.1.1	2,144,945	-	-	2,144,945
Government securities	20.2.2	-	52,870,095	-	52,870,095
Designated FVOCI investment securities	20.2.3	-	-	346,449	346,449
Equity securities with readily determinable fair values	20.2.4	310,648	-	-	310,648
		2,455,593	52,870,095	346,449	55,672,136
Total financial assets at fair value		23,064,969	55,857,366	2,237,347	81,159,681
Non-Financial Assets					
Investment Properties	28	-	172,353,711	-	172,353,711
Consumable biological assets	29	-	-	10,599,596	10,599,596
Property, plant & equipment					
- Land	35	-	44,250,487	-	44,250,487
- Buildings (Leasehold & Freehold)	35	-	59,571,538	-	59,571,538
- Reclaimed Lands	35	-	28,176,265	-	28,176,265
Right of Use Lands	27	-	-	64,898,595	64,898,595
Total non-financial assets at fair value		-	304,352,000	75,498,191	379,850,191
Total assets at fair value		23,064,969	360,209,366	77,735,537	461,009,872
Financial Liabilities					
Trading liabilities - fair value through profit or loss					
Derivative financial liabilities	36	-	961,632	-	961,632
Total liabilities at fair value			961,632	-	961,632

Notes to the Financial Statements

	Note	As at 31st March 2025			Total Rs.'000
		Level 1 Quoted prices in active markets Rs.'000	Level 2 Significant observable inputs Rs.'000	Level 3 Significant un-observable inputs Rs.'000	
Company					
Financial Assets					
Trading assets - fair value through profit or loss					
Equity securities	19.3	20	-	-	20
		20	-	-	20
Investment securities					
Financial assets measured at fair value through other comprehensive income					
Designated FVOCI investment securities	20.1.3	-	-	105,077	105,077
Equity securities with readily determinable fair values	20.1.4	431,024	-	-	431,024
		431,024	-	105,077	536,101
Total financial assets at fair value		431,044	-	105,077	536,121
Non-Financial Assets					
Investment Properties	28	-	4,064,200	-	4,064,200
Property, plant & equipment					
- Land	35	-	2,390,000	-	2,390,000
- Buildings	35	-	1,049,001	-	1,049,001
Right Of Use Land	27	-	-	-	-
Total non-financial assets at fair value		-	7,503,201	-	7,503,201
Total assets at fair value		431,044	7,503,201	105,077	8,039,322

	Note	As at 31st March 2024			Total Rs.'000
		Level 1 Quoted prices in active markets Rs.'000	Level 2 Significant observable inputs Rs.'000	Level 3 Significant un-observable inputs Rs.'000	
Company					
Financial Assets					
Trading assets - fair value through profit or loss					
Equity securities	19.2	22	-	-	22
		22	-	-	22
Investment securities					
Financial assets measured at fair value through other comprehensive income					
Designated FVOCI investment securities	20.1.3	-	-	105,077	105,077
Equity securities with readily determinable fair values	20.1.4	310,648	-	-	310,648
		310,648	-	105,077	415,725
Total financial assets at fair value		310,670	-	105,077	415,747
Non-Financial Assets					
Investment Properties	28	-	3,562,800	-	3,562,800
Property, plant & equipment					
- Land	35	-	2,143,000	-	2,143,000
- Buildings	35	-	748,032	-	748,032
Right of use lands		-	1,442	-	1,442
Total non-financial assets at fair value		-	6,455,274	-	6,455,274
Total assets at fair value		310,670	6,455,274	105,077	6,871,021

Notes to the Financial Statements

52.2 Financial instruments not measured at fair value

The following table sets out the fair values of financial instruments not measured at fair value and analyses them by the level in the fair value hierarchy into which each fair value measurement is categorised.

52.2.1	As at 31 March	Note	2025		2024	
			Carrying amount Rs.'000	Fair Value Rs.'000	Carrying amount Rs.'000	Fair Value Rs.'000
Group						
Financial Assets						
	Investment Securities - Financial assets at amortised cost	20.2	132,135,185	153,669,045	88,493,861	90,773,599
	Financial assets at amortised cost/ Finance lease receivables, hire purchases and operating leases	21	66,664,675	71,876,550	60,258,297	63,607,454
	Financial assets at amortised cost/ Advances and other loans	22	751,421,279	914,537,316	674,236,352	778,040,560
			950,221,139	1,140,082,911	822,988,510	932,421,613
Financial Liabilities						
	Financial liabilities at amortised cost/ Deposits liabilities	37	565,644,097	619,455,840	506,490,967	520,213,726
	Financial liabilities at amortised cost/ Interest bearing borrowings	38	601,202,430	648,736,708	572,942,022	602,541,946
			1,166,846,527	1,268,192,548	1,079,432,989	1,122,755,672
52.2.2						
52.2.2	As at 31 March	Note	2025		2024	
			Carrying amount Rs.'000	Fair Value Rs.'000	Carrying amount Rs.'000	Fair Value Rs.'000
Company						
Financial Assets						
	Investment Securities - Financial assets at amortised cost	20.2	44,401,684	44,665,582	38,841,831	39,908,213
	Financial assets at amortised cost/ Advances and other loans	22	92,853,721	92,606,793	71,814,470	74,574,490
			137,255,405	137,272,375	110,656,301	114,482,703
Financial Liabilities						
	Financial liabilities at amortised cost/ Interest bearing borrowings	38	346,818,220	351,707,531	308,508,906	324,379,330
			346,818,220	351,707,531	308,508,906	324,379,330

For the cash and cash equivalents, short term receivables and payables, the fair value reasonably approximates its costs.

There are various limitations inherent in this fair value disclosure particularly where prices may not represent the underlying value due to dislocation in the market. Not all the Group's financial instruments can be exchanged in an active market. The Group obtains the fair values for investment securities from quoted market prices where available. Where securities are unlisted and quoted prices are not available, the Group obtains the fair values, by means of discounted cash flows and other valuation techniques that are commonly used by market participants. These techniques address factors such as interest rates, credit risk and liquidity.

The following table sets out the fair values of financial instruments not measured at fair value and analyses them by the level in the fair value hierarchy in to which each fair value measurement is categorised.

As at 31st March 2025	Group			
	Level 1 Quoted prices in active markets Rs.'000	Level 2 Significant observable inputs Rs.'000	Level 3 Significant un-observable inputs Rs.'000	Total Rs.'000
Financial assets				
Investment Securities - Financial assets at amortised cost	-	-	153,669,045	153,669,045
Financial assets at amortised cost/ Finance lease receivables, hire purchases and operating leases	-	-	71,876,550	71,876,550
Financial assets at amortised cost/ Advances and other loans	-	-	914,537,316	914,537,316
	-	-	1,140,082,911	1,140,082,911
Financial liabilities				
Financial liabilities at amortised cost/ Deposits liabilities	-	-	619,455,840	619,455,840
Financial liabilities at amortised cost/ Interest bearing borrowings	-	-	648,736,708	648,736,708
	-	-	1,268,192,548	1,268,192,548

As at 31st March 2024	Group			
	Level 1 Quoted prices in active markets Rs.'000	Level 2 Significant observable inputs Rs.'000	Level 3 Significant un-observable inputs Rs.'000	Total Rs.'000
Financial assets				
Investment Securities - Financial assets at amortised cost	-	-	90,773,599	90,773,599
Financial assets at amortised cost/ Finance lease receivables, hire purchases and operating leases	-	-	63,607,454	63,607,454
Financial assets at amortised cost/ Advances and other loans	-	-	778,040,560	778,040,560
	-	-	932,421,613	932,421,613
Financial liabilities				
Financial liabilities at amortised cost/ Deposits liabilities	-	-	520,213,726	520,213,726
Financial liabilities at amortised cost/ Interest bearing borrowings	-	-	602,541,946	602,541,946
	-	-	1,122,755,672	1,122,755,672

Notes to the Financial Statements

As at 31st March 2025	Company			
	Level 1 Quoted prices in active markets Rs.'000	Level 2 Significant observable inputs Rs.'000	Level 3 Significant un-observable inputs Rs.'000	Total Rs.'000
Financial assets				
Investment Securities - Financial assets at amortised cost	-	44,665,582	-	44,665,582
Financial assets at amortised cost/ Finance lease receivables, hire purchases and operating leases	-	-	-	-
Financial assets at amortised cost/ Advances and other loans	-	-	92,606,793	92,606,793
	-	44,665,582	92,606,793	137,272,375
Financial liabilities				
Financial liabilities at amortised cost/ Interest bearing borrowings	-	-	351,707,531	351,707,531
	-	-	351,707,531	351,707,531

As at 31st March 2024	Company			
	Level 1 Quoted prices in active markets Rs.'000	Level 2 Significant observable inputs Rs.'000	Level 3 Significant un-observable inputs Rs.'000	Total Rs.'000
Financial assets				
Investment Securities - Financial assets at amortised cost	-	39,908,213	-	39,908,213
Financial assets at amortised cost/ Finance lease receivables, hire purchases and operating leases	-	-	-	-
Financial assets at amortised cost/ Advances and other loans	-	-	74,574,490	74,574,490
	-	39,908,213	74,574,490	114,482,703
Financial liabilities				
Financial liabilities at amortised cost/ Interest bearing borrowings	-	-	324,379,330	324,379,330
	-	-	324,379,330	324,379,330

52.3 Assets measured at level 3

The following table shows a reconciliation from the beginning balances to the ending balances of fair value measurements in Level 3 of the fair value hierarchy.

Note 53.1 provides information on significant unobservable inputs used as at March 31, 2025 in measuring fair value of land and buildings categorised as Level 3 in the fair value hierarchy.

Following are the asset categories measured at Fair value in Level 3 of the fair value hierarchy as at 31st March 2025 and references to the respective movement notes.

Asset Type	Movement Note Reference
Freehold Lands	Note 35
Reclaimed Lands	Note 35
Freehold Buildings	Note 35
Right Of Use Lands	Note 27
Investment Properties	Note 28

53 ANALYSIS OF FINANCIAL INSTRUMENTS BY MEASUREMENT BASIS

Financial instruments are measured on an on-going basis either at fair value or at amortised cost. The Accounting Policies describe how each category of financial instrument is measured and how income and expenses, including fair value gain and losses, are recognised. The following table analyses the carrying amounts of the financial instruments by category as defined in Sri Lanka Accounting Standards – SLFRS 9 Financial Instruments: Recognition & Measurement under headings of the Statement of Financial Position for the financial

As at 31st March 2025	Group					
	Fair value through profit or loss Rs.'000	Fair value through OCI Rs.'000	Amortised cost Rs.'000	Other financial liabilities Rs.'000	Total carrying amount Rs.'000	Fair value Rs.'000
Financial assets						
Cash in hand and favourable bank balances	-	-	111,612,970	-	111,612,970	111,612,970
Trading assets - fair value through profit or loss	46,987,655	-	-	-	46,987,655	46,987,655
Investment securities	-	8,756,701	132,135,185	-	140,891,886	162,425,746
Financial assets at amortised cost/ Finance lease receivables, hire purchases and operating leases	-	-	66,664,675	-	66,664,675	71,876,550
Financial assets at amortised cost/ Advances and other loans	-	-	751,421,279	-	751,421,279	914,537,316
Trade and other Financial assets	-	-	53,664,934	-	53,664,934	53,664,934
Total financial assets	46,987,655	8,756,701	1,115,499,043	-	1,171,243,399	1,361,105,171
Financial liabilities						
Bank overdrafts	-	-	31,394,589	-	31,394,589	31,394,589
Trading liabilities - fair value through profit or loss	689,957	-	-	-	689,957	689,957
Financial liabilities at amortised cost/ Deposits liabilities	-	-	565,644,097	-	565,644,097	619,455,840
Financial liabilities at amortised cost/ Interest bearing borrowings	-	-	601,202,430	-	601,202,430	648,736,708
Trade and other payables	-	-	88,479,855	-	88,479,855	88,479,855
Total financial liabilities	689,957	-	1,286,720,971	-	1,287,410,928	1,388,756,949

Notes to the Financial Statements

As at 31st March 2024	Group					
	Fair value through profit or loss Rs.'000	Fair value through OCI Rs.'000	Amortised cost Rs.'000	Other financial assets/ liabilities Rs.'000	Total carrying amount Rs.'000	Fair value Rs.'000
Financial assets						
Cash in hand and favourable bank balances	-	-	108,863,315	-	108,863,315	108,863,315
Trading assets - fair value through profit or loss	25,487,545	-	-	-	25,487,545	25,487,545
Investment securities	-	55,672,137	88,493,861	-	144,165,998	146,445,736
Financial assets at amortised cost/ Finance lease receivables, hire purchases and operating leases	-	-	60,258,297	-	60,258,297	63,607,454
Financial assets at amortised cost/ Advances and other loans	-	-	674,236,352	-	674,236,352	778,040,560
Trade and other Financial assets	-	-	60,830,636	-	60,830,636	60,830,636
Total financial assets	25,487,545	55,672,137	992,682,461	-	1,073,842,143	1,183,275,246
Financial liabilities						
Bank overdrafts	-	-	10,260,478	-	10,260,478	10,260,478
Trading liabilities - fair value through profit or loss	961,632	-	-	-	961,632	961,632
Financial liabilities at amortised cost/ Deposits liabilities	-	-	506,490,967	-	506,490,967	520,213,726
Financial liabilities at amortised cost/ Interest bearing borrowings	-	-	572,942,022	-	572,942,022	602,541,946
Trade and other payables	-	-	62,527,667	-	62,527,667	62,527,667
Total financial liabilities	961,632	-	1,152,221,133	-	1,153,182,765	1,196,505,449

As at 31st March 2025	Company					
	Fair value through profit or loss Rs.'000	Fair value through OCI Rs.'000	Amortised cost Rs.'000	Other financial assets/ liabilities Rs.'000	Total carrying amount Rs.'000	Fair value Rs.'000
Financial assets						
Cash in hand and favourable bank balances	-	-	1,941,277	-	1,941,277	1,941,277
Trading assets - fair value through profit or loss	20	-	-	-	20	20
Investment securities		536,101	44,401,684	-	44,937,785	45,201,683
Financial assets at amortised cost/ Advances and other loans	-	-	92,853,721	-	92,853,721	92,606,793
Trade and other Financial assets	-	-	218,273,771	-	218,273,771	218,273,771
Total financial assets	20	536,101	357,470,453	-	358,006,574	358,023,543
Financial liabilities						
Bank overdrafts	-	-	14,131,496	-	14,131,496	14,131,496
Financial liabilities at amortised cost/ Interest bearing borrowings	-	-	346,818,220	-	346,818,220	324,379,330
Trade and other payables	-	-	826,432	-	826,432	826,432
Total financial liabilities	-	-	361,776,148	-	361,776,148	366,665,459

Notes to the Financial Statements

As at 31st March 2024	Company					
	Fair value through profit or loss Rs.'000	Fair value through OCI Rs.'000	Amortised cost Rs.'000	Other financial assets/ liabilities Rs.'000	Total carrying amount Rs.'000	Fair value Rs.'000
Financial assets						
Cash in hand and favourable bank balances	-	-	2,167,372	-	2,167,372	2,167,372
Trading assets - fair value through profit or loss	22	-	-	-	22	22
Investment securities	-	415,725	38,841,831	-	39,257,556	40,323,938
Financial assets at amortised cost/ Finance lease receivables, hire purchases and operating leases	-	-	-	-	-	-
Financial assets at amortised cost/ Advances and other loans	-	-	71,814,470	-	71,814,470	74,574,490
Trade and other Financial assets	-	-	197,099,602	-	197,099,602	205,820,188
Total financial assets	22	415,725	309,923,275	-	310,339,022	322,886,010
Financial liabilities						
Bank overdrafts	-	-	2,617,078	-	2,617,078	2,617,078
Financial liabilities at amortised cost/ Deposits liabilities	-	-	-	-	-	-
Financial liabilities at amortised cost/ Deposits liabilities	-	-	-	-	-	-
Financial liabilities at amortised cost/ Interest bearing borrowings	-	-	308,508,906	-	308,508,906	324,379,330
Trade and other payables	-	-	3,048,585	-	3,048,585	3,156,763
Total financial liabilities	-	-	314,174,569	-	314,174,569	330,153,171

53.1 Valuation Methodologies and Assumptions

Fair value of financial assets and liabilities not carried at fair value

Relief granted by the CBSL has not being considered for the fair value.

The valuation techniques used to establish the Group's fair values are consistent with those used to calculate the fair values of financial instruments carried at fair value. The fair values calculated are for disclosure purposes only and do not have any impact on the Group's reported financial performance or position. The fair values calculated by the Group may be different from the actual amount that will be received/paid on the settlement or maturity of the financial instrument. As certain categories of financial instruments are not traded there is a significant level of management judgment involved in calculating the fair values.

The following describes the methodologies and assumptions used to determine fair values for those financial instruments which are not already recorded at fair value in the Financial Statements:

Balances with banks and financial institutions

For financial assets and financial liabilities that have a short-term maturity [less than three months] it is assumed that the carrying amounts approximate their fair value. This assumption is also applied to demand deposits, and savings accounts without a specific maturity

Loans and receivables

The fair value of loans and advances to customers with a maturity of less than one year generally approximates the carrying value, subject to any significant movement in credit spreads. The estimated fair value of loans and advances with maturity of more than one year represents the discounted amount of future cash flows expected to be received. Expected cash flows are discounted at current market rates to determine fair value.

Due to customers

The estimated fair value of deposits with no maturity period (savings deposits) is the amount repayable on demand. The estimated fair value of fixed interest-bearing deposits (fixed deposits) without quoted market prices is based on discounting cash flows using the prevailing market rates for debts with a similar risk and remaining maturity.

Due to banks and debt securities issued

Variable rate is a fair measure which reflects market movements. Hence the carrying value represents the fair value of the variable rate instruments.

