



STANDARD CAPITAL PLC

ANNUAL REPORT 2026

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CORPORATE INFORMATION

NAME OF THE COMPANY

Standard Capital PLC

COMPANY REGISTRATION NO.

PQ 206

LEGAL FORM

A Public Limited Liability Company initially incorporated under Companies Act No. 17 of 1982 and reregistered under Companies Act No. 7 of 2007.

DIRECTORS

Mr W. I. Arambage	- Chairman, Non Independent / Non-Executive Director
Mr V C Velivitiya	- Non Independent/ Executive Director (Managing Director/ Chief Executive Officer) (Resigned 24.07.2026)
Mr S. Kader	- Non Independent / Non-Executive Director
Mr A. M. A. Cader	- Senior Independent / Non-Executive Director
Mr B. J. Jayaratne	- Independent / Non-Executive Director (Appointed on 02.05.2025 & Resigned 31.07.2026)
Mr R. M. N. K. B. Rathnasighe	- Independent / Non-Executive Director (Appointed on 04.10.2023 & Resigned 02.05.2025)
Mr M. L. A. Fernando	- Non-Independent/ Non-Executive Director (Appointed on 24.07.2026)
Mr. W. M. Dayarathne	- Non-Independent / Non-Executive Director (Appointed on 31.07.2026)

AUDIT COMMITTEE

Mr A. M. A. Cader- Chairman (Senior Independent / Non-Executive Director)
 Mr. W M Dayarathne- (Independent / Non-Executive Director)
 Mr W. I. Arambage- (Non-Independent / Non-Executive Director)

REMUNERATION COMMITTEE

Mr. W M Dayarathne- Chairman (Independent / Non-Executive Director)
 Mr A. M. A. Cader- (Senior Independent / Non-Executive Director)
 Mr W. I. Arambage- (Non-Independent / Non-Executive Director)

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

Mr A. M. A. Cader- Chairman (Senior Independent / Non-Executive Director)
 Mr. W M Dayarathne- (Independent / Non-Executive Director)
 Mr W. I. Arambage- (Non-Independent / Non-Executive Director)

NOMINATION AND GOVERNANCE COMMITTEE

Mr A. M. A. Cader- Chairman (Senior Independent / Non-Executive Director)
 Mr W. I. Arambage- (Non-Independent / Non-Executive Director)
 Mr. W M Dayarathne- (Independent / Non-Executive Director)

COMPANY SECRETARY

Messrs. Corporate Advisory Services (Pvt) Ltd
 No.47, Alexandra Place,
 Colombo 07

REGISTRARS

S S P Corporate Services (Pvt) Ltd
 101, Inner Flower Road,
 Colombo 3

AUDITORS

Kreston MNS & Co
 Chartered Accountants
 Level 1 & 2, Advantage Building
 74A, Srimath Anagarika Dharmapala Mawatha
 Colombo 07

BANKERS

Commercial Bank of Ceylon PLC
 Seylan Bank PLC
 Nations Trust Bank

REGISTERED OFFICE

No.16/1,
 Mohideen Terrace
 Ward Place
 Colombo 07

CHAIRMAN'S REVIEW

To Our Valued Shareholders,

On behalf of the Board of Directors, I am pleased to welcome you to the 34th Annual General Meeting of Standard Capital PLC and to present the Annual Report and Financial Statements for the Financial Year ending March 31, 2026. This year has marked an important period of transition as we have strategically realigned our portfolio to protect shareholder value and prepare the group for its next phase of growth.

The company has a 65% stake of Standard Paints Ltd, which used to manufacture and distribute paint and wood care products. Following the board's previous assessment of adverse market conditions in the paint manufacturing sector, Standard Paints Ltd successfully liquidated its remaining assets in accordance with the shareholder-approved valuations during the last fiscal year. Meanwhile, Standard Capital PLC's investment property remains fully rented out, ensuring a steady stream of recurring income. Additionally, the company recorded a fair value gain on its property investment during the year, further enhancing the group's financial position.

We are actively seeking strategic investment partners to co-launch a new business venture that aligns with current market demands. Our focus is on identifying high-growth opportunities that can leverage our existing capital and corporate infrastructure to deliver long-term sustainable returns.

I take this opportunity to extend the appreciation of the Board of Directors of the company for their unwavering support and our shareholders for their continued confidence in our strategic vision.



Waruna Arambage

Chairman

29th September 2026

BOARD OF DIRECTORS

Mr. Waruna Indika Arambage

Chairman/Non Independent/Non Executive Director

Mr. Waruna Indika Arambage was appointed to the Board of Standard Capital PLC on 3rd August 2009 as a non-executive Nominee Director of Gulf East Finance Limited, the Major Shareholder of the Company, and appointed as the Chairman on 6th October 2009.

Mr. Arambage is a Member of Chartered Institute of Management Accountants - UK (FCMA, CGMA), Association of Chartered Certified Accountants - UK and Institute of Engineers-Sri Lanka (AMIESL). He holds a BSc (Hons) in Electrical Engineering from the University of Moratuwa and a Masters in Business Administration from the University of Surrey (UK).

He is a Director on the Boards of Equity Investments Lanka Ltd, Standard Paints Ltd, Standard Constructions (Pvt.) Ltd, Standard Logistics (Pvt.) Ltd, Standard Trading Ltd & Sinali Capital (Pvt.) Ltd. He also acts as the financial consultant for several overseas companies with operations in UK, Middle East and Africa.

Mr. Sarhank Kader

Non Independent/Non Executive Director

Mr. Sarhank Kader was appointed to the Board of Directors of the Company on 04th November, 2011. He is the Current Chairman of Delta Communication Group of Companies of Middle East and holds a proven track record for creating new businesses and forming profitable partnerships. As a Business Consultant, he advises and assists numerous territories on new media mobile marketing for variety of clients, focusing primarily, although not exclusively, on the strategic use of operations and technology. The services offered by him include, Turnaround Strategy, Business Process Improvements and Advisory Services, Technology Assessments and Systems Selections. As a pioneer in the field, Mr. Kader has over twenty years of experience in business administration, including Property Management, Marketing and Project Financing.

Mr. Kader has a good academic background and he has followed various courses in Economics, Politics and Business Administration at North Trafford College, Woolwich Polytechnics & Manchester Polytechnics in England.

Mr. Vidhura C. Velivitiya

Non Independent/Executive Director (Managing Director/ Chief Executive Officer)

Mr. Vidhura C. Velivitiya, has successfully completed EMBA (Major in Marketing) in North South University-Dhaka, Bangladesh and Bachelor of Science (Chemistry Special) from the University of Colombo - Colombo 03, Sri Lanka. He is currently the General Manager of Standard Industries (Private) Limited. He is engaged in driving business strategies for sales growth and general management of current operations in Paints & Coatings, Biomass fuel products, Kixx (South Korean No. 01 Lubricant brand) and Bangladesh export business. He has experience in working as a Business Development Manager at Hichemicals (Pvt) Limited-Sri Lanka, Sales & Marketing Manager (Textile Chemicals) at Haycolour (Pvt) Limited (A member of Hayleys Group-Sri Lanka), Country Sales Manager at Multichemi Bangladesh (Pvt) Ltd, Product Manager at Meechu Aero Style Factory, Product Executive (Medical Division) at Analytical Instruments (Pvt) Ltd, Hygiene Manager (Food & Beverage Hygiene Division) at Diversey Inc and as a Hygiene Delegate

(Food & Beverage Hygiene Division) at Diversey Inc.

Mr. Bandunath Jayaweera Jayaratne

Independent/Non Executive Director

Mr. Bandunath Jayaweera Jayaratne has served as commissioner and senior commissioner in various units of the Department of Inland Revenue and has been an active team member and leader of the committee tasked with implementing the new Inland Revenue Act 24 of 2017. He has acquired expertise in providing insights into diverse tax-related matters throughout his professional career. Moreover, he possesses experience in commissioner hearings and rendering decisions in appeal resolutions. Additionally, his academic and professional credentials encompass the following:

1. Master of Science (Management) University of Sri Jayewardenepura Dissertation: Tax Avoidance and Evasion and Its Management
2. Attorney-at-Law (first class honors)-Council of Legal Education-Law College
3. (MAAT) Association of Accounting Technicians of Sri Lanka
4. Certificate of Business Accounting-Chartered Institute of Management Accountants
5. APPA (Fellow Member of the Association of Public Finance Accountants of Sri Lanka)

Mr. A.M.A. Cader

Senior Independent/Non Executive Director

Mr. A M A Cader was appointed to the Board of Directors of the company as an Independent, Non-executive Director on 05th February 2016.

He is specialized by 35 years of industry proficiency, Mr. Cader was the Deputy General Manager (Corporate Advisory & Capital Markets division) of Merchant Bank of Sri Lanka and Finance PLC for 25years (1990 to 2015). During his professional career, Mr Cader has gained experience as a competent investment banker with specialization in services such as IPO's Pre-IPO Restructuring & Advisory, Strategic Business Plans, Corporate Valuations, Portfolio Management, Employee Share Option Plans, Debt Syndications, Securitizations and delivering training Programs.

He is Fellow Member of the Chartered Institute of Management Accountants, UK, a fellow Member Society of Certified management Accountants of Sri Lanka, an Associate Member of the Institute Financial Accountants, London and a Member of Association of Accounting Technicians, Sri Lanka.

Also, he holds a Master of Business Studies from University of Colombo, a M.Sc. in Information Technology from Sri Lanka Institute of Information Technology (SLIIT), a Post Graduate Diploma in Economic Development from University of Colombo, a Post Graduate Diploma in Business Administration from University of Colombo and a Post Graduate Diploma in Information Technology from University of Colombo.

He was trained overseas in Advance Corporate Finance by Citicorp Investment in Singapore and Advanced Capital Markets by Westpac in Australia. SEC-Sri Lanka and SEC- Australia in 1990/91.

BOARD OF DIRECTORS CONTD...

Mr Merenghage Lahiru Asela Fernando

Non-Independent/ Non-Executive Director

Mr M L A Fernando is an accomplished finance professional with over 14 years of extensive experience in the accounting and finance sectors. Currently serving as the finance manager at Standard Industries Private Limited, he oversees the financial operations of a prominent company engaged in manufacturing and distribution.

Mr Fernando possesses a strong academic and professional foundation, holding a part qualification in chartered accountancy from the Institute of Chartered Accountants of Sri Lanka and having achieved finalist status with the Association of Accounting Technicians of Sri Lanka. Throughout his career, he has demonstrated expertise in financial reporting and compliance and operational oversight. His deep understanding of the manufacturing and distribution industry, combined with his rigorous financial discipline, enables him to provide valuable insights into financial governance and risk management.

Mr. Wasala Mudiyanseelage Dayarathne

Independent / Non-Executive Director

Mr. W.M. Dayarathne is an experienced financial professional with over 20 years of extensive experience in corporate finance, strategic business development, financial analysis, and executive leadership.

He has held senior management roles across diverse industries, serving as Accountant, Chief Accountant, Finance Manager, Chief Financial Officer (CFO), Chief Executive Officer (CEO), and Director of Finance. His career includes more than five years of international experience managing financial operations in foreign markets, including Iraq, Tanzania, and Uganda. Currently, Mr. Dayarathne serves as the Director of Finance at APS Lanka (Pvt) Ltd, a leading MEP company operating in Sri Lanka and Tanzania. Prior to this, he served as the Chief Financial Officer for Diana Trading Company (Pvt) Ltd and Diana Chocolate (Pvt) Ltd, where he was instrumental in driving market penetration strategies, managing major capital investments, and expanding market share.

His executive leadership experience also includes serving as the Chief Executive Officer of ABC Group of Companies within the microfinance sector. Globally, he has managed financial and operational portfolios for Delta Group of Companies in Iraq and Aluminum Holloware Industries (Tz) Ltd in East Africa.

Mr. Dayarathne holds a Bachelor of Science (B.Sc.) Special Degree in Accountancy & Finance from the University of Sri Jayewardenepura, Sri Lanka. He also holds a Master of Business Administration (MBA) from Anglia Ruskin University, United Kingdom. Professionally, he has completed the Intermediate Qualifications from the Institute of Chartered Accountants of Sri Lanka (ICASL) and the Association of Chartered Certified Accountants (ACCA, UK). Throughout his career, he has demonstrated expertise in financial management, strategic planning, and operational oversight. His deep understanding of the financial sector, combined with his rigorous financial discipline, enables him to provide valuable insights into financial governance, risk management, and sustainable growth strategies.