The fair value of fixed rate borrowings with a maturity of less than one year generally approximates the carrying value, subject to any significant movement in credit spreads. The estimated fair value of fixed rates borrowing with maturity of more than one year represents the discounted amount of future cash flows expected to be paid. Expected cash flows are discounted at current market rates to determine fair value.

Other Financial Liabilities

Since all the liabilities which are under other financial liabilities have short-term maturities, it is assumed that the carrying amount of those liabilities approximate their fair value. .

Land and Buildings and Investment Properties

Land in Property, plant and Equipment and Investment Property are valued using market approach with direct comparison method, making adjustments for points of difference to derive the fair value. Buildings in Land and Buildings and Investment Property are valued using contractors methods

Under the Market Approach, estimated fair value would get increased/[decreased] if;

- Price per perch would get higher/[lower]
- Price per square foot would get higher/[lower]
- Depreciation rate for building would get lower/[higher]

Notes to the Financial Statements

54 MATURITY ANALYSIS OF FINANCIAL ASSETS AND LIABILITIES

54.1 Maturity analysis of financial assets

As at 31 March 2025	Note	Carrying amount Rs.'000	less than one month Rs.'000	1-3 months Rs.'000	4-12 months Rs.'000	13-60 months Rs.'000	> 60 months Rs.'000
Group							
Cash and cash equivalents	18.1	111,612,970	89,004,587	8,503,644	14,104,739	-	-
Trading assets - fair value through profit or loss							
Corporate securities	19.1	19,002,361	18,490,642	511,719	-	-	-
Government securities	19.2	14,292,784	-	51,922	2,152,908	12,087,954	-
Equity securities	19.3	13,001,111	2,252,764	-	10,189,731	558,616	-
Derivative assets held for risk management	19.4	691,399	6,499	684,900	-	-	-
Investment securities							
Financial assets measured at fair value through other comprehensive income	20.1	8,756,701	2,056,706	-	1,975,586	3,103,639	1,620,770
Financial assets at amortised cost	20.2	132,135,185	12,849,629	25,377,711	36,494,251	26,937,279	30,476,315
Financial assets at amortised cost/ Finance lease receivables, hire purchases and operating leases							
Finance lease receivables	21.1	66,583,345	2,918,428	8,673,806	19,410,895	35,580,216	-
Hire purchase receivables	21.2	13,757	10,788	-	-	2,969	-
Operating lease receivables	21.3	67,573	-	-	-	67,573	-
Financial assets at amortised cost/ Advances and other loans							
Advances and loans	22.1	704,535,303	19,148,487	37,829,186	182,364,218	299,421,739	165,771,673
Factoring receivables	22.2	5,125,381	279,282	4,846,099	-	-	-
Gold loan advances receivables	22.3	41,760,595	12,903,795	7,429,329	21,427,471	-	-
Trade and other current assets							
Financial Assets	26	53,664,934	19,717,669	8,758,460	12,887,938	523,375	11,777,492
		1,171,243,399	179,639,276	102,666,776	301,007,737	378,283,360	209,646,250

As at 31 March 2025	Note	Carrying amount Rs.'000	less than one month Rs.'000	1-3 months Rs.'000	4-12 months Rs.'000	13-60 months Rs.'000	> 60 months Rs.'000
Company							
Cash and cash equivalents	18.1	1,941,277	1,941,277	-	-	-	-
Trading assets - fair value through profit or loss							
Equity securities	19.3	20	20	-	-	-	-
Investment securities							
Financial assets measured at fair value through other comprehensive income	20.1	536,101	-	-	-	-	536,101
Equity securities with readily determinable fair values							
Financial assets at amortised cost	20.2	44,401,684	5,679,272	16,737,388	14,585,466	7,399,558	-
Financial assets at amortised cost/ Advances and other loans							
Advances and loans	22.1	92,853,721	532,273	-	92,254,840	66,608	-
Trade and other current assets							
Financial Assets	26	218,273,771	30,649,233	49,139,317	138,485,221	-	-
		358,006,574	38,802,075	65,876,705	245,325,527	7,466,166	536,101

Notes to the Financial Statements

54.2 Maturity analysis of financial liabilities

As at 31 March 2025	Note	Carrying amount Rs.'000	less than one month Rs.'000	1-3 months Rs.'000	4-12 months Rs.'000	13-60 months Rs.'000	> 60 months Rs.'000
Group							
Non-derivative liabilities							
Bank overdrafts	18.2	31,394,589	26,258,931	1,180,979	3,954,679	-	-
Trading liabilities - fair value through profit or loss	36	689,957	-	688,019	1,938	-	-
Financial liabilities at amortised cost/ Deposits liabilities							
Deposits from customers							
Fixed deposits	37.2	510,595,587	43,832,953	77,302,858	225,626,290	123,006,860	40,826,626
Saving / Demand deposits	37.3	47,545,567	42,855,139	1,612,125	2,512,446	565,857	-
Interest / profits payable	37.4	7,502,943	1,216,026	2,228,503	2,932,500	1,125,914	-
Financial liabilities at amortised cost/ Interest bearing borrowings							
Commercial papers & promissory notes		248,096,888	50,415,936	87,312,825	100,364,579	10,003,548	-
Short-term loans and others		149,538,477	2,436,429	89,683,241	44,367,416	2,188,301	10,863,090
Debentures	38.1 & 38.5	19,296,551	10,158	6,070	3,490,919	8,950,648	6,838,756
Finance lease liabilities	38.2	2,094,332	210,035	1,796	128,523	1,753,978	-
Long-term borrowings	38.3	165,168,585	5,183,891	6,376,442	86,817,476	54,414,007	12,376,769
Operating Lease Liability	38.4	17,007,597	522,059	317,187	1,366,902	7,229,032	7,572,417
Trade and other payables							
Financial liabilities	41	88,479,855	14,992,416	10,678,199	30,185,708	24,253,604	8,369,928
		1,287,410,928	187,933,973	277,388,244	501,749,376	233,491,749	86,847,586

As at 31 March 2025	Note	Carrying amount Rs.'000	less than one month Rs.'000	1-3 months Rs.'000	4-12 months Rs.'000	13-60 months Rs.'000	> 60 months Rs.'000
Company							
Non-derivative liabilities							
Bank overdrafts	18.2	14,131,496	14,131,496	-	-	-	-
Financial liabilities at amortised cost/ Interest bearing borrowings							
Commercial papers & promissory notes		233,638,149	50,415,936	84,956,993	96,139,335	2,125,885	-
Short-term loans and others		70,273,646	104,000	68,081,646	936,000	1,152,000	-
Debentures	38.1 & 38.5	12,139,477	10,158	6,070	3,890,575	1,393,918	6,838,756
Finance lease liabilities	38.2	1,348	-	-	1,348	-	-
Long-term borrowings	38.3	30,735,353	2,758,798	3,701,232	18,804,783	5,470,540	-
Operating Lease Liability	38.4	30,247	1,160	2,368	11,938	14,781	-
Financial liabilities	41	826,431	-	564,311	262,120	-	-
		361,776,147	67,421,548	157,312,620	120,046,099	10,157,124	6,838,756

54.3 Maturity analysis of financial assets

As at 31 March 2024	Note	Carrying amount Rs.'000	less than one month Rs.'000	1-3 months Rs.'000	4-12 months Rs.'000	13-60 months Rs.'000	> 60 months Rs.'000
Group							
Cash and cash equivalents	18.1	108,863,315	102,276,160	2,961,290	3,625,866	-	-
Trading assets - fair value through profit or loss							
Corporate securities	19.1	16,252,992	15,272,388	980,604	-	-	-
Government securities	19.2	1,992,839	1,992,839	-	-	-	-
Equity securities	19.3	6,247,282	2,172,448	1,153,478	2,596,898	324,458	-
Derivative assets held for risk management	19.4	994,432	994,432	-	-	-	-
Investment securities							
Financial assets measured at fair value through other comprehensive income	20.1	55,672,137	20,256,263	360,787	15,141,537	10,812,836	9,100,713
Financial assets at amortised cost	20.2	88,493,861	5,428,384	22,967,636	55,873,332	4,224,510	-
Financial assets at amortised cost/ Finance lease receivables, hire purchases and operating leases							
Finance lease receivables	21.1	60,097,589	-	9,792,584	18,813,415	31,491,590	-
Hire purchase receivables	21.2	11,576	8,588	-	-	-	2,988
Operating lease receivables	21.3	149,131	149,131	-	-	-	-
Financial assets at amortised cost/ Advances and other loans							
Advances and loans	22.1	639,233,338	22,347,495	52,015,181	122,089,852	287,565,456	155,215,353
Factoring receivables	22.2	6,229,637	-	5,056,092	1,173,545	-	-
Gold loan advances receivables	22.3	28,773,376	10,824,383	4,031,419	13,917,573	-	-
Trade and other current assets							
Financial assets	26	60,830,636	17,555,508	7,887,667	35,387,462	-	-
		1,073,842,141	199,278,020	107,206,738	268,619,480	334,418,850	164,319,054

Notes to the Financial Statements

As at 31 March 2024	Note	Carrying amount Rs.'000	less than one month Rs.'000	1-3 months Rs.'000	4-12 months Rs.'000	13-60 months Rs.'000	> 60 months Rs.'000
Company							
Cash and cash equivalents	18.1	2,167,372	2,167,372				
Trading assets - fair value through profit or loss							
Equity securities	19.3	22	22	-	-	-	-
Investment securities							
Financial assets measured at fair value through other comprehensive income	20.1	415,725	-	-	-	-	415,725
Financial assets at amortised cost	20.2	38,841,831	3,512,840	14,957,248	20,371,743	-	-
Financial assets at amortised cost/							
Advances and other loans							
Advances and loans	22.1	71,814,470	9,772,340	-	61,957,051	85,078	-
Factoring receivables	22.2	-	-	-	-	-	-
Gold loan advances receivables	22.3	-	-	-	-	-	-
Trade and other current assets							
Financial assets	26	197,099,602	134,449	380,653	196,584,500	-	-
		310,339,022	15,587,024	15,337,901	278,913,294	85,078	415,725

54.4 Maturity analysis of financial liabilities

As at 31 March 2024	Note	Carrying amount Rs.'000	less than one month Rs.'000	1-3 months Rs.'000	4-12 months Rs.'000	13-60 months Rs.'000	> 60 months Rs.'000
Group							
Non-derivative liabilities							
Bank overdrafts	18.2	10,260,478	10,160,296	63,141	37,041	-	-
Trading liabilities - fair value through profit or loss	36	961,632	-	-	961,632	-	-
Financial liabilities at amortised cost/							
Deposits liabilities							
Deposits from customers							
Fixed deposits	37.2	458,650,573	58,598,359	113,047,921	212,417,361	74,406,654	180,278
Saving / Demand deposits	37.3	38,076,401	19,567,089	11,374,550	2,997,896	4,136,866	-
Interest / profits payable	37.4	9,763,993	2,800,089	4,009,070	1,748,323	1,206,510	-
Financial liabilities at amortised cost/							
Interest bearing borrowings							
Commercial papers & promissory notes		209,613,045	50,074,609	77,071,010	77,146,227	5,321,199	-
Short-term loans and others		120,171,190	104,000	77,170,955	42,896,235	-	-
	38.1 &						
Debentures	38.5	24,540,292	6,987	3,156	5,373,155	10,336,534	8,820,461
Finance lease liabilities	38.2	1,949,594	1,251,024	497,969	152,133	31,240	17,229
Long-term borrowings	38.3	200,407,006	5,139,012	9,403,706	43,362,517	137,882,110	4,619,661
Operating lease liabilities	38.4	16,260,895	444,521	112,892	2,054,157	6,566,791	7,082,534
Trade and other payables							
Financial liabilities	41	62,527,667	6,792,537	7,341,446	2,528,927	33,107,289	12,757,467
		1,153,182,765	154,938,521	300,095,816	391,675,603	272,995,194	33,477,631

Notes to the Financial Statements

As at 31 March 2024	Note	Carrying amount Rs.'000	less than one month Rs.'000	1-3 months Rs.'000	4-12 months Rs.'000	13-60 months Rs.'000	> 60 months Rs.'000
Company							
Non-derivative liabilities							
Bank overdrafts	18.2	2,617,078	2,617,078	-	-	-	-
Financial liabilities at amortised cost/							
Interest bearing borrowings							
Commercial papers & promissory notes		202,883,235	54,521,242	66,564,581	77,062,503	4,734,909	-
Short-term loans and others		55,695,524	104,000	52,255,524	936,000	2,400,000	-
	38.1 &						
Debentures	38.5	17,131,595	5,703	3,155	5,217,442	5,084,834	6,820,461
Finance lease liabilities	38.2	2,702	-	-	-	2,702	-
Long-term borrowings	38.3	32,760,665	2,725,050	2,778,039	12,906,765	14,350,811	-
Operating lease liabilities	38.4	35,185	899	1,836	8,342	24,108	-
Trade and other payables							
Financial liabilities	41	3,048,585	372,646	313,183	2,362,756	-	-
		314,174,569	60,346,618	121,916,318	98,493,808	26,597,364	6,820,461

55 OPERATING SEGMENTS

Accounting Policy

Operating Segments

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. All operating segments operating results are reviewed regularly by Group Board of Directors to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Accordingly, the segment comprises of financial services, insurance, IT services, Trading, Leisure, Plantation, Agriculture and Others.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one period.

Expenses that cannot be directly identified to a particular segment are allocated on bases decided by the management and applied consistently throughout the year.

For the year ended 31 March 2025	Financial services Rs.'000	Long term & general insurance Rs.'000	Manufacturing & trading Rs.'000	Leisure & entertainment Rs.'000	Plantation & Agri Rs.'000	Equity accounted investees Rs.'000	Others & eliminations Rs.'000	Total Rs.'000
Gross income	190,903,270	23,283,331	54,449,275	18,033,546	55,660,595	-	(2,394,197)	339,935,820
Interest expenses	(71,690,598)	-	-	-	-	-	8,374,411	(63,316,187)
Cost of Sales	-	-	(35,262,976)	(4,703,580)	(25,580,072)	-	(1,298,430)	(66,845,058)
Profit before Operating Expenses	119,212,672	23,283,331	19,186,299	13,329,966	30,080,523	-	4,681,784	209,774,575
Operating expenses	(79,946,553)	(21,696,930)	(13,551,738)	(10,392,620)	(34,722,168)	-	(3,764,280)	(164,074,289)
Results from Operating Expenses	39,266,119	1,586,401	5,634,561	2,937,346	(4,641,645)	-	917,504	45,700,286
Net finance cost	-	(5,030)	(11,560,877)	(12,821,191)	(4,409,922)	-	(22,991,153)	(51,788,173)
Share of profits of equity accounted investees, net of tax	-	-	-	-	-	4,227,602	-	4,227,602
Results on acquisition and divestment of group investments	-	-	-	-	-	-	54,012,640	54,012,640
Profit before tax from continuing operations	39,266,119	1,581,371	(5,926,316)	(9,883,845)	(9,051,567)	4,227,602	31,938,991	52,152,355
Discontinued operations								
Profit/(loss) after tax for the year from discontinued operations and assets held for sale	-	-	-	-	-	-	(9,382,322)	(9,382,322)
Profit before tax from discontinued operations	-	-	-	-	-	-	(9,382,322)	(9,382,322)
Profit before tax of the group	39,266,119	1,581,371	(5,926,316)	(9,883,845)	(9,051,567)	4,227,602	22,556,669	42,770,033

Notes to the Financial Statements

For the year ended 31 March 2024	Financial services Rs.'000	Long term & general insurance Rs.'000	Manufacturing & trading Rs.'000	Leisure & entertainment Rs.'000	Plantation & Agri Rs.'000	Equity accounted investees Rs.'000	Others & eliminations Rs.'000	Total Rs.'000
Gross income	193,224,491	18,851,914	57,009,803	25,604,055	29,910,375	-	5,278,639	329,879,277
Interest expenses	(83,032,283)	-	-	-	-	-	6,432,012	(76,600,271)
Cost of Sales	-	-	(37,189,521)	(3,890,038)	(14,442,542)	-	(2,702,652)	(58,224,753)
Profit before Operating Expenses	110,192,208	18,851,914	19,820,282	21,714,017	15,467,833	-	9,007,999	195,054,253
Operating Expenses	(73,303,371)	(16,730,954)	(10,210,475)	(8,912,346)	(15,829,630)	-	(7,149,870)	(132,136,646)
Results from Operating Expenses	36,888,837	2,120,960	9,609,807	12,801,671	(361,797)	-	1,858,129	62,917,607
Net finance cost	-	(74,349)	(14,479,558)	(15,320,014)	(3,340,302)	-	(24,195,814)	(57,410,037)
Share of profits of equity accounted investees, net of tax	-	-	-	-	-	7,979,008	-	7,979,008
Results on acquisition and divestment of group investments	-	-	-	-	-	-	16,716,561	16,716,561
Profit Before Taxation	36,888,837	2,046,611	(4,869,751)	(2,518,343)	(3,702,099)	7,979,008	(5,621,124)	30,203,138
Discontinued operations								
Profit/(loss) after tax for the year from discontinued operations and assets held for sale	-	-	-	-	(100)	-	-	(100)
Profit before tax from discontinued operations	-	-	-	-	(100)	-	-	(100)
Profit before tax of the group	36,888,837	2,046,611	(4,869,751)	(2,518,343)	(3,702,199)	7,979,008	(5,621,124)	30,203,038

Inter-segment revenues are eliminated upon consolidation and reflected in the 'adjustments and eliminations' column. All other adjustments and eliminations are part of detailed reconciliations presented further below.

For the year ended 31 March 2025	Financial services Rs.'000	Long term & general insurance Rs.'000	Manufacturing & trading Rs.'000	Leisure & entertainment Rs.'000	Plantation & Agri Rs.'000	Equity accounted investees Rs.'000	Others & eliminations Rs.'000	Total Rs.'000
Continuing operations								
Net impairment (loss) / reversal on financial assets	18,418,127	364,198	743,119	51,146	277,792	-	(1,043,883)	18,810,499
Depreciation and amortisation	3,133,964	166,510	702,669	2,274,824	7,010,593	-	208,650	13,497,210
Discontinued operations								
Net impairment (loss) / reversal on financial assets	-	-	-	-	-	-	-	-
Depreciation and amortisation	-	-	-	-	-	-	-	-
Continuing operations								
Total assets (as at 31 March 2025)	1,089,260,773	43,411,115	213,302,760	338,136,562	337,266,941	-	8,248,000	2,029,626,151
Total liabilities (as at 31 March 2025)	800,991,301	29,434,843	142,809,093	182,661,224	119,013,732	-	150,508,827	1,425,419,020
Discontinued operations								
Total assets (as at 31 March 2025)	-	-	-	-	-	-	-	-
Total liabilities (as at 31 March 2025)	-	-	-	-	-	-	-	-
For the year ended 31 March 2024								
Continuing operations								
Net impairment (loss) / reversal on financial assets	18,601,020	-	693,953	152,551	29,920	-	5,076,717	24,554,162
Depreciation and amortisation	2,917,573	104,418	869,864	2,036,496	3,333,785	-	912,211	10,174,346
Discontinued operations								
Net impairment (loss) / reversal on financial assets	-	-	-	-	-	-	-	-
Depreciation and amortisation	-	-	-	-	-	-	-	-
Continuing operations								
Total assets (as at 31 March 2024)	1,000,876,025	36,188,450	190,265,448	285,882,641	164,302,854	-	62,190,483	1,739,705,901
Total liabilities (as at 31 March 2024)	747,379,782	23,542,497	120,693,367	154,878,866	63,824,770	-	142,059,940	1,252,379,231
Discontinued operations								
Total assets (as at 31 March 2024)	-	-	-	-	-	-	-	-
Total liabilities (as at 31 March 2024)	-	-	-	-	-	-	-	-

Notes to the Financial Statements

55.1 Geographical segments, based on the location of assets

For the year ended 31 March 2025	Sri Lanka Rs. '000	Singapore Rs. '000	Cambodia Rs. '000	Maldives Rs. '000	Myanmar Rs. '000	
From Continuing Operations						
Segmental Income	267,520,098	26,399,077	70,208,625	3,995,564	9,231,122	
Segmental results	(5,450,558)	5,392,891	14,556,662	(3,500,069)	(725,181)	
From Discontinuing Operations						
Segmental Income	-	-	-	-	-	
Segmental results	-	-	-	-	-	
From Continuing Operations						
Segmental Assets	1,791,494,459	117,572,635	476,973,535	95,969,567	51,143,115	
Segmental Liabilities	1,186,099,347	74,641,035	357,344,683	68,667,906	43,340,466	
From Discontinuing Operations						
Segmental Assets	-	-	-	-	-	
Segmental Liabilities	-	-	-	-	-	
For the year ended 31 March 2024						
From Continuing Operations						
Segmental Income	285,732,386	3,782,261	70,558,168	2,529,712	8,515,351	
Segmental results	(10,808,951)	(7,097,669)	21,549,719	(2,951,585)	(1,074,104)	
From Discontinuing Operations						
Segmental Income	-	-	-	-	-	
Segmental results	-	-	-	-	-	
From Continuing Operations						
Segmental Assets	1,610,473,264	123,759,573	472,365,591	76,831,473	39,630,125	
Segmental Liabilities	1,044,490,803	83,808,995	360,135,331	54,199,938	33,943,893	
From Discontinuing Operations						
Segmental Assets	-	-	-	-	-	
Segmental Liabilities	-	-	-	-	-	

	Indonesia Rs. '000	Pakistan Rs. '000	Africa Rs. '000	Philippines Rs. '000	Other Rs. '000	Group Total Rs. '000
	3,046,641	2,749,247	49,434,525	1,743,851	[94,392,930]	339,935,820
	171,298	[1,033,960]	[6,719,094]	[444,217]	43,452,514	45,700,286
	-	-	-	-	-	-
	-	-	-	-	-	-
	9,752,107	9,937,233	381,286,061	17,229,695	[921,732,256]	2,029,626,151
	8,481,771	8,505,515	142,518,728	4,544,379	[468,724,810]	1,425,419,020
	-	-	-	-	-	-
	-	-	-	-	-	-

	Indonesia Rs. '000	Pakistan Rs. '000	Africa Rs. '000	Philippines Rs. '000	Other Rs. '000	Group Total Rs. '000
	2,773,988	2,679,185	18,796,366	1,986,448	[67,474,588]	329,879,277
	[467,743]	[1,341,122]	[3,612,708]	[232,051]	68,953,821	62,917,607
	-	-	-	-	-	-
	-	-	-	-	-	-
	9,780,287	7,213,802	204,309,790	18,058,713	[822,716,717]	1,739,705,901
	8,609,441	4,590,891	81,362,972	4,680,667	[423,443,700]	1,252,379,231
	-	-	-	-	-	-
	-	-	-	-	-	-

Notes to the Financial Statements

56 FINANCIAL RISK MANAGEMENT

The Group has loans, and consumer financial portfolios, trade and other receivables and cash and short-term deposits that arise directly from its operations. The Group also holds other financial instruments such as fair value through other comprehensive income and fair value through profit or loss financial instruments and may enter into derivative transactions. The Group's principal financial liabilities, comprise of customer deposits, loans and borrowings, trade and other payables and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its operations. The financial risk governance framework provides assurance to the Group's senior management that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives.

The Group has exposure to the following risks from financial instruments:

- 1 Credit risk
- 2 Liquidity risk
- 3 Market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

Risk management framework

The board of directors of each Company has overall responsibility for the establishment and oversight of Group's risk management framework for the companies within the group. The Board has established Integrated Risk Management Committees (IRMC) for each financial sector company, which are responsible for developing and monitoring financial services risk management policies in their specified areas. All Board committees have both executive and non-executive members and report regularly to the Board of Directors on their activities.

The Group's risk management policies are established to identify and analyse the risks faced by Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions, products and services offered. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment, in which all employees understand their roles and obligations.

The Audit Committee of each Company is responsible for monitoring compliance with the risk management policies and procedures, and for reviewing the adequacy of the risk management framework in relation to the risks faced by the each Group of Company. Each financial sector Company's audit committee is assisted in these functions by Enterprise Risk Management division (ERM). ERM undertakes both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to each financial sector Company's Audit Committee.

56.1 Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's loans and advances to customers.

The Group exposure to the credit risk is mainly derived from financial sector companies as the sector engage primarily in providing financing facilities to its customers. The Credit risk is managed by evaluating the credit worthiness and by periodical review on the credit granted.

Management of credit risk

The Board of Directors of each financial sector Company has delegated responsibility for the oversight of credit risk to its Credit Committee. A separate Credit department, reporting to each Credit Committees, is responsible for management of the Financial sector Companies' credit risk, including:

1. 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.
2. Establishing the authorisation structure for the approval and renewal of credit facilities. Authorisation limits are allocated to business unit Credit Officers. Larger facilities require approval by Group Credit, Head of Group Credit, Credit Committee or the board of directors as appropriate.
3. Reviewing and assessing credit risk. Group Credit assesses all credit exposures in excess of designated limits, prior to facilities being committed to customers by the business unit concerned. Renewals and reviews of facilities are subjected to the same review process.
4. Reviewing compliance of business units with agreed exposure limits, including those for selected industries, country risk and product types. Regular reports on the credit quality of local portfolios are provided to Group Credit who may require appropriate corrective action to be taken.
5. Providing advice, guidance and specialist skills to business units to promote best practice throughout the financial sector in the management of credit risk.

Allowances for impairment

The Group establishes an allowance for impairment losses on assets carried at amortised cost that represents its estimate of expected losses in its lease and loan portfolio. The main components of this allowance are a specific loss component that relates to individually significant exposures, and, for assets measured at amortised cost, a collective loan loss allowance established for groups of homogeneous assets as well as for individually significant exposures that were subject to individual assessment for impairment but not found to be individually impaired.

Past due but not impaired loans and investment debt securities

Past due but not impaired loans and investment debt securities, other than those carried at fair value through profit or loss, are those for which contractual interest or principal payments are past due, but each financial sector companies believes that impairment is not appropriate on the basis of the level of security/collateral available and/or the stage of collection of amounts owed to each Company.

The following table shows the overdue amounts for the financial assets categories.

As at 31 March	Group		Company	
	Neither past due nor impaired Rs.'000	Overdue Rs.'000	Neither past due nor impaired Rs.'000	Overdue Rs.'000
Cash in hand and favourable bank balances	111,612,970	-	1,941,277	-
Trading assets - fair value through profit or loss	46,987,655	-	20	-
Investment securities	140,891,886	-	44,937,785	-
Loan and lease portfolio	738,309,020	79,776,934	92,765,818	87,903
Insurance Premium Receivable	2,988,308	-	-	-
Trade and other Financial assets	53,664,934	-	218,273,771	-

Impairment losses related to each of the above asset classes are shown in note 9 to these financial statements.

Notes to the Financial Statements

The following table shows the maximum exposure and net exposure to credit quality by class of financial assets.

	Group		Company	
	Gross exposure Rs.'000	Net exposure Rs.'000	Gross exposure Rs.'000	Net exposure Rs.'000
Cash in hand and favourable bank balances	111,612,970	111,612,970	1,941,277	1,941,277
Trading assets - fair value through profit or loss	46,987,655	46,987,655	20	20
Investment securities	140,891,886	112,713,509	44,937,785	44,937,785
Loan and lease portfolio	818,085,954	778,238,392	92,853,721	92,853,721
Insurance Premium Receivable	2,988,308	2,988,308	-	-
Trade and other Financial assets	53,664,934	49,336,569	218,273,771	218,273,771

Maximum credit risk exposure

Credit risk is the risk of potential loss resulting from the failure of a customer/borrower or counterparty to honour its financial or contractual obligations to the Group. It may arise from direct lending activities as well as from commitments and contingencies. Total credit risk of the Group constitutes counterparty risk, concentration risk and settlement risk.

	Group		Company	
	Rs.'000	%	Rs.'000	%
Net carrying amount of credit exposure				
Cash in hand and favourable bank balances	111,612,970	9.51%	1,941,277	0.54%
Trading assets - fair value through profit or loss	46,987,655	4.00%	20	0.00%
Investment securities	140,891,886	12.00%	44,937,785	12.55%
Financial assets at amortised cost/ Finance lease receivables, hire purchases and operating leases	66,664,675	5.68%	-	0.00%
Financial assets at amortised cost/ Advances and other loans	751,421,279	63.99%	92,853,721	25.94%
Insurance premium receivables	2,988,308	0.25%	-	0.00%
Trade and Other Financial Assets	53,664,934	4.57%	218,273,771	60.97%
	1,174,231,707		358,006,574	
Maximum credit exposure	1,174,231,707	100.00%	358,006,574	100.00%

Loans with renegotiated terms

Loans with renegotiated terms are loans that have been restructured due to deterioration in the borrower's financial position. In respect of some of these loans, financial sector companies have made concessions that it would not otherwise consider. Once the loan is restructured it remains in this category independent of satisfactory performance after restructuring.

Allowances for impairment

Each financial sector Company establishes an allowance for impairment losses on assets carried at amortised cost that represents its estimate of incurred losses in its loan. The main components of this allowance are a specific loss component that relates to individually significant exposures, and, for assets measured at amortised cost, a collective loan loss allowance established for each financial sector Company's homogeneous assets as well as for individually significant exposures that were subject to individual assessment for impairment but not found to be individually impaired. Assets carried at fair value through profit or loss are not subject to impairment testing as the measure of fair value reflects the credit quality of each asset.

Write-off policy

Each financial sector Company writes off a loan, and any related allowances for impairment losses, when management determines that the loan or security is uncollectible. This determination is made after considering information such as the occurrence of significant changes in the borrower's/ issuer's financial position such that the borrower/issuer can no longer pay the obligation, or that proceeds from collateral will not be sufficient to pay back the entire exposure. For smaller balance standardised loans, write-off decisions generally are based on a product-specific past due status.

Each financial sector Company holds collateral against loans and advances to customers in the form of mortgage interests over property, other registered securities over assets, and guarantees. Estimates of fair value are based on the value of collateral assessed at the time of borrowing, and generally are not updated except when a loan is individually assessed as impaired.

Trade & Other Receivables

Each group of Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for each group of Company's similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics of the portfolio.

56.2 Liquidity risk

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

Management of liquidity risk

The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's entities.

For the financial sector companies, a Central Treasury manages the liquidity risk for financial sector. Central Treasury receives information from other business units regarding the liquidity profile of their financial assets and liabilities and details of other projected cash flows arising from projected future business. Central Treasury then maintains a portfolio of short-term liquid assets, largely made up of short-term liquid investment securities, loans and advances to customers and other inter-group facilities, to ensure that sufficient liquidity is maintained within the financial sector as a whole. The liquidity requirements of business units and subsidiaries are met through short-term loans from Central Treasury to cover any short-term fluctuations and longer term funding to address any structural liquidity requirements.

When a financial sector subsidiary is subject to a liquidity limit imposed by its local regulator, the subsidiary is responsible for managing its overall liquidity within the regulatory limit in co-ordination with central Treasury.

The financial sector relies on deposits from customers and issued debt securities and borrowings as its primary sources of funding. While the Group's debt securities have maturities of over one year, deposits from customers generally have shorter maturities and a large proportion of them are repayable on demand. The short-term nature of these deposits increases the financial sector's liquidity risk and the sector actively manages this risk through maintaining competitive pricing and constant monitoring of market trends.

Maturity analysis for financial liabilities

Note 54 to these financial statements shows the discounted cash flows on the Company's non-derivative financial liabilities on the basis of their earliest possible contractual maturity.

To manage the liquidity risk arising from financial liabilities, the Group holds liquid assets comprising cash and cash equivalents and investment securities for which there is an active and liquid market available.

56.3 Market Risk

Market risk is the risk that changes in market prices, such as interest rates, equity prices, foreign exchange rates and credit spreads will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Overall non-trading interest rate risk positions are managed by Financial sector's Central Treasury, which uses investment securities, advances to customers, deposits from customers and derivative instruments to manage the overall position arising from the Group's market based activities

Notes to the Financial Statements

56.3.1 Interest Rate Risk

Interest rates have been reduced as advised by the Central Bank of Sri Lanka and is likely to have negative impact on the interest revenue, cash flows and liquidity positions of the Group.

The management of interest rate risk against interest rate gap limits is supplemented by monitoring the sensitivity of the Group's financial assets and liabilities to various standard and non-standard interest rate scenarios. An analysis of the Groups' sensitivity to an increase or decrease in market interest rates, assuming no asymmetrical movement in yield curves and a constant financial position, is as follows;

Sensitivity of projected Group	net interest income		reported equity	
	1% parallel increase Rs.'000	1% parallel increase Rs.'000	1% parallel increase Rs.'000	1% parallel decrease Rs.'000
For the year ended 31 March 2025	1,036,831	[1,036,831]	814,674	[814,674]

Sensitivity of projected Company	net interest income		reported equity	
	1% parallel increase Rs.'000	1% parallel increase Rs.'000	1% parallel increase Rs.'000	1% parallel decrease Rs.'000
For the year ended 31 March 2025	120,293	[120,293]	84,205	[84,205]

56.3.2 Currency risk

The Group has exposure to the currency fluctuations through its foreign assets and liabilities held by following main foreign subsidiaries.