RISK MANAGEMENT

The Company is of the view that Risk management is a main dynamic to sustain and develop the business, as balancing risks against returns is a crucial trade off decision in making investment decisions. Early identification of risks and timely deployment of necessary actions to reduce or manage such risks will ensure the Company's objectives are achieved. The Board of Directors of the Company has ultimate responsibility for risk management and the risk management process supports,

- Corporate Governance
- Quality of Business planning
- Audit planning
- Building confidence of various stakeholder groups of the Company and the Group.

The risk of the subsidiary, Standard Paints Limited is reviewed and managed for effective mitigation by the Company, while necessary action plans are created at subsidiary level. These include Liquidity and Cash Management, Interest risk, Credit Risks, Inventory Management, Technology and Quality related risks, Asset Risks, Competitor Risks, Information Systems and Internal Control Risks, Environmental Risks and Legal & Regulatory issues.

Each Risk has been categorized under High, Moderate or Low category based on the level of significance to the entity and actions taken accordingly.

The Company is exposed to adverse movements in the securities markets for equity and fixed income investments, which could cause loss of value together with fluctuations in the returns expected from the securities. Market risks are inherent in every security and are hence viewed from the portfolio level which considers the allocations on the portfolio. Market risks affecting a specific class of security are mitigated by replacement/switching to securities that are determined to be less risky.

The Company has developed its own model taking into account exposure limits and parameters to sustain itself when faced with market risks that has an impact on portfolio values. Trading decisions are made if indications are that there is a slowing down of stock market activity or become adverse.

REPORT OF THE DIRECTORS

The Directors have pleasure in presenting to the shareholders, their Report together with the Audited Financial Statements of the Company for the year ended 31st March, 2026.

The details set out herein provide pertinent information required by the Companies Act No. 07 of 2007, the Listing Rules of the Colombo Stock Exchange and are guided by recommended best Accounting Practices.

Principal Activities

The principal activities of the Company are investing in capital markets and financial instruments and the renting of premises.

Changes to the nature of Business

There were no material changes to the nature of the business of the Company during the financial year ended 31st March, 2026.

Subsidiary Companies

Standard Capital PLC owns 65% of the stated Capital of Standard Paints Ltd. The Financial Information pertaining to the said Subsidiary Company is presented in the Consolidated Financial Statements in Note 07 on page 35 set out in the Annual Report of the Company.

Accounting Policies

The Accounting Policies adopted by the Group and the Company are consistent with those of the previous financial year except as required by new or revised standards mandatory to be adopted in the current financial year. A summary of significant Accounting Policies is set out on pages 22 to 30.

Business Review of the Year

The chairman's statement describes in brief the company's affairs and important events during the period under review.

Financial Statements

The financial statements for the year ended 31st March 2026 are set out on pages 18 to 52.

Directors' Responsibility for the Financial Statements

The Directors are responsible for preparing and presenting the financial statements, which are set-out on pages 18 To 52. The financial statements have been prepared in accordance with the Sri Lanka Accounting Standards as laid down by the Institute of Chartered Accountants of Sri Lanka and also in conformity with the requirements of the Companies Act No.7 of 2007. A Statement of Directors Responsibilities is set out on page 8 of this Report.

Financial Position

A summary of the key financial information of the group is set Out below

Year ended 31st March	2026	2025
Profit/(Loss) before Tax	7,975,879	(4,991,905)
Profit/(Loss) after Tax	7,975,879	(10,404,277)
Total comprehensive Income For the year Net of Tax	7,953,879	(4,989,904)
Stated Capital	242,411,225	242,411,225
Accumulated Losses	(121,865,708)	(121,849,167)

Auditor's Report

The Auditors' Report which is an integral part of the financial statements prepared for the accounting period ended 31st March, 2026, is set out on page 15 - 17 in the Annual Report.

Property, Plant & Equipment

Details of the Property, Plant & equipment and the applicable depreciation charge for the year are set out on pages 31 to 34.

Market Value of Properties

The revaluation process for the land and building of the Company was carried out by professionally qualified independent valuer. The last revaluation exercise on the investment property of the Group was carried out as at 31st March 2026.

Details of property, plants and equipment of the Group are given in Note 04, 05 and 06 to the Financial Statements on pages 31 to 34.

Board of Directors

The Board of Directors of the Company as at date is set out on page 01 titled "Corporate Information". The Directors of the Company who held office during the year under review and changes thereto are indicated below:

Mr W I Arambage	Chairman, Non Independent / Non Executive Director
Mr B. J. Jayaratne	Independent / Non-Executive Director (Appointed on 02.05.2025)
Mr R. M. N. K. B. Rathnasighe	Independent / Non-Executive Director (Appointed on 04.10.2023 & Resigned 02.05.2025)
Mr V C Velivitiya	Non Independent / Executive Director (Resigned 24.07.2025)
Mr S Kader	Non Independent / Non Executive Director
Mr A M A Cader	Senior Independent / Non Executive Director

REPORT OF THE DIRECTORS CONTD...

In terms of Article 85 of the Articles of Association of the Company, Mr A.M.A. Cader, Director, retires by rotation and being eligible is recommended by the Board of Directors for re-election by the Shareholders, at the Annual General Meeting of the Company.

Directors Shareholdings

Name of the Director	As At 31.03.2026	As At 31.03.2025
Mr. W.I. Arambage	-	-
Mr B. J. Jayaratne	-	-
Mr V C Velivitiya	-	-
Mr. S. Kader	-	-
Mr. A.M.A. Cader	06	06

Directors' Remuneration and other Benefits

Directors' fees and emoluments for the financial year ended 31st March, 2026, for the group is Rs.1,325,000. (2025 - 1,268,965/-)

Interest Register

The Company maintains an Interest Register in compliance with the requirements of the Companies Act No 07 of 2007.

Directors' Interest in contracts are disclosed under related party transactions in Note 30 on pages 46 and 49 to the financial statements.

Donations

No donations have been paid during the year ended 31st March, 2026.

Shareholders

The total number of shares of the Company as at 31st March, 2026 was 5,540,828 (2025 - 5,540,828). The distribution of the Shareholding and a listing of the 25 Major Shareholders are given under Investor Information on pages 54, 55 and 56.

The market value of the Company's Ordinary Shares as at 31st March 2026 and 31st March 2025 is unavailable due to trading suspension imposed by the Colombo Stock Exchange. (2024 Rs. 37.00)

Auditors

The financial statements for the period under review have been audited by M/s Kreston MNS & Co., Chartered Accountants. Rs. 543,852/- (2025 - Rs. 452,352/-) was payable by the Company as audit fee for the year ended 31st March, 2026. (For the Group Rs. 686,577/- (2025 - Rs. 542,525/-)

M/s Kreston MNS & Co., Chartered Accountants, have expressed their willingness to continue in Office and a Resolution to re-appoint them and to authorise the Directors' to determine their remuneration will be proposed at the Annual General Meeting.

Employment Policy

The Company does not employ any Person and nor does the group. All services are provided by Standard Industries Private Limited.

Events a ter Reporting Date

No circumstances have arisen since the reporting date which would require adjustment to or disclosure in the Financial Statements except the below:

The group disposed its investment in subsidiary, Standard Paints Ltd on 28th September 2026 as part of the restructuring process. This disposal occurred subsequent to the reporting date and has therefore been disclosed as a non-adjusting event after the reporting date.

By Order of the Board



Mr. Waruna Arambage
Chairman



Director



Corporate Advisory Services (Pvt) Ltd
Secretaries

29th September 2026

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Directors' Responsibilities for the Preparation of Financial Statements

This Statement of Directors' Responsibilities is to be read in conjunction with the Auditors' Report and is made to distinguish the respective responsibilities of the Directors and of the Auditors in relation to the Financial Statements contained in this Annual Report. The Directors of your Company are required by the Companies Act No.7 of 2007 to prepare Financial Statements which give a true and fair view of the state of affairs of the Company as at the end of the Financial Year, and of the Profit and Loss and of the Cashflows of the Company for the Financial Year.

The Directors confirm that the Financial Statements of the Company for the year ended 31st March, 2026 presented in the Report have been prepared in accordance with the Sri Lanka Accounting Standards and the Companies Act No.7 of 2007. In preparing the Financial Statements, the Directors have selected the appropriate accounting policies and have applied them consistently. Reasonable and prudent judgments and estimates have been made and applicable accounting standards have been followed and the Financial Statements have been prepared on a going concern basis.

The Directors are of the view that adequate funds and other resources are available within the Company for the Company to continue in operation for the foreseeable future.

The Directors have taken all reasonable steps expected of them to safeguard the assets of the Company and to establish appropriate systems of internal controls in order to prevent, deter and detect any fraud, misappropriation or other irregularities. The Directors have also taken all reasonable steps to ensure that the Company maintains adequate and accurate accounting books of record which reflect the transparency of transactions and provide an accurate disclosure of the Company's financial position.

The Directors are required to provide the Auditors with every opportunity to take whatever steps and undertake whatever inspection they consider appropriate for the purpose of enabling them to give their Audit Report. The Directors are of the view that they have discharged their responsibilities in this regard.

Compliance Report

The Directors confirm that, to the best of their knowledge, all taxes and levies payable by the Company and all contributions, levies and taxes payable on behalf of the employees of the Company, and all other known statutory obligations as at the balance sheet date have been paid or provided for in the Financial Statements.

By Order of the Board



Corporate Advisory Services (Pvt) Ltd
Secretaries

Colombo
29th September 2026

CORPORATE GOVERNANCE

Corporate Governance refers to the systems, principles and process by which a company is governed. It provides the guidelines as to how the company should be directed or controlled in order to fulfill its goals and objectives in a manner that also adds value to all its stakeholders, in the short and long term. Stakeholders of a company would include everyone ranging from the Board of Directors, Management, Shareholders, customers, employees and the society. The Board of Directors of the Company therefore takes upon the role of a trustee for all the stakeholder groups.

As the Board of Directors are responsible for the governance of the Company, to take it forward in the right direction, the Shareholders role in governance is to appoint the Board of Directors and the Auditors and to satisfy themselves that an appropriate governance structure for the Company is in place.

Compliance with the Code of Best Practice

The Company currently complies with the rules on Corporate Governance contained in the Listing Rules of the Colombo Stock Exchange.

The financial statements for the year ended 31st March, 2026 of the Company, comply with Sri Lanka Financial Reporting Standards corresponding to International Financial Reporting Standards (IFRS)

Board of Directors

The Board of Directors of the Company comprises of Four (04) Non-Executive Directors.

The Board meets as and when the need arises to and discusses matters pertaining to performance, governance and financial management of the Company and advises and directs the Management on necessary policy implementation and planning in order to enhance the performance of the Company. Two (02) Meetings of the Board of Directors have been convened during the year under review.

A Statement of Directors' Responsibilities for the preparation of Financial Statements is set out on page 8 of this Report.

Company Secretaries

Corporate Advisory Services (Pvt) Ltd provides Corporate Secretarial Services to the Company. The Company Secretaries play a key role in compliance matters by ensuring that the Company complies with the requirements of the Companies Act No.7 of 2007, the Rules of the Colombo Stock Exchange and other regulatory bodies. The Secretaries also ensure that Board procedures are followed and information is provided to shareholders on a timely basis.

Board Sub-Committees

In accordance with the Listing Rules of the Colombo Stock Exchange, the Board has constituted four sub committees, namely, the Audit Committee, Related party transactions Review Committee, Remuneration Committees and the Nomination and Governance Committee.

The Board sub-committees scrutinize and analyze the areas under their purview and make recommendations to the Board on necessary adjustments and modifications to the internal systems of the Company.

The Reports on the Audit Committee, Related party transactions Review Committee, Remuneration Committee and Nominations and Governance Committees are set out on pages 11 to 14 respectively.

The Composition of the Board as at the end of the period under review is set out in the table below, together with a record of the attendance of every Director at Board and Sub Committee Meetings during the period under review.

Compliance with Legal Requirements

All Directors have access to the advice and services of the Company Secretaries as well as to the Financial Information of the Company. The Directors make every endeavor to ensure that the Company Complies with Laws and Regulations.

Following table illustrate details of attendance of each of the Director at the said two (02) Board Meeting of the Company.

Name of the Director	Category	Attendance
Mr W I Arambage	Non-Executive / Non-Independent	2
Mr B J Jayaratne	Non-Executive / Independent	1
Mr V C Velivitiya	Executive/Non Independent	2
Mr S Kader (Represented by his Alternate Director W I Arambage)	Non-Executive / Non-Independent	0
Mr A M A Cader	Senior Independent / Non-Executive	2

CORPORATE GOVERNANCE CONTD...

Corporate Governance Report Levels of compliance as per Section 07 of the Listing Rules of the Colombo Stock Exchange

Rule No.	Subject	Applicable requirement	Compliance Status
9.19	Non-Executive Directors	At least 1/3 of the total number of Directors should be Non-Executive Directors at the immediately preceding Annual General Meeting	Complied
9.8.1	Independent Directors	At least 1/3 of Non-Executive Directors should be independent.	Complied
9.8.2		Two (2) of the Five (05) Non-Executive Directors are independent. Each Non-Executive Director should submit a declaration of independence/ non-independence in the prescribed format	Complied
9.10	Disclosure relating to Directors	Names of independent Directors should be disclosed in the Annual Report	Complied
		The Board shall make a determination annually as to the independence or non-independence of each non- executive Director based on the Declaration	Complied
		A brief resume of each Director should be included in the Annual Report and should include the Director's areas of expertise	Complied
9.11	Nomination and Governance Committee.	Listed entities shall have a Nominations and Governance Committee that conforms to the requirements set out in Rule 9.11 of these Rules.	Complied
		Listed entities shall establish and maintain a formal procedure for the appointment of new Directors and re-election of Directors to the Board through the Nominations and Governance Committee.	Complied
		The Nominations and Governance Committee shall have written terms of reference clearly defining its scope, authority, duties, and matters pertaining to the quorum of meetings.	Complied
		Composition of the Committee complied with as per section 9.11.4 the committee.	Complied
		Functions of the Nomination and Governance Committee	Complied
		Disclosures in Annual Report	Complied
9.12	Remuneration Committee	A listed Company shall have a Remuneration Committee and shall comprise of Non-Executive Directors a majority of whom will be independent	Complied
			Please refer page 12 of the Annual Report
9.13	Audit Committee	A Listed entity shall have an Audit Committee comprising of Non-Executive Directors a majority of whom shall be independent	Complied
		A non-Executive Director shall be appointed as the Chairman of the Audit Committee	Complied
		Unless otherwise determined by the Committee the Chief Executive Officer and the Chief Financial Officer shall attend Audit Committee Meetings	Complied
		The Chairman or one Member of the Committee should be a member of a recognized professional accounting body	Complied
			Please refer page 11 of the Annual Report

AUDIT COMMITTEE REPORT

The scope of the audit committee is to assist the main board in safeguarding the interest of the shareholders and all other stakeholders. The main objectives of the committee are review of annual financial statements, quarterly financial statements, ensuring compliance with all laws and regulations, review of effectiveness of financial and internal control system and follow up independent audit committee reports, recommendations of appointment of independent auditors and their fees and identification of risks that would impact on company's business.

Audit committee consists of 3 non-executive directors who are as follows.

- Mr. A M A Cader - Chairman (Senior Independent / Non-Executive Director)
- Mr B. J. Jayaratne - Independent / Non-Executive Director (Appointed on 02.05.2025 Resigned 31.07.2026))
- Mr. W I Arambage - (Non-Independent / Non-Executive Director)
- Mr R. M. N. K. B. Rathnasighe - Independent / Non-Executive Director (Appointed on 04.10.2023 & Resigned 02.05.2025)
- Mr. W. M. Dayarathne - Non-Independent / Non-Executive Director (Appointed on 31.07.2026)

The committee met only four (04) occasions in 2025/2026, and all the committee members attended the meeting.

External Auditors

The committee is responsible for developing, Implementing and reviewing of the companies Policies on External Auditors.

The committee monitors and reviews the Independence and the objectivity of the External Auditors functions, by considering the requirements of the relevant regulatory Bodies.

The committee is satisfied that the Independence of the External Auditors is not impaired or affected by any manner that gives rise to a conflict of interest.

Due consideration has been given to the non-audit Services provided by the External Auditors to ensure that those tasks are not likely to conflict with the independence and the objectivity of the External Auditors

Relevant financial statements, including quarterly and annual statements and findings of the statutory auditors were reviewed by the committee. Additionally, the impact of the changes in legislation affecting the activities of the company was addressed. The audit committee recommends the re- appointment of Messrs. Kreston MNS & Co., Chartered Accountants as the Independent Auditor for the year 2026/2027.



A M A Cader
Chairman

29th September 2026

REMUNERATION COMMITTEE REPORT

The Remuneration Committee consists of 3 Non-Executive Directors, who are as follows

- Mr. W. M. Dayarathne - Chairman since 31-07-2026 (Non-Independent / Non-Executive Director) (Appointed on 31.07.2026)
- Mr B. J. Jayaratne - Chairman (Independent / Non-Executive Director) (Appointed on 02.05.2025 Resigned 31.07.2026)
- Mr. A M A Cader - (Senior Independent / Non-Executive Director)
- Mr. W I Arambage - (Non-Independent / Non-Executive Director)
- Mr R. M. N. K. B. Rathnasighe - Independent / Non-Executive Director (Appointed on 04.10.2023 & Resigned 02.05.2025)

MEETINGS

The Committee met only One (01) occasion in 2025/2026, and all the committee members attended the meeting.

The Company remuneration policy focuses on attracting the best possible professional and talented people and encouraging and motivating them to perform to the highest possible standard. The company has a structured performance appraisal scheme which evaluates the performance of the employees. The Company has taken all possible steps to ensure that remuneration at all levels is in line with that of the industry. Further, general inflationary conditions prevailing within the country are also being considered in formulating remuneration packages.



Mr. W. M. Dayarathne
Chairman

29th September 2026

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE REPORT

The Board of Directors of Standard Capital PLC (the Company) adopted the Code of Best Practices on related party transactions issued by the Securities and Exchange Commission of Sri Lanka (SEC) and established the Related Party Transactions Review Committee (RPTRC) on 19th February 2016. The purpose of the RPTRC is to conduct an independent review approval and oversight of all related party transactions of the Company and to ensure that the Company complies with the rules set out in the Code. The primary objectives of the said rules are to ensure that the interest of the shareholders as a whole is taken into account when entering into related party transactions, and to prevent the Directors, Key Management Personnel or substantial shareholders from taking advantage of their positions. To exercise this purpose the Committee has adopted the related party transaction Policy which contains the Company's Policy governing the review, approval and oversight of related party transactions. The members of the RPTRC during the year were:

- Mr. A M A Cader - Chairman (Senior Independent / Non-Executive Director)
- Mr B. J. Jayaratne - Independent / Non-Executive Director (Appointed on 02.05.2025 & Resigned 31.07.2026)
- Mr. W I Arambage - (Non-Independent / Non-Executive Director)
- Mr R. M. N. K. B. Rathnasighe - Independent / Non-Executive Director (Appointed on 04.10.2023 & Resigned 02.05.2025)
- Mr. W. M. Dayarathne - Non-Independent / Non-Executive Director (Appointed on 31.07.2026)

MEETINGS

During the year under review in 2025/2026, the committee met Four (04) occasions, and all the committee members attended the Meeting.

The committee specifies a ruling process to encounter all the related party transactions and to report to the Board of Directors of Standard Capital PLC as per the Ruling requirements governed by section 09 of the CSE Listing Rules.

The above proceedings of the Committee which reported to the Board of Directors, who will in turn make the final determination based on the recommendations of the Committee.

POLICIES AND PROCEDURES ADOPTED BY THE COMMITTEE.

- The committee reviews all the proposed related party Transactions in advance to ensure that they are carried out on an arm's length basis.
- Any material changes to the previously reviewed related party transaction must be disclosed and must get approval prior to the completion of the transactions.
- Make recommendation to obtain shareholder approval by way of Special Resolution for applicable related party transactions as per the directions imposed in the code and section 09 of CSE Listing Rules.

- Seek any information the committee requires from different parties with regard to any transactions entered with Related Parties.
- Obtain knowledge or expertise to assess all aspects of proposed related party transactions when and then necessary.
- To review the Economic and Commercial substance of both Recurrent and Non- Recurrent Related party transactions.
- To ensure that the interest of the Shareholders as a whole is taken into account by the company when entering transactions with Related Parties.

DISCLOSURES

All the related party transactions including Recurring and Non-Recurring Related Party Transactions, which are required to be disclosed under the directions of section 9.14.8. of the Listing Rules of CSE have been made available in Note 30 to the Financial Statements.

DECLARATION

The Board has made a declaration regarding compliance with the Rules specified under Section 9.3.2 of CSE Listing Rules.

CONCLUSION

The committee reviewed the system in place of reporting Related Party Transactions to the committee and all the transactions in line with its compliance with its terms of references.

No Related Party Transactions which required the approval of Shareholders by way of Special Resolution in terms of Section 9.14.6. or disclosed in Note 30 was reported to the committee by the Management during the year 2025/2026.



Mr. A. M. A. Cader
Chairman - Related Party Transactions Review Committee

29th September 2026

NOMINATIONS AND GOVERNANCE COMMITTEE REPORT

The Nominations and Governance Committee is established to support the Board in fulfilling its oversight responsibilities regarding the Board composition and Director appointments related to the entity and conforms to the requirements set out in rule 9.11 of listing rules issued by Colombo Stock Exchange.

The Nominations and Governance Committee comprises of the following Non-Executive Directors;

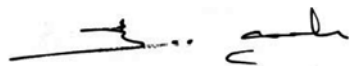
- Mr. A M A Cader - Chairman (Senior Independent / Non-Executive Director)
- Mr B. J. Jayaratne - Independent / Non-Executive Director (Appointed on 02.05.2025 & Resigned 31.07.2026)
- Mr. W I Arambage - (Non-Independent / Non-Executive Director)
- Mr R. M. N. K. B. Rathnasighe - Independent / Non-Executive Director (Appointed on 04.10.2023 & Resigned 02.05.2025)
- Mr. W. M. Dayarathne - Non-Independent / Non-Executive Director (Appointed on 31.07.2026)

During the 2025/2026 financial year, the Committee convened two instances, and all committee members attended the meetings.

Key responsibilities undertaken by the Committee during the financial year included the following

- Evaluating and recommending candidates for Board and Board Committee appointments
- Review the structure, size and composition of the Board and Board Committees regarding effective discharge of duties and responsibilities.

The Committee is satisfied that it has fulfilled its delegated responsibilities for the year under review and achieved its objectives effectively.



A M A Cader

Chairman

29th September 2026



Kreston MNS & Co
Chartered Accountants
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Colombo 07

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF STANDARD CAPITAL PLC.

Report on the Audit of the Financial Statements

Opinion

We have audited the Financial Statements of **STANDARD CAPITAL PLC** (the Company) and the consolidated Financial Statements of the Company and its subsidiary ("the Group"), which comprise the Statement of Financial Position as at 31st March 2026, and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the Financial Statements, including material accounting policy information exhibited on pages 18 to 52.

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

Basis for Opinion

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

Key Audit Matters

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

Key Audit Matter	How our audit addressed the Key Audit Matter
01. Assessment of Fair Value of Investment Property The carrying value of the Investment Property (IP) of the Group as at 31.03.2026 was Rs.225,000,000/-. This was a key audit matter due to the following:- - Materiality of the reported IP which represented 98% of the total assets as of reporting date. - Degree of assumptions, judgements and estimation uncertainties associated with the fair valuation of IP such as reliance on comparable market transactions and consideration of current market conditions.	- We assessed the objectivity, independence, competence and qualifications of the external valuer engaged by the Company. - We obtained and inspected the valuation report prepared by the external valuer. - We assessed the key assumptions applied by the external valuer in deriving the fair value of IP and comparing the same with evidence of current market values. - We assessed the adequacy of the Financial Statement disclosures.