Subsidiary	Country of incorporation	Functional currency
Bodufaru Beach Resorts (Private) Limited	Maldives	United State Dollar - USD
B Commodities ME(FZE)	UAE	United State Dollar - USD
Browns Ari Resort (Pvt) Ltd	Maldives	United State Dollar - USD
Browns Kaafu N Resort (Pvt) Ltd	Maldives	United State Dollar - USD
Browns Raa Resort (Pvt) Ltd	Maldives	United State Dollar - USD
Fusion X Global FZC (UAE)	UAE	United State Dollar - USD
Grey Reach Investments Ltd (GRIL)	British Virgin Island	United State Dollar - USD
IPay Global FZC (UAE)	UAE	United State Dollar - USD
LOLC Kenya Microfinance Bank PLC	Kenya	Kenyan Shilling - KES
LOLC Global (Pvt) Ltd	Singapore	United State Dollar - USD
LOLC Cambodia Plc	Cambodia	Combodian Riel- KHR
LOLC Africa Holdings (Pvt) Ltd	Singapore	United State Dollar - USD
LOLC Financial Sector Holdings Private Limited	Singapore	United State Dollar - USD
LOLC Finance Zambia Limited	Zambia	United State Dollar - USD
LOLC International (Pvt) Ltd	Singapore	United State Dollar - USD
LOLC Mauritius Holdings Limited	Mauritius	United State Dollar - USD
LOLC Myanmar Micro-Finance Company Limited	Myanmar	Myanmar Kyat - MMK
LOLC Philippines Corporation	Philippines	Philippines Peso - PHP
LOLC Philippines Holdings Incorporated	Philippines	Philippines Peso - PHP
LOLC Philippines Capital Holdings Corporation	Philippines	Philippines Peso - PHP
LOLC Bank Philippines	Philippines	Philippines Peso - PHP
LOLC Finance Philippines Inc	Philippines	Philippines Peso - PHP
NPH Investment (Private) Limited	Maldives	United State Dollar - USD
Pak Oman Micro finance Bank Limited	Pakistan	Pakistani Rupee - PKR
PT LOLC Management Indonesia	Indonesia	Indonesian Rupiah -IDR
PT LOLC Ventura Indonesia	Indonesia	Indonesian Rupiah -IDR
Sunbird Bioenergy (SL) Ltd	Sierra Leone	Euro - EUR
Qirat Investments LLC	UAE	United State Dollar - USD
Urumaya Resources Pvt Ltd	Zimbabwe	United State Dollar - USD
LOLC India Holdings (IFSC) Private Limited	India	Indian Rupees -INR
ABN Micro Finance	Kyrgyzstan	Kyrgyzstani Som -KGS
Fina Trust Micro Finance Bank Ltd	Nigeria	Nigerian Naira - NGN
LOLC El-Oula Microfinance	Egypt	Egyptian Pound - EGP
LOLC Finance Limited Malawi	Malawi	Malawian Kwacha - MWK
LLC MDO LOLC Moliya	Tajikistan	Tajikistani Somoni - TJS
Karat LLC	Tajikistan	Tajikistani Somoni - TJS
LOLC Tanzania Financial Services Ltd	Tanzania	Tanzanian Shilling - TZS
LOLC Asia (Pvt) Ltd	Singapore	United State Dollar - USD
LOLC Central Asia (Pvt) Ltd	Singapore	United State Dollar - USD
LOLC Ventures FZE	UAE	United State Dollar - USD
PL Resorts LTD	Mauritius	Mauritian Rupee - MUR
Serendib Micro Insurance PLC	Cambodia	United State Dollar - USD
Yambukai Finance	Zimbabwe	United State Dollar - USD

Notes to the Financial Statements

Subsidiary	Country of incorporation	Functional currency
LOLC UNGUKA Finance PLC	Rwanda	Rwanda Franc - RWF
FORTUNE Holdings SD (Pvt) Ltd	Singapore	United State Dollar - USD
R-Finance' Microfinance Organisation Limited Liability Partnership	Kirgisistan	Kazakhstan Tenge -KZT
Browns Engineering & Construction (Fiji) Pte Ltd	Fiji	Fijian Dollar -FJD
Browns Plantations Kenya Limited	Kenya	Sterling Pound -GBP
Browns E&C Technical Services Contracting LLC	UAE	United Arab Emirates Dirham -AED
LOLC India Finance Private Limited	India	Indian Rupees -INR
BI Leisure Holdings FZE	USD	United State Dollar - USD
Browns Plantation Rwanda Ltd	Rwanda	Rwanda Franc - RWF
Browns Plantation Tanzania Ltd	Tanzania	Tanzanian Shilling - TZS
Browns Plantation East Africa Ltd	Kenya	Kenyan Shilling - KES
Limuru Tea PLC	Kenya	Kenyan Shilling - KES
James Finlay (Guizhou) Tea CO., LTD	China	Chinese Yuan - CNY
Browns Tea Trading FZCO	UAE	United State Dollar - USD

Sensitivity analysis

A reasonably possible strengthening (weakening) of KHR, USD, KES, GBP and EURO against all other currencies as at 31 March 2025, would have affected the measurement of individual assets and liabilities denominated in a foreign currency and affected equity by the amounts shown below. This analysis assumes that all other variables, in particular interest rates remain constant and any change in assets liability positions.

As at 31 March 2025	100 basis points movement in	
	Gross exposure Rs.'000	Net exposure Rs.'000
AED	(1,226)	1,226
CNY	10,063	(10,063)
EGP	4,759	(4,759)
EUR	488,527	(488,527)
FJD	(464)	464
GBP	578,238	(578,238)
IDR	12,330	(12,330)
INR	7,730	(7,730)
KES	997,416	(997,416)
KGS	18,487	(18,487)
KHR	1,175,132	(1,175,132)
KZT	56,704	(56,704)
MMK	78,023	(78,023)
MUR	16,288	(16,288)
MWK	2,842	(2,842)
NGN	4,281	(4,281)
PHP	120,588	(120,588)
PKR	14,418	(14,418)
RWF	85,938	(85,938)
TJS	23,928	(23,928)
TZS	148,612	(148,612)
USD	1,953,984	(1,953,984)
ZMW	15,917	(15,917)

56.3.3 Equity price risk

Although the Group's exposure to equity price risk is negligible, mark-to-market calculations are conducted daily on FVTPL and FVOCI portfolios. The Group has also calculated VaR on equity portfolio. Below table summarises the impact of a shock of 10% on equity price on profit, other comprehensive income (OCI) and equity.

	Financial assets recognised through profit or loss Rs.'000	Financial assets fair value through other comprehensive income Rs.'000	Total Rs.'000
Market value of Equity Securities	13,001,111	1,013,626	14,014,737

Stress Level	Impact on Income Statement Rs.'000	Impact on OCI Rs.'000	Impact on Equity Rs.'000
Shock of 10% on equity price (upward)	1,300,111	101,363	1,401,474
Shock of 10% on equity price (downward)	(1,300,111)	(101,363)	(1,401,474)

57 FINANCIAL RISK MANAGEMENT

Following table shows the maximum risk positions

As at 31 March 2025	Group				Company			
	Carrying amount Rs.'000	Non-current Rs.'000	Current Rs.'000	% of Rs.'000	Carrying amount Rs.'000	Non-current Rs.'000	Current Rs.'000	% of Rs.'000
Assets								
Cash and short term deposits	111,612,970	-	111,612,970	9.32%	1,941,277	-	1,941,277	0.52%
Financial assets at fair value through profit or loss	33,986,544	12,087,954	21,898,590	2.84%	-	-	-	0.00%
Investment securities	139,878,260	62,138,003	77,740,257	11.69%	44,401,684	7,399,558	37,002,126	11.93%
Non current assets held for sale and discontinued operations	27,450,750	-	27,450,750	2.29%	14,772,245	-	14,772,245	3.97%
Financial assets at amortised cost/ Finance lease receivables operating leases	66,664,675	35,650,758	31,013,917	5.57%	-	-	-	0.00%
Financial assets at amortised cost/ Advances and other loans	751,421,279	465,193,412	286,227,867	62.78%	92,853,721	66,609	92,787,112	24.94%
Insurance premium receivables	2,988,308	-	2,988,308	0.25%	-	-	-	0.00%
Current tax assets	9,333,758	-	9,333,758	0.78%	94,864	-	94,864	0.03%
Trade and other current assets	53,664,934	12,300,867	41,364,067	4.48%	218,273,771	2,472	218,271,299	58.62%
Total credit risk exposure	1,197,001,478	587,370,994	609,630,484	100.00%	372,337,562	7,468,639	364,868,923	100%
Financial assets at fair value through P&L	13,001,111	558,616	12,442,495	26.55%	20	-	20	0.00%
Financial assets at fair value through OCI	1,013,626	-	1,013,626	2.07%	536,101	536,101	-	0.17%
Subsidiary companies	-	-	-	0.00%	290,349,152	290,349,152	-	90.46%
Equity accounted investees - Associates	34,951,986	34,951,986	-	71.38%	30,101,735	30,101,735	-	9.38%
Total equity risk exposure	48,966,723	35,510,602	13,456,121	100.00%	320,987,008	320,986,988	20	100.00%
Total	1,245,968,201	622,881,596	623,086,605		693,324,570	328,455,627	364,868,943	

Notes to the Financial Statements

58 CURRENT/NON-CURRENT DISTINCTION

As at 31 March 2025	Group			Company		
	Carrying amount Rs.'000	Non-current Rs.'000	Current Rs.'000	Carrying amount Rs.'000	Non-current Rs.'000	Current Rs.'000
Assets						
Cash and short term deposits	111,612,970	-	111,612,970	1,941,277	-	1,941,277
Financial assets at fair value through profit or loss	46,987,655	12,646,570	34,341,085	20	-	20
Investment securities	140,891,886	62,138,003	78,753,883	44,937,785	7,935,659	37,002,126
Non current assets held for sale and discontinued operations	27,450,750	-	27,450,750	14,772,245	-	14,772,245
Financial assets at amortised cost/ Finance lease receivables operating leases	66,664,675	35,650,758	31,013,917	-	-	-
Financial assets at amortised cost/ Advances and other loans	751,421,279	465,193,412	286,227,867	92,853,721	66,609	92,787,112
Insurance premium receivables	2,988,308	-	2,988,308	-	-	-
Inventories	33,296,064	-	33,296,064	326,108	-	326,108
Current tax assets	9,333,758	-	9,333,758	94,864	-	94,864
Trade and other current assets	89,052,714	12,300,867	76,751,847	221,745,032	2,472	221,742,561
Right of use assets	164,355,485	164,355,485	-	22,951	9,684	13,268
Investment properties	185,708,701	185,708,701	-	4,064,200	4,064,200	-
Biological assets;						
Consumer biological assets	16,128,615	16,128,615	-	-	-	-
Bearer biological assets	22,174,814	22,174,814	-	-	-	-
Investments in group of companies;						
Subsidiary companies	-	-	-	290,349,152	290,349,152	-
Equity accounted investees - Associates	34,951,986	34,951,986	-	30,101,735	30,101,735	-
Deferred tax assets	7,366,225	7,366,225	-	-	-	-
Intangible assets	10,213,266	10,213,266	-	69,616	69,616	-
Property, plant and equipment	309,027,000	309,027,000	-	7,016,211	7,016,211	-
Total assets	2,029,626,151	1,337,855,702	691,770,449	708,294,917	339,615,337	368,679,581
Liabilities and equity						
Liabilities						
Bank overdrafts	31,394,589	-	31,394,589	14,131,496	-	14,131,496
Trading liabilities - fair value through profit or loss	689,957	-	689,957	-	-	-
Financial liabilities at amortised cost/ Deposits liabilities	565,644,097	165,525,257	400,118,840	-	-	-
Financial liabilities at amortised cost/ Interest bearing borrowings	601,202,430	122,190,546	479,011,884	346,818,220	16,995,881	329,822,339
Insurance provision - life	14,467,959	14,467,959	-	-	-	-
Insurance provision - general	9,502,470	9,502,470	-	-	-	-
Current tax payables	26,804,798	-	26,804,798	780,555	454,403	326,152
Trade and other payables	108,048,712	32,623,532	75,425,180	934,461	-	934,461
Deferred tax liabilities	59,713,293	59,713,293	-	2,566,296	2,566,296	-
Deferred income	868,546	868,546	-	-	-	-
Retirement benefit obligations	7,082,169	7,082,169	-	370,104	370,104	-
Total liabilities	1,425,419,020	411,973,772	1,013,445,248	365,601,132	20,386,684	345,214,448

59 CAPITAL MANAGEMENT

For the purpose of the Group's capital management, capital includes issued capital, convertible preference shares, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is 'net debt' divided by total capital plus net debt. The Group includes within net debt, interest bearing loans and borrowings, less cash and short-term deposits, excluding discontinued operations.

As at 31 March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Bank overdrafts	31,394,589	10,260,478	14,131,496	2,617,078
Deposits Liabilities	565,644,097	506,490,967	-	-
Loan & Borrowings	601,202,430	572,942,022	346,818,220	308,508,906
Less: cash and short-term deposits	(111,612,970)	(108,863,315)	(1,941,277)	(2,167,372)
Net debt	1,086,628,146	980,830,151	359,008,439	308,958,612
Total Equity	604,207,131	487,326,670	342,693,785	298,610,277
Capital and Net Debt	1,690,835,277	1,468,156,821	701,702,224	607,568,889
Gearing ratio	64.27%	66.81%	51.16%	50.85%

In order to achieve this overall objective, the Group's capital management, among other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches of the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2025 and 2024.

Notes to the Financial Statements

Property Details

Details of Land & Building of Company

Address	Land Extent A-R-P	Building Extent Sq. Ft.	No. of buildings	Cost	
				Land Rs. '000	Building Rs. '000
1 No. 100/1, Sri Jayawardenapura Mawatha, Rajagiriya	1A-OR-04.86P	57,585	2	93,182	149,205
2 No. C/313, Industrial Area, Ampara	-	-	1	-	7,165
				93,182	156,370
Investment Property Details					
1 No.246/56, Kandy Road, Eldeniya, Kadawatha	0A-OR-23.37P	1,831	1	11,000	-
2 No. 25/7, Wimalawatta Road, Mirihana, Nugegoda	0A-OR-33.40P	-	-	20,000	-
3 No. 52/40, Stanly Road, Jaffna	0A-OR-37.31P	9,984	1	64,630	81,829
4 No. 241 A, Maithreepala Senanayake Mawatha, Anuradhapura	0A-OR-13.01P	13,182	1	18,130	75,362
5 No. 240, Moragahayata, Colombo Road, Ratnapura	0A-OR-15.80P	10,173	1	20,919	8,400
6 Boralukanda, Athabendiwewa, Thalakiriyagama, Dambulla	2A-1R-15.9P	440	2	2,647	2,355
7 No. 54, Queen Mary Road, Gampaha	0A-OR-19.4P	10,975	1	27,500	71,399
8 No. 245, Katugastota Road, Mahaiyawa, Katugastota, Kandy	0A-OR-25.40P	9,136	1	63,925	48,904
9 No. 249/1, Katugastota Road, Kandy	0A-OR-7.3P	-	-	8,760	-
10 No. 245/1A, Maithreepala Senanayake Mawatha, Anuradhapura	0A-OR-10P	-	-	23,999	-
11 No.162, Kolonnawa Road, Gothatuwa	0A-OR-1.25P	-	-	1,559	-
12 No.164, 164A, Kolonnawa Road, Gothatuwa	0A-OR-3.8P	-	-	8,339	-
13 No.249/1, Katugastota, Kandy	0A-OR-8P	-	-	25,287	-
14 No. 189, Puttalam Road, Kurunegala	1A-1R-12.83P	-	-	261,999	-
15 No. 538 & 538A, Main Street, Kalutara South, Kalutara	0A-1R-10.76P	-	-	94,694	111,000
16 Attikkagahawatta, Kochchikade	0A-OR-30P	-	-	42,679	117,200
17 Athimunai Veli, Arugambay Village, Arugambay	2A-2R-0P	-	-	31,318	-
18 Bathalawaththadeniya - Thalagama South Property	0A-OR-10.85P	-	-	6,531	-
19 Weweldeniya Delgahawatha	0A-OR-10.5P	-	-	6,273	-
				740,187	516,449

	Accumulated Depreciation Rs. '000	Last Valuation		Carrying Amount	
		Land Rs. '000	Building Rs. '000	2025 Rs. '000	2024 Rs. '000
	48,533	2,390,000	1,049,000	3,439,000	2,890,545
	7,165	-	-	-	487
	55,698	2,390,000	1,049,000	3,439,000	2,891,032
	-	28,000	3,000	31,000	31,000
	-	130,000	-	130,000	126,900
	-	243,000	191,000	434,000	410,600
	-	85,000	247,000	332,000	302,200
	-	88,000	145,000	233,000	224,300
	-	48,000	4,000	52,000	47,900
	-	107,000	205,000	312,000	287,600
	-	218,000	176,000	394,000	380,300
	-	20,000	-	20,000	18,300
	-	41,000	-	41,000	40,000
	-	3,000	-	3,000	2,500
	-	8,000	-	8,000	7,000
	-	69,000	-	69,000	68,000
	-	1,015,000	-	1,015,000	773,000
	-	203,000	280,000	483,000	413,800
	-	105,000	275,000	380,000	324,000
	-	100,000	-	100,000	80,000
	-	18,000	-	18,000	16,300
	-	6,000	3,200	9,200	9,100
	55,698	2,535,000	1,529,200	4,064,200	3,562,800

Ten Year Summary

For the year ended 31 - March	2016 Rs'000	2017 Rs'000	2018 Rs'000	2019 Rs'000
Group				
Operating results				
Gross income	66,765,048	91,715,284	149,516,214	124,313,908
Revenue	20,228,126	23,441,032	22,602,826	24,805,609
Cost of sales	(12,702,851)	(14,112,059)	(15,428,148)	(17,070,822)
Interest income	38,654,652	54,573,085	104,772,109	75,606,318
Other operating income	6,751,926	7,687,454	12,032,101	13,670,357
Other income/(expenses)	1,130,344	6,013,713	10,109,178	10,231,624
Interest costs	(18,850,392)	(33,159,212)	(58,517,709)	(48,640,652)
Profit before operating expenses	35,211,805	44,444,013	75,570,357	58,602,434
Other operating expenses	(26,499,091)	(34,487,241)	(52,741,405)	(50,161,705)
Results from operating activities	8,712,714	9,956,772	22,828,952	8,440,729
Finance income	-	-	-	-
Finance expense	-	-	-	-
Net finance cost	-	-	-	-
Results on Investment in/disposals of Subsidiaries and Associates	50,963	10,594,331	63,774	-
Share of profit of associate companies	3,094,237	3,827,962	1,763,093	1,108,860
Profit before tax - Continuing operations	11,857,914	24,379,065	24,655,819	9,549,589
Income tax expense	(2,526,527)	(3,458,452)	(5,466,316)	(3,616,665)
Net profit after tax - Continuing operations	9,331,387	20,920,613	19,189,503	5,932,924
As at 31 March				
Assets				
Net lending portfolio	212,782,765	418,696,357	549,975,971	707,277,599
Total assets	379,594,558	640,924,840	822,239,491	1,043,747,286
Liabilities				
Total liabilities	313,218,333	538,309,003	704,706,936	891,526,951
Shareholders' funds				
Share capital	475,200	475,200	475,200	475,200
Reserves	37,223,180	58,374,448	69,986,814	85,577,251
Non-controlling interests	28,677,845	43,766,139	47,070,543	66,167,884
Shareholders' funds	66,376,225	102,615,837	117,532,557	152,220,835
Investor ratios				
Return on assets (%)	2.99	4.10	2.62	2.10
Return on equity (%)	25.84	35.54	15.05	14.52
Other information				
No. of branches	89	99	100	103
No. of service centres	52	42	40	37
No. of subsidiary companies	105	102	100	100
No. of associate companies	11	11	11	11
No. of joint ventures	-	-	-	-