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Branches

Anuradhapura, Badulla, Batticaloa, Hatton, Jaffna, Kandy, Negombo, Nuwara Eliya, Trincomalee

INDEPENDENT AUDITORS' REPORT CONTD...

Key Audit Matter	How our audit addressed the Key Audit Matter
02. Going Concern Assessment As disclosed in Note 2.3(a) to the consolidated financial statements, as at the reporting date, the Group had accumulated losses amounting to Rs. 121,865,708/- and its current liabilities exceeded its current assets by Rs. 66,506,548/-. Further, Standard Paints Limited, a subsidiary of the Group, had ceased its operations and its financial statements were prepared on a basis other than going concern. Notwithstanding the above, the Company and Group recorded profits during the current financial year and the Board of Directors has concluded that the use of the going concern basis of accounting is appropriate after considering the Group's financial performance, the proposed strategic investment, available financial support and the subsequent disposal of Standard Paints Limited. This was considered a key audit matter due to the following: - Significant judgement involved in assessing the Group's ability to continue as a going concern. - Reliance on financial support arrangements, future financial projections and the successful implementation of the proposed strategic investment and related business plan.	- We evaluated management's assessment of the Group's ability to continue as a going concern. - We evaluated the status and supporting documentation relating to the proposed strategic investment and related business plan. - We inspected the financial support undertakings provided by Standard Industries (Pvt) Ltd and considered its financial capacity to provide such support. - We inspected supporting documentation relating to the corporate and personal guarantees and post-dated cheques provided in respect of the Company's bank borrowings. - We considered the impact of the subsequent disposal of Standard Paints Limited on the Group's financial position. - We assessed the adequacy of the related disclosures in the consolidated financial 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 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 and fair presentation of Financial Statements in accordance with Sri Lanka Accounting Standards and for such internal control as management determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

INDEPENDENT AUDITORS' REPORT CONTD...

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

CA Sri Lanka membership number of the engagement partner responsible for signing this Independent Auditor's Report is 5333.

Kresten MNS 

**CHARTERED ACCOUNTANTS
COLOMBO
29TH SEPTEMBER 2026**

STATEMENT OF FINANCIAL POSITION AS AT 31ST MARCH

	Notes	Group		Company	
		2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.
Assets					
Non-Current Assets					
Property, Plant & Equipment	4	19,642	25,942	19,642	25,942
Intangible Assets	5	-	-	-	-
Investment Properties	6	225,000,000	212,000,000	225,000,000	212,000,000
Investments in Subsidiary	7	-	-	-	-
Long Term Investments	8	1,188,000	1,210,000	1,188,000	1,210,000
Deferred Tax Asset	16	-	-	-	-
Total Non Current Assets		226,207,642	213,235,942	226,207,642	213,235,942
Current Assets					
Trade and Other Receivables	9	1,885,477	1,624,687	1,885,477	1,624,687
Investments In Quoted Shares	12	-	794,519	-	794,519
Amounts Due from Related Parties	10	-	3,982,431	-	3,982,431
Cash & Cash Equivalents	11	2,597,675	2,029,230	1,738,664	1,164,219
Total Current Assets		4,483,152	8,430,867	3,624,141	7,565,856
Total Assets		230,690,794	221,666,809	229,831,783	220,801,798
Equity and Liabilities					
Equity					
Stated Capital	13	242,411,225	242,411,225	242,411,225	242,411,225
Revaluation Reserve		-	-	-	-
Fair value reserve of financial assets at FVOCI		241,000	263,000	241,000	263,000
Accumulated Losses		(121,865,708)	(121,849,167)	(92,656,717)	(99,805,635)
Total Equity Attributable to the Equity holders of the Parent		120,786,517	120,825,058	149,995,508	142,868,590
Non-Controlling Interest		(15,550,578)	(23,542,998)	-	-
Total Equity		105,235,939	97,282,060	149,995,508	142,868,590
Non-Current Liabilities					
Interest Bearing Loans and Borrowings	14	37,152,861	50,315,122	37,152,861	50,315,122
Amounts Due to Related Parties	19	15,812,294	-	15,812,294	-
Deferred Tax Liability	16	-	-	-	-
Deposits	17	1,500,000	1,500,000	1,500,000	1,500,000
Total Non Current Liabilities		54,465,155	51,815,122	54,465,155	51,815,122
Current Liabilities					
Trade & Other Payables	18	42,486,841	42,480,623	1,756,079	1,816,900
Lease Creditor Payable in the ensuing year	15	4,938,778	4,938,778	-	-
Interest Bearing Loans and Borrowings	14	19,918,786	18,528,272	19,918,786	18,528,272
Amounts Due to Related Parties	19	-	2,315,000	-	1,415,000
Income Tax Liabilities	20	1,082,140	1,820,112	1,133,100	1,871,072
Bank Overdrafts	11	2,563,155	2,486,842	2,563,155	2,486,842
Total Current Liabilities		70,989,700	72,569,627	25,371,120	26,118,086
Total Equity & Liabilities		230,690,794	221,666,809	229,831,783	220,801,798

The Accounting Policies and Notes from pages 22 to 52 form an integral part of these Financial Statements.

I certify that the above Financial Statements have been prepared in compliance with the requirements of the Companies Act No. 7 of 2007.



Chief Financial Officer

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



Waruna Indika Arambage
Director

29th September 2026



A M A Cader
Director

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31ST MARCH

	Notes	Group		Company	
		2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.
Revenue	22	7,350,000	18,352,545	7,350,000	17,830,545
Cost of Sales		-	(9,912,994)	-	(9,912,994)
Gross Profit		7,350,000	8,439,551	7,350,000	7,917,551
Other Income	23	2,165,229	3,023,528	2,165,229	42,876,402
Administrative Expenses		(5,726,737)	(12,656,531)	(4,741,011)	(7,063,843)
Marketing & Distribution Expenses		-	(201,768)	-	(201,768)
Other Expense	24	(156,925)	(122,296)	(1,969,612)	(116,296)
Operating Profit / (Loss)		3,631,567	(1,517,516)	2,804,606	43,412,046
Finance Income	25	29,721	15,879	29,721	15,879
Finance Cost	26	(8,685,409)	(15,391,268)	(8,685,409)	(14,628,018)
Changes in Fair Value of Investment Property	6	13,000,000	11,901,000	13,000,000	11,901,000
Profit / (Loss) before Tax	27	7,975,879	(4,991,905)	7,148,918	40,700,907
Tax expense	28	-	(5,412,372)	-	-
Profit / (Loss) for the Year from Continuing Operations		7,975,879	(10,404,277)	7,148,918	40,700,907
Profit/ (Loss) After Tax for the year from Discontinued Operations		-	-	-	-
Profit / (Loss) for the Year		7,975,879	(10,404,277)	7,148,918	40,700,907
Other Comprehensive Income					
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods (net of tax);					
Net gain/(loss) on equity instruments at fair value through other comprehensive income		(22,000)	2,000	(22,000)	2,000
Deferred Tax effect on Revaluation of Property Plant & Equipment		-	5,412,373	-	-
Total Other Comprehensive Income/(loss) for the year, net of tax		(22,000)	5,414,373	(22,000)	2,000
Total Comprehensive Income for the Year (net of tax)		7,953,879	(4,989,904)	7,126,918	40,702,907
Profit/(Loss) attributable to:					
Equity Holders of the Company		(16,541)	(7,564,479)		
Non Controlling Interest		7,992,420	(2,839,798)		
		7,975,879	(10,404,277)		
Total Comprehensive Income Attributable to:					
Equity Holders of the Parent		(38,541)	(4,044,436)		
Non Controlling Interest		7,992,420	(945,468)		
		7,953,879	(4,989,904)		
Earnings / (Losses) Per Share - Basic	29	(0.00)	(1.36)	1.29	7.35
Net Assets Per Share		21.80	21.80	27.07	25.78

The Accounting Policies and Notes from pages 22 to 52 form an integral part of these Financial Statements.

Figures in brackets indicate deductions.

STATEMENT OF CHANGES IN EQUITY

Group	Attributable to equity holders of the parent					Non Controlling Interest	Total
	Stated Capital	Revaluation Reserve	Fair value reserve of financial assets at FVOCI	Accumulated Losses	Total		
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at 1st April 2024	242,411,225	8,208,764	261,000	(126,011,495)	124,869,494	(22,597,530)	102,271,964
Transfers due to disposal of Investment Property	-	(11,726,807)	-	11,726,807	-	-	-
Loss for the year	-	-	-	(7,564,479)	(7,564,479)	(2,839,798)	(10,404,277)
Other comprehensive Income for the year	-	3,518,043	2,000	-	3,520,043	1,894,330	5,414,373
Total Comprehensive Income for the year	-	3,518,043	2,000	(7,564,479)	(4,044,436)	(945,468)	(4,989,904)
Balance on 1st April 2025	242,411,225	-	263,000	(121,849,167)	120,825,058	(23,542,998)	97,282,060
Loss for the year	-	-	-	(16,541)	(16,541)	7,992,420	7,975,879
Other Comprehensive Income/(loss) for the year	-	-	(22,000)	-	(22,000)	-	(22,000)
Total Comprehensive Income for the year	-	-	(22,000)	(16,541)	(38,541)	7,992,420	7,953,879
Balance as at 31st March 2026	242,411,225	-	241,000	(121,865,708)	120,786,517	(15,550,578)	105,235,939
Company							
Balance as at 1st April 2024	242,411,225	-	261,000	(140,506,542)	102,165,683	-	102,165,683
Profit for the year	-	-	-	40,700,907	40,700,907	-	40,700,907
Other Comprehensive Income for the year	-	-	2,000	-	2,000	-	2,000
Total Comprehensive Income for the year	-	-	2,000	40,700,907	40,702,907	-	40,702,907
Balance on 1st April 2025	242,411,225	-	263,000	(99,805,635)	142,868,590	-	142,868,590
Profit for the year	-	-	-	7,148,918	7,148,918	-	7,148,918
Other Comprehensive Income/(loss) for the year	-	-	(22,000)	-	(22,000)	-	(22,000)
Total Comprehensive Income for the year	-	-	(22,000)	7,148,918	7,126,918	-	7,126,918
Balance as at 31st March 2026	242,411,225	-	241,000	(92,656,717)	149,995,508	-	149,995,508

The Accounting Policies and Notes from pages 22 to 52 form an integral part of these Financial Statements.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31ST MARCH