Ten Year Summary

For the year ended 31 - March	2016 Rs'000	2017 Rs'000	2018 Rs'000	2019 Rs'000
Company				
Operating results				
Gross income	7,762,465	20,265,814	16,304,439	11,650,626
Revenue	-	-	-	1,557,044
Cost of sales	-	-	-	(1,416,625)
Other operating income	4,885,984	7,799,736	7,228,336	7,491,770
Other income/(expenses)	2,876,481	12,466,078	9,076,103	2,601,812
Interest costs	(3,191,053)	(5,270,261)	(6,066,902)	(8,020,071)
Profit before operating expenses	4,571,412	14,995,553	10,237,537	2,213,930
Other operating expenses	(3,736,480)	(4,846,183)	(5,474,857)	(5,320,110)
Results from operating activities	834,932	10,149,370	4,762,680	(3,106,180)
Finance income	-	-	-	-
Finance expense	-	-	-	-
Net finance cost	-	-	-	-
Share of profits of equity accounted investees	-	-	-	-
Profit before tax - Continuing operations	834,932	10,149,370	4,762,680	(3,106,180)
Income tax expense	(146,152)	(372,071)	(63,328)	(88,015)
Net profit after tax - Continuing operations	688,780	9,777,299	4,699,352	(3,194,195)
As at 31 March				
Assets				
Total assets	75,493,914	102,007,361	110,723,053	124,995,559
Liabilities				
Total liabilities	39,992,477	55,015,661	59,087,697	76,755,306
Shareholders' funds				
Share capital	475,200	475,200	475,200	475,200
Reserves	35,026,237	46,516,500	51,160,156	47,765,055
Shareholders' funds	35,501,437	46,991,700	51,635,356	48,240,255
Investor ratios				
Total assets to shareholders' funds (times)	2.13	2.17	2.14	2.59
Return on assets [%]	1.00	11.02	4.42	(2.82)
Return on equity [%]	1.96	23.70	9.53	(6.66)
Other information				
No. of employees	1,198	1,235	1,269	1,208

	2020 Rs'000	2021 Rs'000	2022 Rs'000	2023 Rs'000	2024 Rs'000	2025 Rs'000
	9,243,797	13,116,457	26,719,784	51,519,084	51,293,716	53,226,161
	2,480,478	2,530,699	2,491,828	7,751,227	3,155,044	2,218,769
	(2,315,799)	(2,457,398)	(2,421,962)	(8,807,722)	(2,858,655)	(2,045,122)
	7,977,289	7,594,994	8,850,095	36,203,616	50,306,264	47,663,834
	(1,213,970)	2,990,764	15,377,861	7,564,240	(2,167,592)	3,343,558
	(10,669,704)	(9,507,935)	(11,579,412)	(32,768,490)	(35,978,950)	(34,078,293)
	(3,741,706)	1,151,124	12,718,410	9,942,872	12,456,111	17,102,746
	(5,352,315)	(4,047,244)	(4,631,661)	(8,132,857)	(8,637,683)	(9,275,320)
	(9,094,021)	(2,896,120)	8,086,749	1,810,015	3,818,429	7,827,426
	-	-	-	-	-	-
	-	-	-	-	(13,300,614)	(5,856,994)
	-	-	-	-	(13,300,614)	(5,856,994)
	-	31,212,806	52,977,404	20,583,833	39,829,572	52,437,810
	(9,094,021)	28,316,686	61,064,153	22,393,848	30,347,387	54,408,242
	(118,834)	(275,988)	98,821	(20,175)	(432,920)	(336,012)
	(9,212,855)	28,040,698	61,162,974	22,373,673	29,914,467	54,072,230
	191,740,791	252,952,697	409,926,082	457,298,317	616,474,298	708,294,917
	99,208,084	114,496,014	164,814,153	202,828,716	317,864,021	365,601,132
	475,200	475,200	475,200	475,200	475,200	475,200
	92,057,507	137,981,483	244,636,729	253,994,395	298,135,077	342,218,585
	92,532,707	138,456,683	245,111,929	254,469,595	298,610,277	342,693,785
	2.07	1.83	1.67	1.80	2.06	2.07
	(5.82)	12.61	18.45	5.16	5.57	8.16
	(13.09)	24.28	31.89	8.96	10.82	15.50
	905	571	578	643	720	747

Summarised Quarterly Statistics

Income Statement - Rs '000 For the 3 months ended	2024/25				2023/24			
	30-Jun	30-Sep	31-Dec	31-Mar	30-Jun	30-Sep	31-Dec	31-Mar
Group								
Gross income	78,252,763	84,226,476	87,934,527	89,522,053	71,095,209	81,240,153	86,216,689	91,327,226
Interest income	40,518,395	42,930,853	41,301,982	42,248,072	39,859,873	42,173,457	39,419,510	40,704,204
Interest expense	(16,657,730)	(16,366,081)	(15,599,381)	(14,692,996)	(20,928,937)	(16,062,431)	(20,461,893)	(19,147,010)
Net interest income	23,860,665	26,564,772	25,702,601	27,555,077	18,930,936	26,111,026	18,957,617	21,557,194
Revenue	21,672,794	26,130,286	31,455,507	32,942,015	23,013,710	18,155,848	19,258,360	25,509,604
Cost of sales	(13,095,331)	(15,369,745)	(25,414,617)	(12,965,365)	(16,482,707)	(13,134,966)	(14,183,188)	(14,423,891)
Gross profit	8,577,463	10,760,542	6,040,890	19,976,649	6,531,003	5,020,882	5,075,172	11,085,713
Other operating income	7,195,363	8,616,701	8,797,995	12,437,037	5,361,594	6,059,055	7,462,602	10,045,315
Other income/(expenses)	8,866,211	6,548,636	6,379,043	1,894,930	2,860,031	14,851,793	20,076,217	15,068,103
Profit before operating expenses	48,499,702	52,490,651	46,920,530	61,863,692	33,683,564	52,042,755	51,571,608	57,756,325
Other operating expenses	(34,777,777)	(40,430,487)	(32,238,178)	(56,627,847)	(24,263,221)	(32,029,710)	(21,936,950)	(53,906,766)
Results from operating activities	13,721,926	12,060,164	14,682,351	5,235,846	9,420,344	20,013,045	29,634,658	3,849,560
Finance Income	1,512,280	2,109,605	(738,857)	4,400,924	3,209,662	815,778	2,239,484	1,602,302
Finance Cost	(14,448,880)	(13,734,679)	(13,653,584)	(17,234,981)	(12,148,773)	(19,906,851)	(16,581,988)	(16,639,650)
Net Finance Cost	(12,936,600)	(11,625,074)	(14,392,441)	(12,834,057)	(8,939,111)	(19,091,073)	(14,342,504)	(15,037,348)
Results on acquisition and divestment of group investments	39,003	27,338,688	6,938,256	19,696,692	-	(20,440)	15,913,732	823,269
Share of profit of associate companies	2,399,265	2,509,182	2,079,035	(2,759,880)	2,096,171	1,856,684	532,645	3,493,508
Profit before tax from continuing operations	3,223,594	30,282,960	9,307,202	9,338,601	2,577,403	2,758,216	31,738,532	(6,871,012)
Income tax expense	(1,070,723)	(1,546,275)	(1,470,710)	2,320,047	(1,339,170)	(956,031)	(2,765,969)	(3,388,897)
Profit for the year from continuing operations	2,152,870	28,736,685	7,836,492	11,658,648	1,238,234	1,802,185	28,972,562	(10,259,909)
Discontinued operations								
Profit/(loss) after tax for the year from discontinued operations and assets held for sale	(67)	-	-	(9,382,255)	-	-	-	(100)
Profit for the year	2,152,803	28,736,685	7,836,492	2,276,393	1,238,234	1,802,185	28,972,562	(10,260,009)
Balance Sheets - Rs '000								
As at								
Group								
Assets	1,785,339,035	1,905,152,220	1,905,125,164	2,029,626,151	1,534,786,904	1,635,212,921	1,734,427,511	1,739,705,901
Liabilities	1,294,029,814	1,362,811,163	1,359,648,933	1,425,419,020	1,112,947,076	1,197,823,452	1,244,655,907	1,252,379,231
Net Assets	491,309,221	542,341,057	545,476,231	604,207,131	421,839,828	437,389,469	489,771,604	487,326,670
Share capital	475,200	475,200	475,200	475,200	475,200	475,200	475,200	475,200
Reserves	297,039,488	332,244,498	336,940,167	342,218,585	252,250,730	261,711,070	293,196,434	298,135,078
Non controlling interest	193,794,533	209,621,359	208,060,864	261,513,346	169,113,898	175,203,199	196,099,970	188,716,393
Share capital, reserves & NCI	491,309,221	542,341,057	545,476,231	604,207,131	421,839,828	437,389,469	489,771,604	487,326,670

Income Statement - Rs '000 For the 3 months ended	2024/25				2023/24			
	30-Jun	30-Sep	31-Dec	31-Mar	30-Jun	30-Sep	31-Dec	31-Mar
Company								
Gross income	14,547,198	12,804,471	13,615,941	12,258,551	12,288,736	15,565,329	12,537,726	10,901,925
Interest income	12,112,324	12,045,796	12,553,073	9,396,380	10,998,420	15,374,135	11,269,715	11,658,128
Interest expense	(8,979,040)	(8,633,661)	(8,240,630)	(8,224,961)	(8,666,202)	(9,682,561)	(7,025,900)	(10,604,287)
Net interest income	3,133,283	3,412,135	4,312,443	1,171,419	2,332,218	5,691,574	4,243,815	1,053,841
Revenue	482,647	651,022	571,869	513,231	651,726	1,024,268	553,783	925,266
Cost of sales	(431,746)	(627,144)	(585,995)	(400,237)	(592,957)	(937,708)	(472,090)	(855,899)
Gross profit	50,901	23,878	(14,126)	112,994	58,769	86,560	81,692	69,367
Other operating income	312,464	386,787	455,004	402,007	211,088	203,498	256,117	335,163
Other income	1,639,764	(279,133)	35,995	1,946,933	427,502	(1,036,573)	458,111	(2,016,633)
Profit before operating expenses	5,136,412	3,543,666	4,789,316	3,633,353	3,029,577	4,945,060	5,039,736	(558,262)
Other operating expenses	(2,009,515)	(1,610,783)	(2,070,212)	(3,584,810)	(1,758,126)	(2,353,589)	(3,071,044)	(1,454,924)
Results from operating activities	3,126,896	1,932,883	2,719,104	48,543	1,271,451	2,591,470	1,968,692	(2,013,186)
Finance income	-	-	-	-	-	-	-	-
Finance cost	(1,588,627)	(1,447,137)	(1,389,908)	(1,431,322)	(3,860,212)	(3,221,442)	(3,521,053)	(2,697,906)
Net Finance cost	(1,588,627)	(1,447,137)	(1,389,908)	(1,431,322)	(3,860,212)	(3,221,442)	(3,521,053)	(2,697,906)
Share of profits of equity accounted investees, net of tax	2,984,337	29,720,253	9,321,301	10,411,919	6,697,715	(589,884)	30,954,778	2,766,962
Profit/ (loss) before tax from continuing operations	4,522,606	30,205,999	10,650,497	9,029,140	4,108,955	(1,219,856)	29,402,417	(1,944,130)
Income tax expense	-	-	(507,930)	171,918	-	-	-	(432,920)
Profit for the year from continuing operations	4,522,606	30,205,999	10,142,567	9,201,058	4,108,955	(1,219,856)	29,402,417	(2,377,050)
Discontinued operations								
Profit/(loss) after tax for the year from discontinued operations and assets held for sale	-	-	-	(4,360,680)	-	-	-	-
Profit for the year	4,522,606	30,205,999	10,142,567	4,840,378	4,108,955	(1,219,856)	29,402,417	(2,377,050)
Balance Sheets - Rs '000								
As at	2024/25				2023/24			
	30-Jun	30-Sep	31-Dec	31-Mar	30-Jun	30-Sep	31-Dec	31-Mar
Company								
Assets	637,543,425	686,079,956	697,994,132	708,294,917	493,232,798	519,983,786	593,509,973	616,474,297
Liabilities	340,028,737	353,360,258	360,578,765	365,601,132	240,506,866	257,797,516	299,838,339	317,864,020
Net Assets	297,514,688	332,719,698	337,415,367	342,693,785	252,725,932	262,186,270	293,671,634	298,610,277
Share capital	475,200	475,200	475,200	475,200	475,200	475,200	475,200	475,200
Reserves	297,039,488	332,244,498	336,940,167	342,218,585	252,250,731	261,711,070	293,196,434	298,135,077
Share capital & reserves	297,514,688	332,719,698	337,415,367	342,693,785	252,725,932	262,186,270	293,671,634	298,610,277

Value Addition

	2024/25		2023/24	
	Rs.'000	(%)	Rs'000	(%)
Group				
Value added				
Income	256,685,893		226,665,605	
Other income	23,688,820		52,856,145	
Cost of borrowing and services	[192,248,934]		[192,905,526]	
Provisions	[18,810,499]		[24,554,162]	
Results on acquisition and divestment of Group investments	54,012,640		16,716,561	
Share of profits of associate companies	4,227,602		7,979,008	
	127,555,522		86,757,630	
Distribution of value added				
To employees				
Remuneration and other benefits	55,057,349	43	42,078,536	49
To government				
Indirect taxes	6,848,608	5	4,301,610	5
Direct taxes	1,767,661	1	8,450,067	10
To Providers of capital				
Dividends to shareholders	-		-	
Minority interest	[3,687,536]	[3]	[8,161,456]	[9]
To expansion and growth				
Retained profits	54,072,230	42	29,914,527	34
Depreciation and amortisation	13,497,210	11	10,174,346	12
	127,555,522	100	86,757,630	100
Company				
Value added				
Income	47,837,481		50,573,919	
Other income	3,343,558		[2,138,857]	
Cost of borrowing and services	[44,643,279]		[54,415,865]	
Provisions	[1,605,652]		[51,266]	
Share of profits of associate companies	52,437,810		39,829,572	
	57,369,918		33,797,502	
Distribution of value added				
To Employees				
Remuneration and other benefits	2,228,548	4	2,184,546	6
To Government				
Indirect taxes	546,463	1	388,079	1
Direct taxes	336,012	1	432,920	1
To Providers of Capital				
Dividends to shareholders	-	-	-	-
Reserves	-	-	-	-
To Expansion and Growth				
Retained profits	54,072,230	94	29,914,467	89
Depreciation and amortisation	186,665	0	877,491	3
	57,369,918	100	33,797,502	100

Indicative US Dollar Financial Statements

Statement of Financial Position for Information Purposes Only

As at 31 March	Group		Company	
	2025 USD.'000	2024 USD.'000	2025 USD.'000	2024 USD.'000
Assets				
Cash and short term deposits	376,629	361,452	6,551	7,196
Financial assets at fair value through profit or loss	158,556	84,625	-	-
Investment securities	475,428	478,665	151,639	130,344
Non current assets held for sale and discontinued operations	92,630	-	49,848	-
Financial assets at amortised cost/ Finance lease receivables and operating leases	224,955	200,072	-	-
Financial assets at amortised cost/ Advances and other loans	2,535,611	2,238,622	313,327	238,441
Insurance premium receivables	10,084	12,926	-	-
Inventories	112,355	79,190	1,100	2,203
Current tax assets	31,496	16,953	320	541
Trade and other current assets	300,501	331,577	748,261	666,652
Right of use assets	554,604	234,286	77	97
Investment properties	626,659	572,254	13,714	11,829
Biological assets;				
Consumable biological assets	54,425	35,193	-	-
Bearer biological assets	74,827	40,833	-	-
Investments in group of companies;				
Subsidiary companies	-	-	979,760	798,666
Associate companies	117,943	238,267	101,576	171,700
Deferred tax assets	24,857	17,634	-	-
Intangible assets	34,464	33,279	235	220
Property, plant and equipment	1,042,787	800,401	23,676	18,949
Total assets	6,848,812	5,776,229	2,390,085	2,046,838
Liabilities and equity				
Liabilities				
Bank overdrafts	105,939	34,067	47,686	8,689
Trading liabilities - fair value through profit or loss	2,328	3,193	-	-
Financial Liabilities at Amortised Cost/ Deposits liabilities	1,908,721	1,681,668	-	-
Financial Liabilities at Amortised Cost/ Interest bearing borrowings	2,028,710	1,902,301	1,170,310	1,024,321
Insurance provision - life	48,821	34,610	-	-
Insurance provision - general	32,065	27,950	-	-
Current tax payables	90,451	71,894	2,634	4,310
Trade and other payables	364,602	268,350	3,153	10,289
Deferred tax liabilities	201,498	115,491	8,660	6,646
Deferred income	2,931	1,905	-	-
Retirement benefit obligations	23,898	16,763	1,249	1,127
Total liabilities	4,809,963	4,158,191	1,233,692	1,055,383
Equity				
Stated capital	1,604	1,578	1,604	1,578
Reserves	405,758	396,895	405,758	396,895
Retained earnings	749,031	592,983	749,031	592,983
Equity attributable to shareholders of the Company	1,156,393	991,456	1,156,393	991,456
Non-controlling interests	882,456	626,582	-	-
Total equity	2,038,849	1,618,038	1,156,393	991,456
Total liabilities & equity	6,848,812	5,776,229	2,390,085	2,046,838
Net assets per share (USD)	2.43	2.09	2.43	2.09
Exchange Rate USD/LKR	296.3472	301.1837	296.3472	301.1837

This information does not constitute a full set of financial statements in compliance with SLFRS/LKAS. The above should be read together with the Auditors' opinion and the notes to the financial statements. Exchange rates prevailing at year end USD/LKR 296.3472 [2024 : 301.1837] have been used to convert the statement of financial position.