	Notes	Group		Company	
		2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.
Cash Flow From Operating Activities					
Profit / (Loss) before Income Tax		7,975,879	(4,991,905)	7,148,918	40,700,907
Adjustments for					
Depreciation of Property, plant and equipment	4	6,300	5,558	6,300	5,558
Depreciation of Right of Use Asset		-	-	-	-
Finance Cost	26	8,685,409	15,391,268	8,685,409	14,628,018
Interest Income	25	(29,721)	(15,879)	(29,721)	(15,879)
Provision / (Reversal) for Retirement Benefits		-	-	-	-
Fair Value Gain or (loss) on investments	23	(1,722,279)	216,687	(1,722,279)	216,687
Fair Value (Gain) / Loss of Investment Property	6.1	(13,000,000)	(11,901,000)	(13,000,000)	(11,901,000)
Profit on Disposal Investment Property	23	-	(3,238,600)	-	-
Written back of Other Payable	23	(1,813)	-	(1,813)	-
Written back of Dividend Payable	23	(440,209)	-	(440,209)	-
Reversal of Impairment - Amount due from Related Parties		-	-	-	(42,991,474)
Operating Profit / (Loss) before Changes in Working Capital		1,473,566	(4,533,871)	646,605	642,817
Net Changes in Working Capital					
(Increase) / Decrease in :					
Change in Trade and Other Receivables	9	(260,790)	24,505	(260,790)	(149,499)
Change in Inventories		-	587,944	-	587,944
Change in Amounts due from Related Parties	10	3,982,431	(3,982,431)	3,982,431	46,158,851
Increase / (Decrease) in :					
Change in Amounts due to Related Parties	19	13,497,294	35,001,760	14,397,294	(16,740,099)
Change in Trade and Other Payables		(38,446)	4,423,037	(105,485)	(388,171)
Cash Generated From / (Used in) Operating Activities		18,654,055	31,520,944	18,660,055	30,111,843
Interest Received		29,721	15,879	29,721	15,879
Finance Cost	26	(1,984,251)	(2,196,155)	(1,984,251)	(2,196,155)
Income Tax / WHT Paid	20	(737,972)	(666,794)	(737,972)	(666,794)
Deposit Received/(Paid)		-	(300,000)	-	-
Net Cash Flows From / (Used in) Operating Activities		15,961,553	28,373,874	15,967,553	27,264,773
CASH FLOW FROM INVESTING ACTIVITIES					
Sale proceeds from disposal of shares		2,516,798	-	2,516,798	-
Acquisition of Investment Property	6.2	-	(261,400)	-	-
Acquisition of Property, Plant and Equipment	4	-	(31,500)	-	(31,500)
Net Cash From / (Used in) Investing Activities		2,516,798	(292,900)	2,516,798	(31,500)
CASH FLOWS FROM FINANCING ACTIVITIES					
Lease Paid	15	-	(176,040)	-	-
Loans obtained during the year	14	10,000,000	20,000,000	10,000,000	20,000,000
Interest paid on Long Term Loans		(6,214,472)	(12,974,250)	(6,214,472)	(12,974,247)
Repayment of Term Loans	14	(21,771,747)	(33,528,272)	(21,771,747)	(33,528,272)
Net Cash From / (Used in) Financing Activities		(17,986,219)	(26,678,562)	(17,986,219)	(26,502,519)
Net Increase / (Decrease) in Cash & Cash Equivalents		492,132	1,402,412	498,132	730,754
Cash and Cash Equivalents at the beginning of the year	11	(457,612)	(1,860,024)	(1,322,623)	(2,053,377)
Cash and Cash Equivalents at the end of the year	11	34,520	(457,612)	(824,491)	(1,322,623)

The Accounting Policies and Notes from pages 22 to 52 form an integral part of these Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 - CORPORATE INFORMATION

1.1 GENERAL

- (i) Name of the Company : STANDARD CAPITAL PLC.
- (ii) Registered Office : No. 16/1, Mohideen Terrace, Ward Place, Colombo 07.
- (iii) Domicile and Legal form : Incorporated and domiciled in Sri Lanka and listed in the Colombo Stock Exchange.
- (iv) Date of Incorporation : 13th September 2008

1.2 Principal Activities and Nature of Operations

During the year, the principal activities of the Company and Subsidiary were as follows.

Company	Activities
Standard Capital PLC	Investing in capital markets and financial instruments and the renting of premises.
Standard Paints Limited	Manufacturing and distribution of paints and allied products. The company has ceased its operation and no activity was carried out during the year.

1.3 Directors' Responsibility

The Board of Directors is responsible for these consolidated Financial Statements as per the provisions of the Companies Act No. 07 of 2007 and the Sri Lanka Accounting Standards.

1.4 Date of Authorization for issue

The consolidated financial statements of Standard Capital PLC and its subsidiary (collectively, "Group") for the year ended 31st March 2026 were authorized for issue in accordance with a resolution of the Directors on 29th September 2026.

NOTE 2 - STATEMENT OF COMPLIANCE

The consolidated financial statements of the Group have been prepared in accordance with Sri Lanka Accounting Standards as issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka), and in compliance with the Companies Act No. 07 of 2007.

2.1 Basis of Preparation

The consolidated financial statements have been prepared on an accrual basis and under the historical cost convention except for investment in shares, investment Properties that have been measured at fair value.

The consolidated financial statements are presented in Sri Lankan Rupees (Rs.)

2.2 Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiary as at 31st March 2026.

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 as investee if any 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 Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceased to control the subsidiary. Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interest, even if this result in the non-controlling interest having a deficit balance.

The financial statements of the subsidiary is prepared for the same reporting period as the parent company using consistent accounting policies. All intra-Group balances, transactions, unrealized gains and losses resulting from intra-Group transactions and dividends are eliminated in full.

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

The total profits and losses for the year of the company and of its subsidiary included in consolidation are shown in the consolidated statement of comprehensive income

NOTES TO THE FINANCIAL STATEMENTS CONTD...

NOTE 2 - STATEMENT OF COMPLIANCE (Contd.)

2.2 Basis of Consolidation (Contd.)

and all assets and liabilities of the company and of its subsidiary included in consolidation are shown in the consolidated statement of financial position.

Non-controlling interest which represents the portion of profit or loss and net assets not held by the Group, are shown as a component of profit or loss for the period in the consolidated statement of comprehensive income and as a component of equity in the consolidated statement of financial position, separately from equity attributable to the shareholders of the Parent. The Consolidated statement of cash flows includes the cash flows of the Company and its subsidiary.

2.3(a) Going Concern Assumption of Group

The consolidated financial statements have been prepared on a going concern basis, which assumes that the Group will continue in operational existence for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business.

As at the reporting date, the Group had accumulated losses amounting to Rs. 121,865,708/-, notwithstanding the profit of Rs. 7,975,879/- recorded during the current financial year. Further, the Group's current liabilities exceeded its current assets by Rs. 66,506,548/-. Standard Paints Limited, a subsidiary of the Group, had ceased its operations and its financial statements were prepared on a basis other than going concern, as further disclosed in Note 2.3(b).

Notwithstanding the above, the Board of Directors has prepared the consolidated financial statements on a going concern basis after considering the following mitigating factors, subsequent developments and future plans:

1. The Company and the Group recorded profits during the current financial year. The Company intends to continue its existing property rental and investment activities until the proposed strategic investment and related business plan detailed below are implemented.
2. The Board has identified a strategic investor and entered into an agreement in principle in relation to the proposed investment and related business plan. Under the proposed plan, the Company intends to undertake procurement and shared service activities for an established group of companies, in addition to its existing property rental and investment activities. Based on management's financial projections, the Group expects to report profits of approximately Rs. 5.57 million Rs. 31.71 million and Rs. 32.98 million for the financial years 2026/27, 2027/28 and 2028/29, respectively.

3. Subsequent to the reporting date, the Group disposed of its non-operational subsidiary, Standard Paints Limited. The Board considers that the disposal will improve the Group's financial position and reduce the financial and operational burden associated with the subsidiary.
4. Standard Industries (Pvt) Ltd, a related company of the Group, together with Mr. Waruna Indika Arambage, Chairman of the Company, has provided corporate and personal guarantees, to the sum of Rs. 100 million and 10 million respectively, in relation to the Company's bank borrowings.
5. The Group has continued to service its bank borrowings with financial assistance from its related company Standard Industries (Pvt) Ltd without any defaults. Pursuant to a letter dated 15th September 2026, Standard Industries (Pvt) Ltd has further undertaken to fund the relevant bank loan repayments and has confirmed that amounts advanced to the Group under such financial support arrangements will not be demanded for repayment for a period of three financial years. In this regards Standard Industries (Pvt) Ltd has provided post-dated cheques amounting to approximately Rs. 38.4 million to the bank on 5 June 2026 to cover the scheduled loan installments for the following 24 months.

Having considered the above factors, including the improvement in current-year financial performance, the proposed strategic investment and related business plan, the continuing financial support available to the Group and the disposal of the non-operational subsidiary, the Board of Directors believe that the Group will have sufficient financial resources to continue as a going concern for the foreseeable future.

Accordingly, the consolidated financial statements have been prepared on a going concern basis.

2.3.(b) Going Concern of Subsidiary Company - Standard Paints Limited

Due to the operational and financial challenges, Standard Paints Limited has ceased its business operations during 2024/25 and does not have any plan on future business activities. Accordingly, the Financial Statements have been prepared on the basis that Standard Paints Limited is not a going concern.

3.1 Comparative Figures

The accounting policies adopted in the preparation of the Financial Statements are consistent with those followed in the previous financial year.

The Group has not early adopted any standards, interpretations or amendments that have been issued but not yet effective.

NOTES TO THE FINANCIAL STATEMENTS CONTD...

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Contd.)

3.2 Foreign Currency Transactions

The Group's consolidated financial statements are presented in Sri Lankan Rupees, which is also the parent Company's functional currency. For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

The Functional currency is the currency of the primary economic environment in which the Company operate.

All foreign exchange transactions are converted to Sri Lanka Rupees, at the rates of exchange prevailing at the time the transactions are effected.

Monetary assets and liabilities denominated in foreign currency are retranslated to Sri Lanka Rupee equivalents at the exchange rate prevailing at the reporting date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. The resulting gains and losses are accounted for in the Income Statement.

3.3 Property, Plant and Equipment

Assets are initially recognised at acquisition cost or construction cost, including any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the Company's management.

Subsequent to the initial recognition as an asset at cost, revalued property, plant and equipment are carried at revalued amounts, less any subsequent depreciation thereon. The Company applies the Revaluation Model to Buildings while asset of other classes are stated at cost, net of accumulated depreciation. Revaluations are made with sufficient regularity to ensure that their carrying amounts do not differ materially from their fair values at the reporting date.

When an asset is revalued, any increase in the carrying amount is credited directly to a revaluation surplus unless it reverses a previous revaluation decrease relating to the same asset, which was previously recognized as an expense. In these circumstances, the increase is recognized as income to the extent of the previous write down. When an asset carrying amount is decreased as a result of a revaluation, the decrease is recognized as an expense unless it reverses a previous increment relating to that asset, in which case it is charged against any related revaluation surplus, to the extent that the decrease does not exceed the amount held in the revaluation surplus in respect of that same asset. Any balance remaining in the revaluation surplus in respect of an asset, is transferred directly to the retained earnings on retirement or disposal of the asset.

Subsequent Expenditure

The company recognizes in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item, when the cost is incurred, if it is probable that the future economic benefits embedded in the item will flow to the company and the cost of the item can be measured reliably. All other costs are recognized in the income statement as an expense incurred.

Depreciation

Depreciation is recognized in Statement of Comprehensive Income on a straight-line basis over the estimated useful lives of each part of an item of Property, Plant and Equipment.

The estimated useful lives of the Group's assets for the calculation of depreciation are as follows:

Assets	Years
Buildings	20 - 25 Years
Computers and Others	4 Years
Office equipment	5 Years
Furniture and Fittings	5 Years

Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale (or included in a disposal, Company that is classified as held for sale) and the date that the asset is derecognized.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of assets. Any gain or loss arising on derecognition of assets (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the statement of profit or loss in the period the item is derecognized.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount being the higher of their fair value less costs to sell and their value in use.

The assets residual value, useful lives and methods of depreciation of property, plant and equipment are reviewed at each reporting period end, and adjusted prospectively, if appropriate.

NOTES TO THE FINANCIAL STATEMENTS CONTD...

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Contd.)

3.4 Intangible Assets

Computer software acquired separately are measured on initial recognition at cost. Following initial recognition, computer software are carried at cost less accumulated amortization.

Computer software is amortized over the useful economic life and assessed for impairment whenever there is an indication that the computer software may be impaired. The useful economic life of the computer software for the current and comparative periods are 4 years. The amortization period and for the amortization method are reviewed at each reporting period end and adjusted prospectively, if appropriate.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit or loss when the asset is derecognized.

3.5 Investment properties

Investment properties are properties held either to earn rental income or for capital appreciation or both, but not for sale in the ordinary course of business, used in the production or supply of goods or services or for administrative purposes. Investment properties are initially measured at cost and the fair value model is used for subsequent measurement in accordance with Sri Lanka Accounting Standard (LKAS 40) -Investment Property. The cost of the investment property comprises of its purchase price and any directly attributable expenditure and changes to fair value recognized in Profit or loss.

3.6 Leases

Lease Liabilities

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. 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 remeasured 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.

3.7 Financial Instruments

a) Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

b) Classification and subsequent measurement of financial assets.

For the purpose of subsequent measurement, financial assets are classified into the following categories upon initial recognition:

- debt instruments at amortised cost
- debt instruments at fair value through other comprehensive income (FVTOCI)
- debt instruments, derivatives and equity instruments at fair value through profit and loss (FVTPL)
- equity instruments at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

A financial asset is measured at amortised cost if both the following conditions are met

- 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.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit and loss. The losses arising from impairment are recognised in the profit and loss. This category generally applies to trade and other receivables, loans and other financial assets.