Indicative US Dollar Financial Statements

Income Statement for Information Purposes Only For the year ended 31 March	Group		Company	
	2025 USD.'000	2024 USD.'000	2025 USD.'000	2024 USD.'000
Gross income	1,141,085	1,037,459	178,668	161,317
Interest income	560,578	509,978	154,772	155,048
Interest expense	(212,538)	(240,905)	(114,393)	(113,153)
Net interest income/ [expenses]	348,040	269,073	40,379	41,895
Revenue	376,631	270,270	7,448	9,923
Cost of sales	(224,383)	(183,115)	(6,865)	(8,990)
Gross profit	152,248	87,156	583	932
Other operating income	124,358	90,979	5,224	3,163
Other income/[expenses]	79,518	166,231	11,224	(6,817)
Net Operating Income	704,164	613,439	57,410	39,174
Operating expenses				
Direct expenses excluding interest expenses	(77,657)	(51,883)	(1,851)	(1,252)
Personnel expenses	(184,815)	(132,336)	(7,481)	(6,870)
Impairment charge on financial assets	(63,142)	(77,222)	(5,390)	(161)
Depreciation and Amortisation	(45,307)	(31,998)	(627)	(2,760)
Other operating expenses	(179,838)	(122,127)	(15,787)	(16,122)
Results from operating activities	153,405	197,874	26,275	12,009
Finance income	24,451	24,742	-	-
Finance expense	(198,291)	(205,295)	(19,661)	(41,830)
Net finance cost	(173,841)	(180,553)	(19,661)	(41,830)
Share of profits of equity accounted investees, net of tax	14,191	25,094	176,021	125,263
Results on acquisition and divestment of Group investments	181,308	52,573	-	-
Profit/ [loss] before tax expense from continuing operations	175,063	94,988	182,636	95,441
Income tax expense	(5,934)	(26,575)	(1,128)	(1,362)
Profit/ [loss] for the year from continuing operations	169,130	68,413	181,508	94,080
Discontinued operations				
Profit/(loss) after tax for the year from discontinued operations and assets held for sale	(31,494)	-	(14,638)	-
Profit/ [loss] for the year	137,635	68,412	166,870	94,080
Profit/ [loss] attributable to; [Continuing operations]				
Equity holders of the Company	181,508	94,080	181,508	94,080
Non-controlling interests	(12,378)	(25,667)	-	-
	169,130	68,413	181,508	94,080
Profit attributable to; [Discontinued operations]				
Equity holders of the Company	(14,638)	-	(14,638)	-
Non-controlling interests	(16,856)	-	-	-
	(31,494)	-	(14,638)	-
Profit attributable to;				
Equity holders of the Company	166,870	94,080	166,870	94,080
Non-controlling interests	(29,235)	(25,668)	-	-
	137,635	68,412	166,870	94,080
Basic earnings per share [USD]	0.35	0.20	0.35	0.20
Exchange Rate USD/LKR	297.9058	317.9686	297.9058	317.9686

This information does not constitute a full set of financial statements in compliance with SLFRS/LKAS. The above should be read together with the Auditors' opinion and the notes to the financial statements. Exchange rates prevailing at year end USD/LKR 297.9058 (2024 : 317.9686) have been used to convert the income statement.

List of Group Companies

Group Companies	Reg No	Directors
LOLC Holdings PLC	PQ70	I C Nanayakkara W D K Jayawardena Mrs. K U Amarasinghe M D D Pieris [RWEF 12.03.2025] Dr. R A Fernando [RWEF 31.03.2025] F K C P N Dias K Sundararaj [AWEF 01.01.2025] K Sivanesan [AWEF 12.03.2025] G S Kalidasa [AWEF 16.06.2025]
LOLC Finance PLC	PB 244 PQ	F K C P N Dias D M D K Thilakaratne B C G de Zylva P A Wijeratne A J L Pieris S Lankathilake K Sundararaj [RWEF 23.01.2025] Mrs. K T C Priyangani [AWEF 23.01.2025]
Dolphin Hotels PLC	PQ 224	W D K Jayawardena D S K Amarasekera Dr. J M Swaminathan S Furkhan T Dharmarajah [AWEF 01.10.2024] R L E C Wijeratne
Eden Hotels Lanka PLC	PQ 199	W D K Jayawardena Mrs. K U Amarasinghe D S K Amarasekera J Selvaratnam [AWEF 01.01.2025] T Dharmarajah [AWEF 01.10.2024] S Furkhan Dr. J M Swaminathan
Hotel Sigiriya PLC	PQ 81	W D K Jayawardena Mrs. K U Amarasinghe D S K Amarasekera Dr. J M Swaminathan S Furkhan T Dharmarajah [AWEF 01.10.2024]

List of Group Companies

Group Companies	Reg No	Directors
Palm Garden Hotels PLC	PQ 132	W D K Jayawardena Mrs. K U Amarasinghe D S K Amarasekera R L E C Wijeratne J Selvaratnam [AWEF01.01.2025] T Dharmarajah [AWEF 01.10.2024] Dr. J M Swaminathan
Serendib Hotels PLC	PQ 223	W D K Jayawardena Mrs. K U Amarasinghe D S K Amarasekera Dr. J M Swaminathan E J D Rajakarier T Dharmarajah [AWEF 01.10.2024] W A T M Wijesinghe S A Chojnacki
LOLC General Insurance PLC	PQ00251202	K A K P Gunawardena Mrs. K U Amarasinghe [AWEF 05.09.2024] Mrs. V G S S Kotakadeniya W R A Dharmaratne I Wijesiriwardana H A Karunaratne
LOLC Ceylon Holdings Limited	PB 00234078	Dr. J M Swaminathan D R Samaraweera M I I Ibrahim
Sundaya Lanka [Pvt] Ltd	PV 7346	M R Adema J B W Kelegama P D G Jayasena
Tropical Villas [Pvt] Ltd	PV 4043	D S K Amarasekera P D G Jayasena J B W Kelegama
Kammala Hoteliers [Private] Limited	PV 83438	D S K Amarasekera Dr. J M Swaminathan
Ceylon Graphene Technologies [Private] Limited	PV 00200923	I C Nanayakkara W D K Jayawardena Dr. R A Fernando M Gunawardana W K D T Abeyrathne
Commercial Factors [Private] Limited	PB 3775 PV	P D G Jayasena D M D K Thilakaratne J B W Kelegama
Dikwella Resort [Private] Limited	PV 11742	J B W Kelegama P D G Jayasena

Group Companies	Reg No	Directors
Diriya Investments (Private) Limited	PV65852	Mrs. R N A Nanayakkara K A K P Gunawardena
Eagle Recoveries (Private) Limited	PB 3852 PV	P D G Jayasena J B W Kelegama
East Coast Land Holdings (Private) Limited	PB 3851 PV	P D G Jayasena J B W Kelegama
Fortigrains Lanka (Pvt) Ltd	PV00230384	M Gunawardana D W Batagoda W K D T Abeyrathne
Frontier Capital Lanka (Pvt) Ltd	PV 74570	D S K Amarasekera Dr. J M Swaminathan
Green Orchard Property Investments (Private) Limited	PB 3855 PV	P D G Jayasena J B W Kelegama
Green Paradise Resorts (Private) Limited	PV 60519	D S K Amarasekera R L E C Wijerathne Mrs. K U Amarasinghe P D G Jayasena
ICONIC Property Three (Private) Limited	PV 00229820	P D G Jayasena
ICONIC Property Five (Private) Limited	PV 00229905	P D G Jayasena
ICONIC Property Six (Private) Limited	PV 00229906	P D G Jayasena
ICONIC Property Eight (Private) Limited	PV 00229908	P D G Jayasena
ICONIC Property Nine (Private) Limited	PV 00229909	P D G Jayasena
ICONIC Property Ten (Pvt) Ltd	PV 00229910	P D G Jayasena
ICONIC Property Thirteen (Private) Limited	PV 00229913	P D G Jayasena
ICONIC Property Fifteen (Private) Limited	PV 00229918	P D G Jayasena
ICONIC Property Seventeen (Private) Limited	PV 00229926	P D G Jayasena
ICONIC Property Eighteen (Private) Limited	PV 00229927	P D G Jayasena
ICONIC Property Twenty One (Private) Limited	PV 00229818	P D G Jayasena
Monkey Beach Estate (Pvt) Ltd	PV 95997	P D G Jayasena
Leapstitch Apparel (Pvt) Ltd	PV00246594	D R Samaraweera M I I Ibrahim D W Batagoda P D G Jayasena
Leapstitch Technologies (Pvt) Ltd	PV00225747	W D K Jayawardena Dr. P S H Uluwaduge D R Samaraweera M I I Ibrahim
LOLC Advanced Technologies (Pvt) Ltd	PV 125403	I C Nanayakkara W D K Jayawardena M Gunawardana W K D T Abeyrathne

List of Group Companies

Group Companies	Reg No	Directors
LOLC Asset Holdings Limited	PB 4824	J B W Kelegama D W Batagoda
LOLC Ceylon Property Holdings (Private) Limited	PV00229980	M I I Ibrahim
LOLC Capital (Private) Limited	PV 130140	I C Nanayakkara
LOLC Capital One (Private) Limited	PV 92639	J B W Kelegama S Gurusinghe (RWEF 30.07.2025) B D T R Perera
LOLC Corporate Services (Private) Limited	PV 97781	K A K P Gunawardena Mrs. R T Seneviratne Mrs. J K Vaas
LOLC Eco Solutions Limited	PB 3804	P D G Jayasena J B W Kelegama
LOLC Factors Limited	PB 4633	K G D C Jayanath P D G Jayasena
LOLC Fincorp (Private) Limited	PV00232532	M I I Ibrahim
LOLC Geo Technologies Pvt Ltd	PV 85992	M Gunawardana D W Batagoda M A P N Weerasinghe R R B Wadugodapitiya
LOLC Investments Limited	PB 163	D R Samaraweera J B W Kelegama P D G Jayasena
LOLC Investment Holdings One (Private) Limited	PV00245492	D R Samaraweera M I I Ibrahim
LOLC Investment Holdings Two (Private) Limited	PV00245158	P D G Jayasena
LOLC Investment Holdings Three (Private) Limited (Amalgamated with LOLC Factors Limited w.e.f. 30.04.2025)	PV00245251	D R Samaraweera M I I Ibrahim
LOLC Investment Holdings Four (Private) Limited	PV00245502	D S K Amarasekera P D G Jayasena W K D T Abeyrathne
I Pay Ceylon (Private) Limited	PV00245492	F K C P N Dias D R Samaraweera M I I Ibrahim
Ceylon Precious (Private) Limited	PV00245540	D S K Amarasekera
LOLC Investment Holdings Seven (Private) Limited	PV 00266275	M I I Ibrahim
LOLC Investment Holdings Eight (Private) Limited	PV 00266281	M I I Ibrahim
LOLC Investment Holdings Nine (Private) Limited	PV 00266280	M I I Ibrahim
LOLC Investment Holdings Ten (Private) Limited (Name changed to Browns Tea Brokers (Private) Limited w.e.f. 26.05.2025)	PV 00268211	M I I Ibrahim (RWEF 03.06.2025) D S K Amarasekara (AWEF 03.06.2025) Dr. P S H Uluwaduge (AWEF 03.06.2025) L H M S Lansakara (AWEF 03.06.2025)

Group Companies	Reg No	Directors
LOLC Investment Holdings Eleven (Private) Limited (Name changed to LOLC Motors (Private) Limited w.e.f. 18.08.2025)	PV 00268217	M I I Ibrahim
LOLC Life Assurance Limited	PB 3807	W D K Jayawardena Dr. Mrs. R N A Nanayakkara A J L Peiris K Sivanesan [AWEF 23.04.2025]
LOLC Motors Limited	PB 3789	K A K P Gunawardena P D G Jayasena Mrs. D G U P Jayasekara [AWEF 07.11.2024]
LOLC Eco Technologies (Pvt) Ltd	PV131209	P D G Jayasena M Gunawardena
LOLC Property Six (Private) Limited	PV131206	P D G Jayasena
LOLC Securities Limited	PB 3853	W D K Jayawardena K A K P Gunawardena Dr. J M Swaminathan
LOLC Serendib (Private) Limited	PV 130503	J B W Kelegama P D G Jayasena
LOLC Technologies Limited	PB 3788	F K C P N Dias K K D U P Siriwardena J B W Kelegama
Sun Yield Bio Ingredients (Pvt) Ltd	PV00261509	W K D T Abeyrathne M Gunawardana Dr. P S H Uluwaduge M D D N Mallawarachchi S K O Govindan S Bavu
Riverina Resort (Private) Limited	PV 87378	R L E C Wijeratne D S K Amarasekera
Sanctuary Resorts Lanka (Pvt) Ltd	PV 75715	D S K Amarasekera Dr. J M Swaminathan
Serendib Leisure Management Ltd	PB1075	Mrs. K U Amarasinghe D S K Amarasekera Dr. J M Swaminathan E J D Rajakarier
Browns Hotels and Resorts Limited	PB3805	Mrs. V G S S Kotakadeniya [RWEF 11.06.2025] D S K Amarasekera J B W Kelegama
Thurushakthi (Private) Limited	PV 88992	P D G Jayasena
United Dendro Energy Ambalantota (Private) Limited	PV 86838	P D G Jayasena
United Dendro Energy Walawewatte (Private) Limited	PV 86829	P D G Jayasena

List of Group Companies

Group Companies	Reg No	Directors
LOLC Property Holdings SL (Private) Limited	PV 00297597	N W K M S Chandrasekara [RWEF 07.05.2025] M I I Ibrahim
Three Tips Ella (Pvt) Ltd	PV 00295819	D S K Amarasekera R L E C Wijeratne Mrs K U Amarasinghe
I Pay Holdings (Pvt) Ltd	PV 00297240	K K D U P Siriwardena N W K M S Chandrasekara [RWEF 07.05.2025] M I I Ibrahim
Fusion X Holdings (Pvt) Ltd	PV 00297242	K K D U P Siriwardena N W K M S Chandrasekara [RWEF 07.05.2025] M I I Ibrahim
Bestie Beverages (Pvt) Ltd	PV00220041	P B Wickrama Muneege R M A B Rathnayake M Gunawardena M I I Ibrahim [AWEF 27.05.2025]
Brown & Company PLC	PQ 25	I C Nanayakkara W D K Jayawardena Mrs. K U Amarasinghe W D K T Abeyrathne T Sanakan K Sundararaj C Wijesinha
Associated Battery Manufacturers Ceylon Limited	PB 240	A K Mukherjee A K Roy T Sanakan M Gunawardena A De Silva K Aniruddha P S Ramachandra
S.F.L.Services (Pvt) Ltd	PV 1463	P D G Jayasena T Sanakan W K D T Abeyrathne
Engineering Services (Pvt) Ltd	PV 7400	P D G Jayasena T Sanakan W K D T Abeyrathne
Masons Mixture Limited	PB 181	P D G Jayasena T Sanakan W K D T Abeyrathne
Browns Group Motels Ltd	PB 167	P D G Jayasena T Sanakan
C.F.T.Engineering Ltd	PB 318	P D G Jayasena T Sanakan

Group Companies	Reg No	Directors
Browns Group Industries (Pvt) Ltd	PV 1917	P D G Jayasena T Sanakan
The Hatton Transport And Agency Company (Pvt) Ltd	PV 2833	P D G Jayasena T Sanakan
Walker & Greig (Pvt) Ltd	PV 66042	P D G Jayasena T Sanakan
Klevenberg (Pvt) Ltd	PV 5697	T Sanakan W K D T Abeyrathne
Sifang Lanka (Pvt) Ltd	PV 7481	P D G Jayasena T Sanakan
Galoya Holdings (Private) Limited	PV 7182	K A K P Gunawardena W K D T Abeyrathne G S Kalidasa P Kumara
Galoya Plantations (Pvt) Ltd	PV 7601	K A K P Gunawardena W K D T Abeyrathne D W Batagoda Dr. P S H Uluwaduge C Abeywickrema Y M I Silva I D N Thesera A Kumara
Browns Thermal Engineering (Pvt) Ltd	PV 5001	T Sanakan P D G Jayasena
Browns Health Care Negombo (Pvt) Ltd	PV 65726	T Sanakan W K D T Abeyrathne
Browns Industrial Park Ltd (Formerly Known as East West Textiles (Pvt) Ltd)	PB 1100	P D G Jayasena T Sanakan W K D T Abeyrathne
Snowcem Products Lanka (Pvt) Ltd	PV 5900	W K D T Abeyrathne T Sanakan
Browns Holdings Ltd	PB 1183	Mrs. K U Amarasinghe K A K P Gunawardena
Browns Pharma Ltd	PB 5377	T Sanakan M Gunawardena
Browns Agri Solutions (Pvt) Ltd	PV 128935	W K D T Abeyrathne M Gunawardena T Sanakan D W Batagoda
B.I.Holdings (Pvt) Ltd (Formerly known as Browns Pharmaceuticals Limited)	PV00247872	T Sanakan M Wijesinghe

List of Group Companies

Group Companies	Reg No	Directors
Browns Leisure [Pvt] Ltd	PV122212	W K D T Abeyrathne T Sanakan P D G Jayasena
Ceylon Nano Diagnostics [Pvt] Ltd	PV00242732	W K D T Abeyrathne D W Batagoda M Gunawardena N B Handagama A M Mubarak S D N K Bathige
Browns Property Holdings [Pvt] Ltd	PV00245577	P D G Jayasena T Sanakan W K D T Abeyrathne
Browns Sola Solutions [Pvt] Ltd	PV00327952	T Sanakan P D G Jayasena
Browns Group Industrial Park [Pvt] Ltd [Formerly known as ISIN Lanka [Pvt] Ltd]	PV8833	T Sanakan P D G Jayasena
Agstar PLC	PV1618PQ	I C Nanayakkara I Gunawardena M A P N Weerasinghe T Sanakan M Gunawardena K Sivanesan S Jayasuriya
Agstar Cropcare [Pvt] Ltd	PV1627	W D K T Abeyrathne M A P N Weerasinghe I Gunawardena
Agstar Grains [Pvt] Ltd	PV 84949	W D K T Abeyrathne M A P N Weerasinghe I Gunawardena
Agstar Exports [Pvt] Ltd	PV 94964	W D K T Abeyrathne M A P N Weerasinghe I Gunawardena
Agstar Seeds [Pvt] Ltd	PV 1025	W D K T Abeyrathne M A P N Weerasinghe I Gunawardena
Prith Seeds [Pvt] Ltd	PV 16021	W D K T Abeyrathne M A P N Weerasinghe I Gunawardena
Mahaweli Agro [Pvt] Ltd	PV 12856	W D K T Abeyrathne M A P N Weerasinghe I Gunawardena

Group Companies	Reg No	Directors
Royal Seed Company(Pvt) Ltd	PV 18263	W D K T Abeyrathne M A P N Weerasinghe I Gunawardena
Browns Investments PLC	PV 66136 PBPQ	I C Nanayakkara D S K Amarasekera S Furkhan [RWEF 01.01.2025] C Wijesinha [AWEF 01.01.2025] W D K Jayawardena Dr. J M Swaminathan [RWEF 01.01.2025] K Sivanesan [AWEF 01.01.2025] C Wijesinha [AWEF 01.01.2025]
Browns Tours (Pvt) Ltd	PV 1242	Dr. (Mrs.) R N A Nanayakkara D S K Amarasekera P A D F Perera
B.G.Air Services (Pvt) Ltd	PV 1807	D S K Amarasekera T Sanakan W K D T Abeyrathne M A P N Weerasinghe P D G Jayasena
Samudra Beach Resorts (Pvt) Ltd	PV 78179	Mrs. V G S S Kotakadeniya [RWEF 11.06.2025] D S K Amarasekera R L E C Wijeratne [AWEF 11.06.2025] P D G Jayasena [AWEF 31.03.2025]
Millennium Development (Pvt) Ltd	PV 1792	D S K Amarasekera T Sanakan R L E C Wijeratne
Excel Global Holdings (Pvt) Ltd	PV 1625	D S K Amarasekera T Sanakan
Taprobane Plantations Ltd	PB 152	Dr. (Mrs.) R N A Nanayakkara H M Siripala
Excel Restaurants (Pvt) Ltd	PV 9123	D S K Amarasekera T Sanakan R L E C Wijeratne
Ajax Engineers (Pvt) Ltd	PV 1556	D S K Amarasekera T Sanakan V Gunarathne C S Jayasinghe

List of Group Companies

Group Companies	Reg No	Directors
Green Paradise (Pvt) Ltd	PV 60519	D S K Amarasekera R L E C Wijeratne Mrs. K U Amarasinghe P D G Jayasena
Sun & Fun Resorts Ltd	PB 3870	V K Vemuru D S K Amarasekera T Selviah R L E C Wijeratne P D G Jayasena
Browns Global Farm (Pvt) Ltd	PV 92172	D S K Amarasekera P D G Jayasena
B I Commodities and Logistics (Pvt) Ltd	PV 105139	D S K Amarasekera P D G Jayasena W K D T Abeyrathne M Gunawardena A A G Vithanage
BI Zhongtian Holdings (Pvt) Ltd	PV 106789	D S K Amarasekera P D G Jayasena
Ceylon Roots Lanka (Pvt) Ltd	PV 121788	P D G Jayasena D S K Amarasekera P A D F Perera
Browns Teas (Pvt) Ltd	PV 121691	D S K Amarasekera M A P N Weerasinghe P D G Jayasena
Browns Metal & Sands (Private) Ltd	PV 121690	D S K Amarasekera W K D T Abeyrathne Mrs. V G S S Kotakadeniya M A P N Weerasinghe
Browns Engineering and Construction (Pvt) Ltd	PV 129313	D S K Amarasekera D N N Lokuge K A K P Gunawardena J K Pathirena P D G Jayasena (AWEF 30.04.2025)
Gurind Accor (Pvt) Ltd	PV 8622	G Singh D S K Amarasekera
Sri Spice (Private) Limited	PV 104388	W K D T Abeyrathne M Gunawardena N J Wickramasinghe

Group Companies	Reg No	Directors
Tropical Island Commodities (Private) Limited	PV 662	W K D T Abeyrathne M Gunawardena M D D M Mallawarachchi N J Wickramasinghe
Ceylon Real Estate Holdings (Pvt) Ltd	PV 00239413	M I I Ibrahim D S K Amarasekera K A K P Gunawardena
Colombo Marina Development (Pvt) Ltd	PV00239868	M I I Ibrahim D S K Amarasekera K A K P Gunawardena
Marina Hotel Holdings (Pvt) Ltd	PV00239989	M I I Ibrahim D S K Amarasekera K A K P Gunawardena
F L P C Management (Pvt) Ltd.	PV 18888	D S K Amarasekera P D G Jayasena M A P N Weerasinghe
Browns Power Holdings (Pvt) Ltd	PV 70021	D S K Amarasekera
Browns Properties (Pvt) Ltd	PV 75864	D S K Amarasekera P D G Jayasena M A P N Weerasinghe D W Batagoda
Maturata Plantations Ltd	PB 214	Dr. P S H Uluwaduge D S K Amarasekera K A K P Gunawardena Mrs. V G S S Kotakadeniya G D V Perera M Gunawardena Ms. N Dharmaratna
Marina Hotel (Private) Limited	PV00260099	D R Samaraweera S A Bartholomeuz M I I Ibrahim
Colombo Marina International (Pvt) Ltd	PV00260078	D R Samaraweera S A Bartholomeuz M I I Ibrahim
The Tea Leaf Resort Holding (Pvt) Ltd (Winding up in progress)	PV72507	W A P Perera D S Panditha D S K Amarasekera G A Aloysius

List of Group Companies

Group Companies	Reg No	Directors
Sierra Cables PLC	PQ 166	I C Nanayakkara W D C H Jayathunga D S Panditha P E A B Perera Mrs. V G S S Kotakadeniya M A P N Weerasinghe D S K Amarasekera P D G Jayasena S M S C Jayasuriya G I U S Perera
Browns Developments Limited	PB673	D W Batagoda D S K Amarasekera M A P N Weerasinghe
Browns Pilling (Private) Limited	PV 2158	D S K Amarasekera M A P N Weerasinghe J K Pathirana N N Lokuge
Sansun Boutique Hotels Limited	PB 299	M A P N Weerasinghe R L E C Wijeratne P D G Jayasena D S K Amarasekera
Euro Asia Teas (Pvt) Ltd [Name changed to Browns Tea Exports (Pvt) Ltd wef 10.10.2024]	PV00232816	W K D T Abeyrathne L H M S Lansakara
Iconic Trust (Pvt) Ltd	PV 00232531	D S K Amarasekera K A K P Gunawardena M A P N Weerasinghe
Hapugastenne Plantations PLC	PQ 62	Dr. P H S Uluwaduge D J Ratwatte T Dharmarajah D S K Amarasekera Mrs. V G S S Kotakadeniya A S Perera U H E Silva G D V Perera K M Mohotti M Gunawardena

Group Companies	Reg No	Directors
Udapussellawa Plantations PLC	PQ 63	Dr. P H S Uluwaduge D J Ratwatte T Dharmarajah D S K Amarasekara Mrs. V G S S Kotakadeniya A S Perera U H E Silva G D V Perera K M Mohotti M Gunawardena
Tea Smallholder Factories PLC	PQ 32	Dr. P H S Uluwaduge Ms. A Goonetilleke P P Edirisinghe D S K Amarasekara G D V Perera A S Perera T Dharmarajah U H E Silva
Browns Plantation Holdings (Pvt) Ltd	PV 00297365	M I I Ibrahim N W K M S Chanrasekara
Newburgh Green Teas (Private) Limited	PV 72507	C B De Silva D J Ratwatte A Gurusinghe J P Karunaratne A A N M Amarasinghe W P S J Pushpakumara Dr. P S H Uluwaduge A S Perera A R Dayananda A Fernando (Alternate director to C B De Silva) H H Samaranayake (Alternate Director to A Gurusinghe) J P Karunaratne (Alternate Director to J P Karunaratne)
Ceylon Estate Teas (Pvt) Ltd	PV5528	R P D Ramanayake W A A Asanga L R W S Rajasekara
FLMC Plantations (Pvt) Ltd	PV4027	D S K Amarasekara Dr. P S H Uluwaduge M Gunawardena A S Perera

List of Group Companies

Group Companies	Reg No	Directors
Melfort Green Teas [Pvt] Ltd	PV8588	R P D Ramanayake G P N A G Gunathilake W A A Asanga L R W S Rajasekara
Millenium Tempered Glass [Pvt] Ltd	PV00324423	C S Jayasinghe T Sankan D S K Amarasekara
Pussellawa Plantations Limited	PB951	K P G U Kariyawasam D S K Amarasekara Dr. P S H Uluwaduge M Gunawardena A S Perera N R Nanayakkara
Pay@bility Pte. Ltd.	ACN: 625 177 960 / ABN: 67625177960	L L Compton M I I Ibrahim P S Buys
LOLC Advanced Technologies Australia Pty Ltd	ACN 658 226 352	I L Bibile W K D T Abeyrathne M Gunawardena
Grey Reach Investment Limited	1856468	I C Nanayakkara D S K Amarasekara K A K P Gunawardena W K D T Abeyrathne D Kohli R Bennet L D Nguyen
LOLC Cambodia PLC	12829	B C G De Zylva D R Samaraweera F K C P N Dias C N Wijesinha I Wijesiriwardana
Browns Machinery [Cambodia] Co. Ltd (This company is in liquidation)	33300	B C G De Zylva D R Samaraweera
Serendib Microinsurance PLC	48691	B C G De Zylva F K C P N Dias D S K Amarasekera Mrs. V G S S Kotakadeniya T Sanakan I Wijesiriwardana

Group Companies	Reg No	Directors
LOLC Finance RDC SA	CD/KNG/RCCM/22-B-03104	W A R Kumara M G B Sembe R Rwigema L Bul'an'sung R Ciamala Y Abubakari
El-Oula Microfinance Egypt S.A.E [former First Microfinance Company S.A.E]	120928	M M A E K Hassuna A M K E D Moahemd M Z S Refai D M D K Thilakaratne G D Woods R Yousry D R Samaraweera
LOLC Savings & Loans Ghana Ltd	CS132160822	A Onyina D R Samaraweera W A R Kumara
PT LOLC Management Indonesia	AHU-0010792.AH.01.02. TAHUN 2018	W A R Kumara G S Kalidasa F K C P N Dias T David
PT LOLC Ventura Indonesia [Former PT Sarana Sumut Ventura]	AHU-0049845.AH.01.02. TAHUN 2021	I Mutyara D M D K Thilakaratne C P Jagoda
LOLC India Finance Private Limited	U64990MH2023FTC410720	P S Thakker F K C P N Dias R Annamalai D R Samaraweera
LOLC India Holdings (IFSC) Private Limited	U65929GJ2022FTC136542	S A Bartholomeuz P S Thakker
LOLC Kenya Microfinance Bank PLC [former Key Microfinance Bank PLC]	C.29/2007	W A R Kumara S A Bartholomeuz A E V Jayetileke S H Chotai D W Kamau C M Ringera D R Samaraweera A W Karige

List of Group Companies

Group Companies	Reg No	Directors
ABN Microfinance company	89578-3301-OAO	K U Bolotovich U Panawennage M T Shamilovna O A Temirbekovna K B Nazarbekovich U E Jandyralievich D M D K Thilakaratne H P Thilakumarage
Bodufaru Beach Resort (Pvt) Ltd	C-0890/2014	D S K Amarasekera M Niham K A K P Gunawardena
Browns Ari Resort (Pvt) Ltd	C-1006/2015	D S K Amarasekera M Niham S Mohmed Dr. P S H Uluwaduge
Browns Kaafu N Resort (Pvt) Ltd	C-1015/2015	D S K Amarasekera O A Razzak
Browns Raa Resort (Pvt) Ltd	C-1014/2015	D S K Amarasekera M Niham Dr. P S H Uluwaduge
NPH Investment (Pvt) Ltd	C-0660/2010	M Manik A Niman I Mohamed D S K Amarasekera K A K P Gunawardena Mrs. V G S S Kotakadeniya [RWEF 11.06.2025] T S Selviah
LOLC Finance Limited (former Express Credit Limited)	1010963	A E V Jayetileke N W K M S Chandrasekara
LOLC Mauritius Holdings Limited	160897	M I I Ibrahim S A Bartholomeuz N P W Maharahaje R Ranloul-Sookun
P L Resort Ltd	96705	J P S Kurumbalapitiya D S K Amarasekera Mrs. K U Amarasinghe A M Y Abdullatiff
LOLC Myanmar Micro-Finance Co. Ltd	103104319	B C G De Zylva Soe Soe Tun D M D K Thilakaratne D R Samaraweera F K C P N Dias R N Batagoda

Group Companies	Reg No	Directors
Fina Trust Microfinance Bank Limited	RC 804664	B Wickckramarachchi I C Nanayakkara W A R Kumara M D D N Mallawarachchi T I Deji-Popoola G A Akindele W D Barnabas O P Olayinka
LOLC Microfinance Bank Limited (former Pak Oman Micro Finance Bank Ltd)	54354	D M D K Thilakaratne M V Warnakula F K C P N Dias Mrs. E Jayampathy D R Samaraweera K S Khokhar M Aslam K G D C Jayanath
LOLC Finance Philippines Inc.	CS201713999	D R Samaraweera Z M Libunao D M D K Thilakaratne A Gamage
LOLC Bank Philippines	AS96004969	D R Samaraweera Julio D. Sy, Jr. Remigio V. Tan, Jr. D M D K Thilakaratne A I Gamage H J Matute V R Macario G V Rubio, Jr.
LOLC Philippines Corporation	CS201820560	D W Batagoda D R Samaraweera
LOLC Philippines Capital Holdings Corporation	CS201823230	S Dias D R Samaraweera
LOLC Philippines Holdings Incorporated	CS201819831	S Dias D R Samaraweera
LOLC Asia Private Limited	201630001K	W D K Jayawardena F K C P N Dias N S M Doreen S Lankathilake G S Kalidasa

List of Group Companies

Group Companies	Reg No	Directors
LOLC Africa Holdings Private Limited	201822985H	M I I Ibrahim W D K Jayawardena N S M Doreen
LOLC Financial Sector Holdings Private Limited	201815244R	G S Kalidasa M I I Ibrahim N S M Doreen
Fortigrains Private Limited	201916932D	W K D T Abeyrathne M Gunawardena R A C H Seneviratne I C Nanayakkara Ling Wan Cu G S Kalidasa D W Batagoda A Hettiarachchy C H Rosa
LOLC Central Asia Private Limited	2021128291N	M I I Ibrahim N S M Doreen S Dias
LOLC International Private Limited	201533978M	D R Samaraweera W D K Jayawardena N S M Doreen
LOLC Global Private Limited	201715048G	W D K Jayawardena N S M Doreen M I I Ibrahim G S Kalidasa
Sunbird Bioenergy Limited	C/F/576/2008	D S K Amarasekara W K D T Abeyrathne D Kohli R Bennet
Lombard Tashkiloti Mablagguzorii Khurd	410005008	H Iskandar
Fazo S	1210001192	D I Hasanovich D M D K Thilakaratne H Thilakumarage F K C P N Dias A M Azimkhonovich
LOLC Tanzania Financial Services Limited (former Tujjenge Tanzania Financial Services Limited)	56355	A E V Jayetileke C A Ndeonasia D R Samaraweera M O Masagasi W A R Kumara S H Chotai

Group Companies	Reg No	Directors
I Pay Global FZC	6423	M I I Ibrahim P D H Thilakaratne R T Samarasinghe F K C P N Dias
Fusion X Global FZC	6422	M I I Ibrahim K K D U P Siriwardena F K C P N Dias
B Commodities ME [FZE]	17125	BI Commodities and Logistics [Pvt] Ltd M I I Ibrahim [Manager]
B.I. Leisure Holdings FZE	7897	M I I Ibrahim D S K Amarasekera
LOLC Ventures FZE	8171	M I I Ibrahim
Qirat Investments LLC	968521	M I I Ibrahim
LOLC Finance Zambia Limited	120180006669	D R Samaraweera E S K Karunaratne W A R Kumara W M Nhekaio C Musonda S B C Madawaki
Urumaya Resources Private Limited	3411/2021	M I I Ibrahim S A Bartholomeuz G F Chipote M N Y Saranapala A T Mupandawana A D Wijyaratna N D Fernando
Yambukai Finance Private Limited	3840/2014	E F Muzvondiwa T Marongwe D R Samaraweera M N Y Saranapala W A R Kumara T Ponniah P Kafesu
LOLC Life Insurance Limited [Zambia]	120230060124	A E V Jayetileke
TFS Global Brokers Pty Ltd	683 560 287	Ms. S D Rodrigo P A Rodrigo M I I Ibrahim
Browns Tea Trading FZCO	DSO-FZCO-45634	D S K Amarasekera
James Finlay [Guizhou] Tea Co. Limited	91520600MA6GTKNW3K	Dr. P S H Uluwaduge D S K Amarasekera D J Ratwatte

List of Group Companies

Group Companies	Reg No	Directors
LFSH Investments Private Limited	2022164606	G S Kalidasa M I I Ibrahim N S M Doreen
R-Finance LLP	171040011328	D M D K Thilakaratne F K C P N Dias K Arkadyevich Ni
Browns East Africa Plantations PLC	C.12/72	S K Korir M R Razik D S K Amarasekera Dr. P S H Uluwaduge K O Odire E J Darren
Browns Plantations Rwanda Limited	103454179	Dr. P S H Uluwaduge M R Razik F K Mutai E Iyakaremye D S K Amarasekera
Browns Plantations Tanzania Ltd	452	N A Kamnyungu Dr. P S H Uluwaduge M R Razik
Browns Plantations Kenya Limited	13800	D S K Amarasekera D J Edwards S D A Hutchinson D K Kirui Dr. P S H Uluwaduge J Kipkoech, Ambassador Terer

Investor Information

1 MARKET PRICE PER SHARE AS AT 31ST MARCH

	2025 Rs.	2024 Rs.
Highest during the year	749.00	508.00
Lowest during the year	350.00	310.00
Last traded as at the end of the year	594.75	397.50