Debt instruments at FVTOCI

A financial asset is measured at FVTOCI if both the following conditions are met

- 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 included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

NOTES TO THE FINANCIAL STATEMENTS CONTD...

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Contd.)

3.7 Financial Instruments (Contd.)

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Group has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Equity investments

All equity investments in scope of SLFRS 9 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present subsequent changes in the fair value in other comprehensive income. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

In case of equity instrument classified as FVTOCI, all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

c) Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when the rights to receive cash flows from the asset expires or the Group transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or the Group neither transfers nor retains substantially all the risks and rewards of the asset, but transfers control of the asset.

When the Group transfers a financial asset, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. 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.

d) Impairment of financial assets

The Group follows 'simplified approach' for recognition of impairment loss allowance on Trade Receivables.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime expected credit losses (ECLs) at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

Definition of default

The Group considers a financial instrument as defaulted for ECL calculations in all cases when the customer becomes 180 days due from the date of delivery of goods.

As a part of a qualitative assessment of whether an individually significant customer is in default, the Group also considers a variety of instances that may indicate unlikelihood to pay. When such events occur, the Group carefully considers whether the event should result in treating the customer as defaulted for ECL calculations.

Such events include:

- Reasonable and supportable forecasts of future economic conditions show a direct negative impact on the performance of a customer.
- Group is unable to contact or reach the customer even after sending three email reminders and customer has not responded calls for more than 6 months from date of delivery of services.

Write-offs

Financial assets are written off either partially or in their entirety only when the entity has stopped pursuing the recovery. The entity has a policy of writing off the gross carrying amount when the financial asset is due for one (01) year, based on historical experience on recovery of similar assets.

NOTES TO THE FINANCIAL STATEMENTS CONTD...

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

3.7 Financial Instruments (Contd.)

e) Classification and subsequent measurement of financial liabilities

The Group classifies financial liabilities as described below:

- Financial liabilities at fair value through profit or loss (FVTPL)
- Financial liabilities at amortised cost

The subsequent measurement of financial liabilities depends on their classification.

Financial liabilities at FVTPL

Financial liabilities at fair value through profit and loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit and loss.

Gains or losses on liabilities held for trading are recognised in the profit and loss.

The Group has not designated any financial liability as at fair value through profit and loss.

Financial liabilities at amortised cost

The financial liabilities which are not designated at FVTPL are classified as financial liabilities at amortised cost.

After initial recognition, such financial liabilities are subsequently measured at amortised cost using the EIR method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. Gains and losses are recognised in profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Derecognition

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

f) 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 which may include the acquisition, disposal or termination of a business line.

Financial liabilities are not reclassified as such reclassifications are not permitted by SLFRS 9.

g) Offsetting of financial instruments

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

3.8 Impairment of Non Financial Assets

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

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses of continuing operations are recognized in the statement of profit or loss in those expenses categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the assets in prior periods. Such reversal is recognized in the statement of profit or loss.

3.9 Cash & Cash Equivalents

For the purposes of the consolidated cash flow statement, cash and cash equivalents comprise cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, net of bank overdrafts. In the Statement of financial position, bank overdrafts are included in current liabilities.

3.10 Fair Value Measurement

The Company uses the following hierarchy for determining and disclosing the fair value of assets and liabilities by valuation technique:

NOTES TO THE FINANCIAL STATEMENTS CONTD...

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

3.10 Fair Value Measurement (Contd.)

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

3.11 Equity, Reserves and Dividend Payments

The total amount received by the Company or due and payable to the Company in respect of the issue of shares are referred to as "Stated Capital".

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

3.12 Provision for Contingent Assets and Contingent Liabilities

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

All contingent liabilities are disclosed as a note to the Financial Statements unless the outflow of resources is remote.

All contingent assets are disclosed where inflow of economic benefits is probable.

3.13 Revenue

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue and associated costs incurred or to be incurred can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and sale taxes. The specific recognized criteria described below must also be met before revenue is recognized.

Sale of Goods

Sale of Goods is recognized upon satisfaction of performance obligation. The revenue recognition occurs at a point in time when control of the asset is transferred to the customer, generally on delivery of the goods.

Rental Income

Rental income arising on investment properties is accounted for on an accrual basis based on the rights to receive the payments as per the contract.

Other Income

Others income is recognized on an accrual basis. Net gains and losses of a revenue nature arising from the disposal of the property, plant and equipment and other

non-current assets, including investments in subsidiaries, are accounted in the profit or loss, after deducting the carrying amount from the proceeds on disposal of such assets and related selling expenses.

Gains and Losses arising from activities incidental to the main revenue generating activities and those arising from a group of similar transactions, which are not material are aggregated, reported and presented on a net basis.

Interest income

Interest income is recorded as it accrues using the effective interest method.

Dividend income

Dividend income is recognized when the Group's right to receive the payments is established.

3.14 Operating Expenses

All expenditure incurred in running of the business and in maintaining the Property, Plant & Equipment in a state of efficiency has been charged to the Statement of Comprehensive Income. For the purpose of presentation of Statement of Comprehensive Income, the Directors are of the opinion that function of expense method present fairly the elements of the enterprise's performance, hence such presentation method is adopted.

Expenditure incurred for the purpose of acquiring, expanding or improving assets of a permanent nature by means of which to carry on the business or for the purpose of increasing the earning capacity of the business has been treated as capital expenditure.

Repairs and renewals are charged to Statement of Comprehensive Income in the year in which the expenditure is incurred.

3.15 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time the assets are substantially ready for their intended use. Borrowing Cost include foreign exchange differences to the extent that such differences are regarded as an adjustment to interest cost as permitted by the accounting standards.

3.16 Finance Income & Finance Cost

Finance income comprises interest income on funds invested. Interest income is recognized as it accrues in the Statement of Comprehensive Income, using the effective interest method.

Finance cost comprise interest expenses on borrowings, unwinding of the discount on provisions and contingent consideration, and impairment losses recognized on financial assets (other than trade receivables).

3.17 Taxes

Current Income Tax

The provision for Income Tax of the Group is based on the elements of income and expenditure as reported in the Financial Statements and computed in accordance

NOTES TO THE FINANCIAL STATEMENTS CONTD...

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

3.17 Taxes (Contd.)

with the provisions of the Inland Revenue Act in the following manner:

The Business Income of Standard Capital PLC and Standard Paints Ltd are liable to Income Tax at 30% under the Inland Revenue Act No. 24 of 2017 and its amendments for the Year of Assessment 2025/26.

Investment Income is liable at 30%

Deferred Tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

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

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

The Group has evaluated the recoverability of unrelieved losses through taxable profit forecast and deferred tax that there is only a little likelihood of recovering the unrelieved tax losses in the foreseeable future and accordingly unrelieved tax losses have not been considered in the deferred tax adjustments.

3.18 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty exists at the date of preparation, about these assumptions and estimates could result in outcomes that require a material adjustment to the recorded carrying amount of the asset or liability as at the reporting date or in future periods.

3.18.1 Judgements

In the process of applying the Group's accounting policies, management has made following judgements which have the most significant effect on the amounts recognised in the consolidated financial statements:

Tax on Financial Statements

The Group is subject to income taxes and other taxes. Significant judgement was required to determine the total provision for current, deferred and other taxes and the taxable profit for the purpose of imposition of taxes. Uncertainties exist, with respect to the interpretation of the applicability of tax laws and timing of future taxable income, including but not limited to those that can arise due to treatment of effect of adoption of Sri Lanka Accounting Standards and Transfer Pricing, at the time of the preparation of these Financial Statements.

Deferred Tax Assets

Deferred tax assets are recognized for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

Impairment of Receivables

The Group reviews at each reporting date all receivables to assess whether an allowance should be recorded in the Income Statement. The management uses judgement in estimating such amounts in the light of the duration of, outstanding and any other factors management is aware of that indicates uncertainty in recovery.

3.18.2 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates, on parameters available when the consolidated Financial

NOTES TO THE FINANCIAL STATEMENTS CONTD...

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

3.18.2 Estimates and assumptions (Contd.)

Statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group such changes are reflected in the assumptions when they occur.

Fair value of financial Instruments

Management applies valuation techniques to determine the fair value of financial instruments where active market quotes are not available. This requires management to develop estimates and assumptions based on market inputs, using observable data that market participants would use in pricing the instrument. Where such data is not observable, management uses its best estimate. Estimated fair values of financial instruments may vary from the actual prices that would be achieved in an arm's length transactions at the reporting date.

3.19 NEW ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE AS AT THE REPORTING DATE

The Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) has issued several new accounting standards and amendments / improvements to existing standards. These new standards/ amendments are set to become effective in the coming years. Early application of these standards are allowed, but the Company has not early adopted any of the new or amended standards in the preparation of these financial statements.

1. SLFRS 18 Presentation and Disclosure in Financial Statement

SLFRS 18 will replace LKAS 1 Presentation of Financial Statements and applies for annual reporting periods beginning on or after 1 January 2027. The new accounting standard introduces the following key new requirements.

Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations, and income tax categories. Entities are also required to present a newly defined operating profit subtotal. Entities' net profit will not change.

Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements.

Enhanced guidance is provided on how to use the Company information in the financial statements.

In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

2. Classification and Measurement of Financial Instruments - Amendments to SLFRS 9 and SLFRS 7

The amendments introduce enhancements to the classification, measurement, derecognition and disclosure requirements for financial instruments. Their objective is to strengthen transparency, promote greater consistency in Financial Reporting, and respond to emerging market developments.

These amendments are effective for annual reporting periods beginning on or after 01 January 2026. Early application is permitted. The amendments are not expected to have a material impact on the Company's financial Statements.

NOTES TO THE FINANCIAL STATEMENTS CONTD...

NOTE 4 - PROPERTY, PLANT AND EQUIPMENT

Group

Cost / Valuation

	As at 01.04.2025 Rs.	Additions during the year Rs.	As at 31.03.2026 Rs.
Computer	57,250	-	57,250
Office Equipment	34,459	-	34,459
Furniture & Fittings	1,389,730	-	1,389,730
	1,481,439	-	1,481,439

Depreciation

	As at 01.04.2025 Rs.	Depreciation Charge for the year Rs.	As at 31.03.2026 Rs.
Computer	57,250	-	57,250
Office Equipment	8,517	6,300	14,817
Furniture & Fittings	1,389,730	-	1,389,730
	1,455,497	6,300	1,461,797

Written Down Value

	As at 31.03.2026 Rs.	As at 31.03.2025 Rs.
Computer	-	-
Office Equipment	19,642	25,942
Furniture & Fittings	-	-
	19,642	25,942

4.a Cost of fully depreciated assets as at 31st March 2026 and 31st March 2025 are given below.

Class of Asset

	As at 31.03.2026 Rs.	As at 31.03.2025 Rs.
Computer	57,250	57,250
Office Equipment	2,959	2,959
Furniture & Fittings	1,389,730	1,389,730
	1,449,939	1,449,939

NOTES TO THE FINANCIAL STATEMENTS CONTD...

NOTE 4 - PROPERTY, PLANT AND EQUIPMENT (CONTD.)

Company

Cost / Valuation

	As at 01.04.2025 Rs.	Additions during the year Rs.	As at 31.03.2026 Rs.
Computer	57,250	-	57,250
Office Equipment	34,459	-	34,459
Furniture & Fittings	1,389,730	-	1,389,730
	1,481,439	-	1,481,439

Depreciation

	As at 01.04.2025 Rs.	Depreciation Charge for the year Rs.	As at 31.03.2026 Rs.
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	1,455,497	6,300	1,461,797

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Computer	-	-
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	19,642	25,942

Cost of fully depreciated assets as at 31st March 2026 and 31st March 2025 are given below.

Class of Asset

	As at 31.03.2026 Rs.	As at 31.03.2025 Rs.
Computer	57,250	57,250
Office Equipment	2,959	2,959
Furniture & Fittings	1,389,730	1,389,730
	1,449,939	1,449,939

NOTES TO THE FINANCIAL STATEMENTS CONTD...

NOTE 6 - INVESTMENT PROPERTIES (CONTD.)

NOTE 6.2 - INVESTMENT PROPERTIES - ON LEASEHOLD LAND (CONTD.)

6.a. The investment properties owned by the group have been stated at fair value as at 31.03.2026. Fair value assessment of Investment properties have been carried out by Mr.U.A. Kalubowila (Chartered Valuer) FIV-SL on 31 March 2026 and details of such valuation are given below.

Location	Asset	Method of Valuation	Extent	Effective Date of Valuation	Significant unobservable input (Level 2)	Range Rs.	Fair value measurement Rs	Sensitivity of fair value to unobservable input
Freehold Properties								
794/2, 3rd Lane, Galle Road, Molligoda, Wadduwa.	Land	Market Approach	83.16 p	31.3.2026	Price per perch	1,600,000	133,056,000	Estimated fair value would increase / (decrease) if price per perch or value per square feet increases / (decreases)
794/2, 3rd Lane, Galle Road, Molligoda, Wadduwa.	Building	Depreciation Replacement Cost Approach	17,000 Sq.Ft	31.3.2026	Value per square feet	5,000 - 13,000	91,944,000	
							225,000,000	

6(b) The carrying amount of revalued assets that would have been included in the financial statements had the assets been carried at cost less depreciation.

Asset Class	Address	Group		Company	
		Carrying Value		Carrying Value	
		As at	As at	As at	As at
		31.03.2026	31.03.2025	31.03.2026	31.03.2025
Land	794/2, 3rd Lane, Galle Road, Molligoda, Wadduwa	25,017,131	25,017,131	116,424,000	116,424,000
Building	794/2, 3rd Lane, Galle Road, Molligoda, Wadduwa	10,491,341	11,263,660	76,981,000	80,328,000

6(c) Income and expenditure related to Investment Properties.

Rental income generated from the properties are disclosed in Note 22.

NOTES TO THE FINANCIAL STATEMENTS CONTD...

NOTE 7 - INVESTMENT IN SUBSIDIARY

Company As at	% Holding		No. of Shares			Value		
	01.04.2025	31.03.2026	01.04.2025	Movement	31.03.2026	01.04.2025 Rs.	Movement Rs.	31.03.2026 Rs.
Standard Paints Limited								
Ordinary Shares	65%	65%	6,500,000	-	6,500,000	65,000,000	-	65,000,000
Preference Shares			10,000,000	-	10,000,000	100,000,000	-	100,000,000
			<u>16,500,000</u>	-	<u>16,500,000</u>	<u>165,000,000</u>	-	<u>165,000,000</u>
Less : Provision for Impairment						(165,000,000)	-	(165,000,000)
						-	-	-

7.a. Standard Paints Limited ("Company") is a limited liability Company, incorporated and domiciled in Sri Lanka. The registered office and principal place of business is located at No. 16/1, Mohideen Terrace Ward Place, Colombo 07. The company has ceased its business operations as such the financial statements have been prepared on 'not a going concern basis'.

7.b. The 8% cumulative preference shares issued by Standard Paints Limited, subsidiary of the company, are to be redeemed at the option of Standard Paints Limited any time after 01st April 2017. The dividend on cumulative preference shares shall be paid subject to satisfying solvency test as required by the Companies Act No 7 of 2007. Accordingly no accrual has been made for the said dividend amounting to Rs. 8,000,000 for the year ended 31st March 2026 (2025 - Rs. 8 Mn) in the company's financial Statements as Standard Paints Limited could not satisfy the solvency test.

NOTE 8 - LONG TERM INVESTMENTS

	Group		Company	
	31.03.2026 Rs.	31.03.2025 Rs.	31.03.2026 Rs.	31.03.2025 Rs.
Balance on 1st April	1,210,000	1,208,000	1,210,000	1,208,000
Additions / (Disposals)	-	-	-	-
	1,210,000	1,208,000	1,210,000	1,208,000
Changes in Fair Value	(22,000)	2,000	(22,000)	2,000
Balance on 31st March	1,188,000	1,210,000	1,188,000	1,210,000

NOTES TO THE FINANCIAL STATEMENTS CONTD...

NOTE 8 - LONG TERM INVESTMENTS (CONTD.)

Group / Company

	No. of Shares			Cost			Fair Value			
	As at	Addition /	As at	As at	Addition /	As at	As at	Additions /	Fair Value	As at
	01.04.2025	(Disposal)	31.03.2026	01.04.2025	(Disposal)	31.03.2026	01.04.2025	(Disposal)	Gain /	31.03.2026
				Rs.	Rs.	Rs.	Rs.	during the year	(Loss)	Rs.
								Rs.		
Equity Investment Lanka Limited	100,000	-	100,000	1,200,000	-	1,200,000	1,210,000	-	(22,000)	1,188,000
	100,000	-	100,000	1,200,000	-	1,200,000	1,210,000	-	(22,000)	1,188,000

8.a. Basis of Valuation - Net Assets per share at the date of reporting.

NOTE 9 - TRADE & OTHER RECEIVABLES

Financial Assets

Rent Receivable

Non Financial Assets

Deposits, Advance and Prepayments

	Group		Company	
	31.03.2026	31.03.2025	31.03.2026	31.03.2025
	Rs.	Rs.	Rs.	Rs.
Rent Receivable	1,755,000	1,620,000	1,755,000	1,620,000
	1,755,000	1,620,000	1,755,000	1,620,000
Deposits, Advance and Prepayments	130,477	4,687	130,477	4,687
	130,477	4,687	130,477	4,687
	1,885,477	1,624,687	1,885,477	1,624,687

NOTE 10 - AMOUNT DUE FROM RELATED PARTIES

	Relationship			
Standard Industries (Pvt) Ltd	Significant Investor	-	3,982,431	-
Standard Paints Ltd	Subsidiary	-	-	22,008,526
		-	3,982,431	25,990,957
Less : Impairment Provision		-	-	(22,008,526)
		-	3,982,431	3,982,431

NOTE 11 - CASH & CASH EQUIVALENTS

Favourable Cash & Bank Balances

Cash at Bank

Cash in Hand

Unfavourable Bank Balances

Bank Overdraft

Net Cash & Cash Equivalents

Cash at Bank	2,597,181	2,028,626	1,738,664	1,164,109
Cash in Hand	494	604	-	110
	2,597,675	2,029,230	1,738,664	1,164,219
Bank Overdraft	(2,563,155)	(2,486,842)	(2,563,155)	(2,486,842)
Net Cash & Cash Equivalents	34,520	(457,612)	(824,491)	(1,322,623)

NOTES TO THE FINANCIAL STATEMENTS CONTD...

NOTE 12 - INVESTMENTS IN QUOTED SHARES

	Group		Company	
	31.03.2026	31.03.2025	31.03.2026	31.03.2025
	Rs.	Rs.	Rs.	Rs.
Balance on 1st April	794,519	1,011,206	794,519	1,011,206
Changes in Fair Value	1,722,279	(216,687)	1,722,279	(216,687)
Additions / (Disposals)	2,516,798	794,519	2,516,798	794,519
Balance on 31st March	(2,516,798)	-	(2,516,798)	-
	-	794,519	-	794,519

During the year, the Company disposed of its entire investment in 72,229 ordinary shares of Renuka Foods PLC for proceeds of Rs.2,516,798.

Group / Company

	No. of Shares		Cost		Fair Value	
	AS AT 01.04.2025	ADDITION / (DISPOSAL) 31.03.2026	AS AT 01.04.2025	ADDITION / (DISPOSAL) 31.03.2026	AS AT 01.04.2025	ADDITIONS / (DISPOSAL) DURING THE YEAR
	RS.	RS.	RS.	RS.	RS.	RS.
Renuka Foods PLC	72,229	(72,229)	-	-	794,519	1,722,279 (2,516,798)
	72,229	(72,229)	-	-	794,519	1,722,279 (2,516,798)

Class of shares refers to ordinary shares unless otherwise stated.

NOTE 13 - STATED CAPITAL

Ordinary Shares

	Group		Company	
	31.03.2026	31.03.2025	31.03.2026	31.03.2025
Number of Ordinary Shares issued & fully paid	5,540,828	5,540,828	5,540,828	5,540,828
Balance on 31st March				
Stated Capital				
Balance on 31st March	242,411,225	242,411,225	242,411,225	242,411,225

NOTES TO THE FINANCIAL STATEMENTS CONTD...

NOTE 14 - INTEREST BEARING LOANS AND BORROWINGS

	Group		Company	
	31.03.2026	31.03.2025	31.03.2026	31.03.2025
	Rs.	Rs.	Rs.	Rs.
Import & Short Term Loan - Note 14(a)	5,000,000	5,000,000	5,000,000	5,000,000
Term Loan - Note 14(b)	52,071,647	63,843,394	52,071,647	63,843,394
	57,071,647	68,843,394	57,071,647	68,843,394
Amount Payable within one year	19,918,786	18,528,272	19,918,786	18,528,272
Amount Payable after one year	37,152,861	50,315,122	37,152,861	50,315,122
NOTE 14 (a) Import & Short Term Loan				
Balance on 1st April	5,000,000	5,000,000	5,000,000	5,000,000
Loans obtained during the year	10,000,000	20,000,000	10,000,000	20,000,000
Repayments during the year	(10,000,000)	(20,000,000)	(10,000,000)	(20,000,000)
Balance on 31st March	5,000,000	5,000,000	5,000,000	5,000,000
	5,000,000	5,000,000	5,000,000	5,000,000
Loan Repayable within one year	5,000,000	5,000,000	5,000,000	5,000,000
Loan Repayable after one year	-	-	-	-
NOTE 14 (b) Term Loan				
Balance on 1st April	63,843,394	77,371,666	63,843,394	77,371,666
Repayments during the year	(11,771,747)	(13,528,272)	(11,771,747)	(13,528,272)
Balance on 31st March	52,071,647	63,843,394	52,071,647	63,843,394
	52,071,647	63,843,394	52,071,647	63,843,394
Loan Repayable within one year	14,918,786	13,528,272	14,918,786	13,528,272
Loan Repayable after one year	37,152,861	50,315,122	37,152,861	50,315,122

Refer Note 14 (c) for loan details

NOTES TO THE FINANCIAL STATEMENTS CONTD...

NOTE 14 - INTEREST BEARING LOANS AND BORROWINGS (CONTD.)

NOTE 14 (c) - Loan Details

Loan Agreement Number	Lender	Loan Type	Purpose	Loan Obtained Date	Amount Obtained Rs.	Outstanding as at 31.03.2026 Rs.	Period	Interest Rate	Terms of repayment	Security
700960000218	Nation Trust Bank PLC	Short Term Loan	To Purchase raw material from local market	25.09.2025	5,000,000	5,000,000	146 Days	Monthly AWPLR + 4%p.a. (To be reviewed every three months from the loan graded date)	Revolving bullet payment (Total capital at the maturity)	Refer Note 14 (d)
640960002143	Nation Trust Bank PLC	Term Loan	To take over the existing term loan and to part finance the purchase of machinery for Dag tyre manufacturing plant	15.02.2024	13,684,210	7,631,576	52 Months	Monthly AWPLR + 2%p.a. (To be reviewed every three months from the loan graded date)	51 equal monthly capital repayment of Rs.263,158/- each and a final capital repayment of Rs. 263,152/-	Refer Note 14 (d)
640960002100	Nation Trust Bank PLC	Term Loan	To part finance the purchase cost of a property and take over the term loan facilities of subsidiary company from other bank	05/30/2023	70,000,000	44,440,071	81 Months	Monthly AWPLR + 2%p.a. (To be reviewed every six months from the loan graded date)	80 equal monthly capital repayment of Rs.864,198/- each and a final capital repayment of Rs. 864,160/-	Refer Note 14 (d)
						57,071,647				

NOTE 14(d) - SECURITIES GIVEN FOR BANKING FACILITIES

Bank	Facilities	Securities
Nation Trust Bank PLC	Overdraft Letter of Credit Acceptance Import Finance Loan Long Term Loan Short Term Loan	Primary Mortgage Bond for Rs. 100,000,000/- over property depicted as Lot 1A and 1B in survey Plan No.4850 dated 28/12/2011 located in No: 794/2, 3rd Lane Molligoda, Wadduwa Personal Guarantee from Mr. Waruna Indika Arambage for Rs.10,000,000/- Corporate Guarantee from Standard Industries (Pvt) Ltd for Rs.100,000,000/-

NOTES TO THE FINANCIAL STATEMENTS CONTD...