2 COMPOSITION OF SHAREHOLDERS AS AT 31ST MARCH

	2025		2024	
	No. of Shares	% of Shares	No. of Shares	% of Shares
Institutions				
Resident	356,278,652	74.97	357,933,617	75.32
Non Resident	2,046,996	0.43	1,656,066	0.35
Individuals				
Resident	116,372,295	24.48	115,191,692	24.24
Non Resident	502,057	0.1	418,625	0.09
Total	475,200,000	100.00	475,200,000	100.00

3 DISTRIBUTION OF SHAREHOLDERS AS AT 31ST MARCH

		2025			2024		
		No. of Shareholders	No. of Shares	% of Shares	No. of Shareholders	No. of Shares	% of Shares
1	1,000	5,373	1,068,168	0.22	5,813	1,270,580	0.27
1,001	10,000	1,280	4,370,353	0.91	1,501	5,094,091	1.07
10,001	100,000	395	11,654,240	2.45	393	11,803,458	2.48
100,001	1,000,000	59	17,106,195	3.59	60	17,808,115	3.75
Over 1,000,000 Shares		17	441,001,044	92.8	17	439,223,756	92.43
Total		7,124	475,200,000	100.00	7,784	475,200,000	100.00

PUBLIC SHAREHOLDING

	31st March 2025	31st March 2024
	%	%
Public Holding percentage	15.1023%	15.105
Number of public shareholders	7,112	7,772
Float adjusted market capitalisation (Rs.)	42,682,950,423	28,531,647,675

The Company complies with the Minimum Public Holding Requirement under the Option 1 of the Colombo Stock Exchange Listing Rule 7.13.1.i (a)

Investor Information

4 TOP 20 SHAREHOLDERS AS AT 31ST MARCH

	Name of Shareholder	2025	
		No. of Shares	% of Shares
1	L O L C Capital (Private) Limited	145,765,983	30.675
	Sampath Bank PLC/LOLC Capital (Private) Limited	1,500,000	0.316
2	Mr. I C Nanayakkara	75,306,213	15.847
	Commercial Bank of Ceylon PLC/Mr. I.C. Nanayakkara	79,000,000	16.625
	Sampath Bank PLC /Mr. I C Nanayakkara	72,124,000	15.178
	Nations Trust Bank PLC/Mr. I C Nanayakkara	5,957,579	1.254
3	Mrs. K U Amarasinghe	19,322,000	4.066
	Seylan Bank PLC/Mrs. K U Amarasinghe	4,438,000	0.934
4	Employee's Provident Fund	15,182,259	3.195
5	Kashyapa Capital (Pvt) Ltd	8,049,067	1.694
6	Sri Lanka Insurance Corporation Ltd-Life Fund	3,134,398	0.66
7	Mrs. I Nanayakkara	2,827,948	0.595
8	People's Leasing & Finance PLC/Capital Trust Holdings Limited	2,143,701	0.451
9	GF Capital Global Limited	1,980,615	0.417
10	People's Leasing & Finance PLC/Capital Trust Holdings Limited	1,643,837	0.346
11	Synamon Global Pvt Ltd	1,503,211	0.316
12	Sri Lanka Insurance Corporation Ltd-General Fund	1,122,233	0.236
13	Sampath Bank PLC/Mr. S.M. Dissanayake	950,000	0.2
14	People's Leasing & Finance PLC/Capital Trust Properties (Pvt) Ltd	808,587	0.17
15	Dr M. Ponnambalam	722,616	0.152
16	Nuwara Eliya Property Developers (Pvt) Ltd	698,935	0.147
17	Swastika Mills Ltd	515,000	0.108
18	Finco Holdings (Private) Limited	514,248	0.108
19	Commercial Bank of Ceylon PLC/ Phantom Investments (Private) Limited	506,913	0.107
20	Mr. R. Maheswaran [Deceased]	500,000	0.105
21	Miss A. Radhakrishnan	500,000	0.105
22	Miss M.P. Radhakrishnan	500,000	0.105
23	Hatton National Bank PLC - Capital Alliance Quantitative Equity Fund	465,142	0.098
24	DFCC Bank PLC/Maskeliya Tea Exports (Pvt) Ltd	455,968	0.096
25	JN Lanka Holdings Company (Pvt) Ltd	426,490	0.09
		448,564,943	94.396
	Others	26,635,057	5.604
	Total	475,200,000	100.00

	Name of Shareholder	2024	
		No. of Shares	% of Shares
1	L O L C Capital (Private) Limited	145,765,983	30.67
	Sampath Bank PLC/LOLC Capital (Private) Limited	1,500,000	0.32
2	Mr. I.C. Nanayakkara	75,306,213	15.85
	Commercial Bank Of Ceylon PLC/Mr. I.C. Nanayakkara	79,000,000	16.62
	Sampath Bank PLC/Mr. I.C. Nanayakkara	72,124,000	15.18
	Nations Trust Bank PLC/Mr. I.C. Nanayakkara	5,957,579	1.25
	Mrs. K.U. Amarasinghe	19,322,000	4.07
3	Seylan Bank PLC/Mrs. K.U. Amarasinghe	4,438,000	0.93
4	Employee's Provident Fund	15,182,259	3.19
5	LOLC Finance PLC/Kashyapa Capital (Pvt) Ltd	7,466,703	1.57
6	Sri Lanka Insurance Corporation Ltd-Life Fund	3,134,398	0.66
7	LOLC Finance PLC/Mrs. I Nanayakkara	2,827,938	0.60
8	People's Leasing & Finance PLC/Capital Trust Holdings Limited	2,115,548	0.45
9	GF Capital Global Limited	1,613,404	0.34
10	LOLC Finance PLC/Capital Trust Holdings Limited	1,343,626	0.28
11	Sri Lanka Insurance Corporation Ltd-General Fund	1,122,233	0.24
12	Kashyapa Capital (Pvt) Ltd	1,003,872	0.21
13	Sampath Bank PLC/ Mr. S.M. Dissanayake	990,054	0.21
14	Mrs. D. G. F. Amarathunga	846,061	0.17
15	People's Leasing & Finance PLC/Capital Trust Properties (Pvt)Ltd	808,587	0.17
16	Dr M. Ponnambalam	728,116	0.15
17	Synamon Global Pvt Ltd	648,001	0.14
18	Nuwara Eliya Property Developers (Pvt) Ltd	579,822	0.12
19	Capital Trust Holdings Ltd	568,837	0.12
20	Swastika Mills Ltd	515,000	0.11
21	Phantom Investments (Pvt) Ltd	506,913	0.11
22	People's Leasing & Finance PLC / Mr.D.M.P.Dissanayake	502,253	0.11
23	Miss M.P. Radhakrishnan	500,000	0.11
24	Miss A. Radhakrishnan	500,000	0.11
25	Mr. R. Maheswaran (Deceased)	500,000	0.11
		447,417,400	94.18
	Others	27,782,600	5.82
	Total	475,200,000	100.00

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT THE 46th ANNUAL GENERAL MEETING of the Company will be held on Friday, 26th September 2025 at 10:00 a.m. as an online audio-visual meeting with arrangements for the online meeting platform made at the registered office of the Company at No.100/1, Sri Jayawardenapura Mawatha, Rajagiriya.

1. To receive and consider the Report of the Directors and Statement of Accounts for the year ended 31st March 2025 with the Report of the Auditors thereon.
2. To re-elect as a Director Mr. I C Nanayakkara who retires by rotation in terms of Article 88 [i] of the Articles of Association of the Company.
3. To re-elect as a Director Mr. K Sundararaj who retires in terms of Article 95 of the Articles of Association of the Company.
4. To re-elect as a Director Mr. K Sivanesan who retires in terms of Article 95 of the Articles of Association of the Company.
5. To re-elect as a Director Mr. G S Kalidasa who retires in terms of Article 95 of the Articles of Association of the Company.
6. To re-appoint M/s Deloitte Partners, Chartered Accountants as Auditors for the ensuing financial year at a remuneration to be fixed by the Directors.
7. To approve in terms of the Companies [Donations] Act No. 26 of 1951, the making of donations by the Directors as determined by them for the current Financial Year and until the next Annual General Meeting of the Company.

By order of the Board

L O L C Holdings PLC



L O L C Corporate Services (Private) Limited
Secretaries

31st August 2025
Rajagiriya [in the greater Colombo]

Form of Proxy

I/We.....
holder of NIC/ Reg. No..... of.....
..... being a member/members of LOLC Holdings PLC hereby appoint
.....of.....
.....whom failing

Mr. I C Nanayakkara	of Colombo or failing him
Mr. W D K Jayawardena	of Colombo or failing him
Mrs. K U Amarasinghe	of Colombo or failing her
Mr. F K C P N Dias	of Colombo or failing him
Mr. K Sundararaj	of Colombo or failing him
Mr. K Sivanesan	of Colombo or failing him
Mr. G S Kalidasa	of Colombo

as my/our proxy to represent me/us and vote on my/our behalf at the Annual General Meeting of the Company to be held as an online meeting on Friday, 26th September 2025 at 10:00 am and at any adjournment thereof and at every poll which may be taken in consequence of the aforesaid Meeting.

		For	Against	Abstained
1)	To re-elect as a Director Mr. I C Nanayakkara who retires by rotation in terms of Article 88 (i) of the Articles of Association of the Company.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2)	To re-elect as a Director Mr. K Sundararaj who retires in terms of Article 95 of the Articles of Association of the Company.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3)	To re-elect as a Director Mr. K Sivanesan who retires in terms of Article 95 of the Articles of Association of the Company.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4)	To re-elect as a Director Mr. G S Kalidasa who retires in terms of Article 95 of the Articles of Association of the Company.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5)	To re-appoint M/s Deloitte Partners, Chartered Accountants as Auditors for the ensuing financial year at a remuneration fixed by the Directors.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6)	To approve in terms of Companies (Donations) Act No. 26 of 1951 the making of donations by the Directors as determined by them for the current Financial Year.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

dated this day of, Two Thousand Twenty Five.

.....
Signature of Shareholder
[Please delete inappropriate words and refer overleaf for instructions]

Form of Proxy

INSTRUCTIONS AS TO COMPLETION

- 1 Please return the completed Form of Proxy after filling in legibly your full name and address, signing on the space provided and filling in the date of signature.
- 2 The Proxy shall
 - a) in the case of an individual, be under the hand of the shareholder or his or her attorney, and if signed by an attorney, a notarially certified copy of the Power of Attorney should be attached to the completed Proxy if it has not already been registered with the Company.
 - b) if the shareholder is a company or a corporation, be either under its common seal or under the hand of an officer or attorney authorised by such organisation in that behalf in accordance with its Articles of Association or Constitution.
- 3 Please indicate with an 'X' how the proxy should vote on each Resolution. If no indication is given, the proxy shall exercise his/her discretion and vote as he/she thinks fit.
- 4 The completed Form of Proxy should be deposited at the registered office of the Company No: 100/1, Sri Jayawardenapura Mawatha, Rajagiriya or scanned and emailed to **corporateservices@lolc.com** with the email subject titled "LOLC AGM PROXY" not less than 48 hours before the time appointed for the holding of the Meeting.

Stakeholder Feedback Form

LOLC Holdings PLC values your opinions and feedback. We invite you to share your thoughts to help us enhance our governance, operations, financial condition, and future prospects. Please take a moment to fill out this form with your comments and suggestions. Your feedback will be treated confidentially and used solely for the purpose of improving our stakeholder communication and overall performance.

Contact Information

Name :

Email :

Phone :

Company/Organisation :

WHICH STAKEHOLDER GROUP/S DO YOU BELONG TO? (You may tick more than one)

- | | | |
|---|--|---|
| <input type="checkbox"/> Shareholder | <input type="checkbox"/> Employee | <input type="checkbox"/> Service Provider |
| <input type="checkbox"/> Customer | <input type="checkbox"/> Student | <input type="checkbox"/> Supplier |
| <input type="checkbox"/> Community | <input type="checkbox"/> Regulatory Body | <input type="checkbox"/> Special Interest Group |
| <input type="checkbox"/> Public Authority | <input type="checkbox"/> Journalist | |

GENERAL FEEDBACK

1. How would you rate your overall satisfaction with the Company's communication practices?

- Very Satisfied
 Satisfied
 Neutral
 Dissatisfied
 Very Dissatisfied

2. How often do you feel the Company provides timely and accurate information?

- Always
 Often
 Sometimes
 Rarely
 Never

3. How effective do you find the Company's use of its website and social media for communication?

- Very Effective
 Effective
 Neutral
 Ineffective
 Very Ineffective

SPECIFIC FEEDBACK

1. What specific aspects of the Company's communication do you find most useful?

- Financial Reports
 Annual Reports
 Press Releases
 Investor Briefings
 Social Media Updates
 Website Content
 Other (please specify):

2. How would you rate the accessibility of the Company's spokespersons for providing information and responding to queries?

- Very Accessible
 Accessible
 Neutral
 Inaccessible
 Difficult to Access

3. How effectively does the Company address your concerns and queries?

- Very Effective
 Effective
 Neutral
 Ineffective
 Very Ineffective

Stakeholder Feedback Form

Forward-Looking Information & Major Developments

1. How useful do you find the Company's forward-looking comments and information on future prospects?

- Very Useful
- Useful
- Neutral
- Not Useful
- Not Useful at All

2. How effectively does the Company handle the communication of major corporate developments [e.g., mergers, acquisitions, new products]?

- Very Effectively
- Effectively
- Neutral
- Ineffectively
- Very Ineffectively

Crisis Communication & Confidentiality

1. How confident are you in the Company's ability to manage crisis communications?

- Very Confident
- Confident
- Neutral
- Not Confident
- Not Confident at All

2. How well does the Company maintain the confidentiality of sensitive information?

- Very Effectively
- Effectively
- Neutral
- Ineffectively
- Very Ineffectively

Additional Comments

Please provide any additional comments or suggestions you have for improving the Company's communication practices.

Submission

Please return the completed form to:

Investor Relations/Communication
LOLC Holdings PLC
100/1 Sri Jayawardenepura Mawatha, Rajagiriya, Sri Lanka
Email: DulipS@lolc.com and SusaanB@lolc.com

Corporate Information

NAME OF THE COMPANY

L O L C HOLDINGS PLC

COUNTRY OF INCORPORATION

Sri Lanka

DATE OF INCORPORATION

14th March 1980

LEGAL FORM

A quoted public company with limited liability.

COMPANY REGISTRATION NO.

PQ 70

PRINCIPAL ACTIVITIES

Monitoring and managing the Group's investments and providing centralised support services to its subsidiaries and associates.

STOCK EXCHANGE LISTING

The ordinary shares of the Company are listed on the Colombo Stock Exchange of Sri Lanka.

CREDIT RATING

Lanka Rating Agency assigned the Company with a long-term rating of 'A' with a positive outlook.

The long-term senior debt instruments issued by the Company have been assigned a rating of 'A' with a positive outlook and the short term debt instruments issued by the Company have been assigned a 'A1' rating with a stable outlook.

REGISTERED OFFICE/ HEAD OFFICE

No. 100/1, Sri Jayawardenepura Mawatha, Rajagiriya, Sri Lanka
Telephone: 011-7248248
Fax: 011-2865606 (Gen)
Website: www.lolc.com

DIRECTORS

Ishara Chinthaka Nanayakkara
Executive Chairman

Waduthantri Dharshan Kapila Jayawardena
Group Managing Director / CEO

Mrs. Kalsha Upeka Amarasinghe
Executive Director

Francisco Kankanamalage Conrad Prasad Niroshan Dias
Non-Executive Director

Kandiah Sundararaj
Senior Independent Director

Kanthimany Sivanesan
Independent Director

Gayan Sanjaya Kalidasa
Non-Executive Director

BOARD SUB COMMITTEES

Audit Committee

K Sundararaj - *Committee Chairman*
K Sivanesan
F K C P N Dias

Talent Development and Remuneration Committee

K Sundararaj - *Committee Chairman*
K Sivanesan
F K C P N Dias

Related Party Transactions Review Committee

K Sundararaj - *Committee Chairman*
W D K Jayawardena
K Sivanesan
F K C P N Dias

Nominations & Governance Committee

K Sundararaj - *Committee Chairman*
K Sivanesan
F K C P N Dias

Integrated Risk Management Committee

K Sundararaj - *Committee Chairman*
W D K Jayawardena
G Weerakoon
I Iqbal
J Kelegama
R Perera
C Jayanath
P Siriwardena
D Karunarathne
W Batagoda
P Uluwaduge

COMPANY SECRETARIES

M/s L O L C Corporate Services (Private) Limited
No. 100/1, Sri Jayawardenepura Mawatha, Rajagiriya, Sri Lanka
Telephone: 011-7248520, 011-7248248

AUDITORS

Deloitte Partners,
Chartered Accountants

LAWYERS

Julius & Creasy
Nithya Partners

REGISTRARS

Central Depository Systems (Pvt) Ltd
Ground Fl., M&M Centre, 341/5 Kotte Road, Rajagiriya
Tel: 0117420400

INVESTOR RELATIONS

Mr. Dulip Samaraweera
Tel: 011-7248248
Email: DulipS@LOLC.com

COMMUNICATIONS

Mr. Susaan Bandara
Tel : 011-7248248
Email : SusaanB@LOLC.com

BANKERS

Nations Trust Bank PLC
Citi Bank N.A.
Commercial Bank of Ceylon PLC
National Development Bank PLC
Bank of Ceylon
Seylan Bank PLC
MCB Bank
Hatton National Bank PLC
Pan Asia Banking Corporation PLC
Hong Kong & Shanghai Banking Corporation
Sampath Bank PLC
DFCC Bank PLC
Peoples Bank
Cargills Bank PLC
Union Bank of Colombo PLC



www.lolc.com

LOLC HOLDINGS PLC

No. 100/1, Sri Jayawardenepura Mawatha, Rajagiriya, Sri Lanka

Telephone: 011-7248248 Fax: 011-2865606 [Gen]

Website: www.lolc.com