NOTE 15 - LEASE LIABILITIES

	Group		Company	
	31.03.2026 Rs.	31.03.2025 Rs.	31.03.2026 Rs.	31.03.2025 Rs.
Balance on 01st April	4,938,778	4,351,568	-	-
Interest charged for the year	-	763,250	-	-
Payment made during the year	-	(176,040)	-	-
	4,938,778	4,938,778	-	-
Lease Instalments payable in the ensuing year	-	-	-	-
Lease Instalments payable after one year	4,938,778	4,938,778	-	-

Lease liability relates to the properties situated on leasehold land obtained from the Ministry of Industries and Commerce, by Standard Paints Ltd which were disposed during the year 2024/2025 under an Asset Purchase Agreement dated 30 September 2024.

However, as the required approval from the Ministry of Industries and Commerce for the transfer / disposal of the relevant assets had not been obtained as at the disposal date, the related liability has not been derecognized and continues to be recognized in the financial statements.

Standard Paints Ltd and the buyer have initiated the process of obtaining the necessary approvals, and the liability will be reviewed for derecognition upon completion of the relevant approval and transfer formalities.

NOTE 16 - DEFERRED TAX LIABILITIES / (ASSETS)

	Group		Company	
	31.03.2026 Rs.	31.03.2025 Rs.	31.03.2026 Rs.	31.03.2025 Rs.
Balance on 1st April	-	-	-	-
Deferred Tax charged / (reversed) to Income Statement	-	5,412,372	-	-
Deferred Tax charged / (reversed) to Statement of Other Comprehensive Income	-	(5,412,372)	-	-
Balance on 31st March	-	-	-	-

Deferred tax asset, liability relates to the following

(a) Deferred Tax Liability

Investment Property

7,470,300	3,570,300	7,470,300	3,570,300
7,470,300	3,570,300	7,470,300	3,570,300

(b) Deferred Tax Assets

Unutilised Tax Losses

(68,484,932)	(77,649,916)	(40,076,325)	(41,415,557)
(68,484,932)	(77,649,916)	(40,076,325)	(41,415,557)
(61,014,632)	(74,079,616)	(32,606,025)	(37,845,257)

The deferred tax asset amounting to Rs. 61,014,632/- (Group) and Rs.32,606,025/- (Company) have not been recognized since there is no reasonable evidence that the temporary difference relating to part of the unutilised tax losses Rs. 228,283,310/- (Group) and Rs. 133,587,753/- (Company) respectively will reverse for some considerable period ahead.

NOTE 17 - DEPOSITS

	Group		Company	
	31.03.2026 Rs.	31.03.2025 Rs.	31.03.2026 Rs.	31.03.2025 Rs.
Rent-Wadduwa factory	1,500,000	1,500,000	1,500,000	1,500,000
	1,500,000	1,500,000	1,500,000	1,500,000

NOTES TO THE FINANCIAL STATEMENTS CONTD...

NOTE 18 - TRADE & OTHER PAYABLES

	Group		Company	
	31.03.2026	31.03.2025	31.03.2026	31.03.2025
	Rs.	Rs.	Rs.	Rs.
Financial Liabilities				
Trade Payable	-	1,813	-	1,813
Advance Received from customers	-	407,633	-	407,633
Accrued Expense	2,322,041	1,465,133	1,753,452	963,582
Dividend Payable	-	440,209	-	440,209
	2,322,041	2,314,788	1,753,452	1,813,237
Non Financial Liabilities				
Accrued Expense and other payables	2,627	3,663	2,627	3,663
Provision for statutory liabilities - VAT and Tax on Asset Disposal	40,162,173	40,162,172	-	-
	40,164,800	40,165,835	2,627	3,663
	42,486,841	42,480,623	1,756,079	1,816,900

NOTE 19 - AMOUNTS DUE TO RELATED PARTIES

	Relationship				
Non-Current Liabilities					
Standard Industries (Pvt) Ltd	Significant Investor	15,812,294	-	15,812,294	-
		15,812,294	-	15,812,294	-
Current Liabilities					
Sinali Media (Pvt) Ltd	Entity Controlled by Chairman	-	2,015,000	-	1,415,000
Standard Industries (Pvt) Ltd	Significant Investor	-	300,000	-	-
		-	2,315,000	-	1,415,000
		15,812,294	2,315,000	15,812,294	1,415,000

NOTE 20 - INCOME TAX LIABILITIES / (REFUND DUE)

Balance on 1st April	1,820,112	2,486,906	1,871,072	2,537,866
Provision made during the year	-	-	-	-
	1,820,112	2,486,906	1,871,072	2,537,866
W.H.T Tax Payments made during the year	(737,972)	(666,794)	(737,972)	(666,794)
Balance on 31st March	1,082,140	1,820,112	1,133,100	1,871,072

NOTE 20.1 - INCOME TAX LIABILITIES / (REFUND DUE) - REPRESENTED BY

Year of Assessment - Payable				
2015/16	1	1	1	1
2016/17	2,088,808	2,088,808	2,088,808	2,088,808
2017/18	956,934	956,934	956,934	956,934
	3,045,743	3,045,743	3,045,743	3,045,743
Year of Assessment - Refund Due / Credits				
2017/18	(50,960)	(50,960)	-	-
2023/24	(507,877)	(507,877)	(507,877)	(507,877)
2024/25	(666,794)	(666,794)	(666,794)	(666,794)
2025/26	(737,972)	-	(737,972)	-
	(1,963,603)	(1,225,631)	(1,912,643)	(1,174,671)
	1,082,140	1,820,112	1,133,100	1,871,072

NOTES TO THE FINANCIAL STATEMENTS CONTD...

NOTE 21 - ANALYSIS OF FINANCIAL INSTRUMENTS BY MEASUREMENT BASIS

Group

The carrying amounts of Financial Assets and Financial Liabilities in each category are as follows.

		Equity Instruments at FVTOCI Rs.	Equity Instruments at FVTPL Rs.	Debt Instruments at amortised cost Rs.	Total Rs.
	Note				
31st March 2026					
Financial Assets					
Long Term Investments	8	1,188,000	-	-	1,188,000
Trade and Other Receivables	9	-	-	1,755,000	1,755,000
Cash & Cash Equivalents	11	-	-	2,597,675	2,597,675
		<u>1,188,000</u>	<u>-</u>	<u>4,352,675</u>	<u>5,540,675</u>

			Liabilities at FVTPL Rs.	Liabilities at Amortised Cost Rs.	Total Rs.
Financial Liabilities					
Interest Bearing Loans and Borrowings	14		-	57,071,647	57,071,647
Lease Liabilities	15		-	4,938,778	4,938,778
Deposits	17		-	1,500,000	1,500,000
Trade & Other Payables	18		-	2,322,041	2,322,041
Amounts Due to Related Parties	19		-	15,812,294	15,812,294
Bank Overdrafts	11		-	2,563,155	2,563,155
			<u>-</u>	<u>84,207,915</u>	<u>84,207,915</u>

		Equity Instruments at FVTOCI Rs.	Equity Instruments at FVTPL Rs.	Debt Instruments at amortised cost Rs.	Total Rs.
	Note				
31st March 2025					
Financial Assets					
Long Term Investments	8	1,210,000	-	-	1,210,000
Trade and Other Receivables	9	-	-	1,620,000	1,620,000
Amounts Due from Related Parties	10	-	-	3,982,431	3,982,431
Investments In Quoted Shares	12	-	794,519	-	794,519
Cash & Cash Equivalents	11	-	-	2,029,230	2,029,230
		<u>1,210,000</u>	<u>794,519</u>	<u>7,631,661</u>	<u>9,636,180</u>

			Liabilities at FVTPL Rs.	Liabilities at Amortised Cost Rs.	Total Rs.
Financial Liabilities					
Interest Bearing Loans and Borrowings	14		-	68,843,395	68,843,395
Lease Liabilities	15		-	4,938,777	4,938,777
Deposits	17		-	1,500,000	1,500,000
Trade & Other Payables	18		-	2,314,788	2,314,788
Amounts Due to Related Parties	19		-	2,315,000	2,315,000
Bank Overdrafts	11		-	2,486,842	2,486,842
			<u>-</u>	<u>82,398,802</u>	<u>82,398,802</u>

NOTES TO THE FINANCIAL STATEMENTS CONTD...

NOTE 21 - ANALYSIS OF FINANCIAL INSTRUMENTS BY MEASUREMENT BASIS (CONTD.)

Company

The carrying amounts of Financial Assets and Financial Liabilities in each category are as follows.

		Equity Instruments at FVTOCI Rs.	Equity Instruments at FVTPL Rs.	Debt Instruments at amortised cost Rs.	Total Rs.
	Note				
31st March 2026					
Financial Assets					
Long Term Investments	8	1,188,000	-	-	1,188,000
Trade and Other Receivables	9	-	-	1,755,000	1,755,000
Cash & Cash Equivalents	11	-	-	1,738,664	1,738,664
		<u>1,188,000</u>	<u>-</u>	<u>3,493,664</u>	<u>4,681,664</u>

			Liabilities at FVTPL Rs.	Liabilities at Amortised Cost Rs.	Total Rs.
Financial Liabilities					
Interest Bearing Loans and Borrowings	14		-	57,071,647	57,071,647
Deposits	17		-	1,500,000	1,500,000
Trade & Other Payables	18		-	1,753,452	1,753,452
Amounts Due to Related Parties	19		-	15,812,294	15,812,294
Bank Overdrafts	11		-	2,563,155	2,563,155
			<u>-</u>	<u>78,700,548</u>	<u>78,700,548</u>

		Equity Instruments at FVTOCI Rs.	Equity Instruments at FVTPL Rs.	Debt Instruments at amortised cost Rs.	Total Rs.
	Note				
31st March 2025					
Financial Assets					
Long Term Investments	8	1,210,000	-	-	1,210,000
Trade and Other Receivables	9	-	-	1,620,000	1,620,000
Investments In Quoted Shares	12	-	794,519	-	794,519
Amounts Due from Related Parties	10	-	-	3,982,431	3,982,431
Cash & Cash Equivalents	11	-	-	1,164,219	1,164,219
		<u>1,210,000</u>	<u>794,519</u>	<u>6,766,650</u>	<u>8,771,169</u>

			Liabilities at FVTPL Rs.	Liabilities at Amortised Cost Rs.	Total Rs.
Financial Liabilities					
Interest Bearing Loans and Borrowings	14		-	68,843,395	68,843,395
Deposits	17		-	1,500,000	1,500,000
Trade & Other Payables	18		-	1,813,237	1,813,237
Amounts Due to Related Parties	19		-	1,415,000	1,415,000
Bank Overdrafts	11		-	2,486,842	2,486,842
			<u>-</u>	<u>76,058,474</u>	<u>76,058,474</u>

NOTES TO THE FINANCIAL STATEMENTS CONTD...

	Group		Company	
	31.03.2026	31.03.2025	31.03.2026	31.03.2025
	Rs.	Rs.	Rs.	Rs.
NOTE 22 - REVENUE				
Revenue on Tyre Retreading	-	11,133,145	-	11,133,145
Rent Income - Darshana International (Pvt) Ltd	7,350,000	6,660,000	7,350,000	6,660,000
Service Income	-	559,400	-	37,400
	7,350,000	18,352,545	7,350,000	17,830,545
NOTE 23 - OTHER INCOME				
Office Rent Income	-	-	-	100,000
Reversal of Impairment - Amount due to Related Company	-	-	-	42,991,474
Others	928	1,615	928	1,615
Written back of Accounts Payable	1,813	-	1,813	-
Written back of Dividend Payable	440,209	-	440,209	-
Fair Value gain or (loss) on investments	1,722,279	(216,687)	1,722,279	(216,687)
Profit on disposal of Investment Property	-	3,238,600	-	-
	2,165,229	3,023,528	2,165,229	42,876,402
NOTE 24 - OTHER EXPENSES				
Bank Chargers	156,925	122,296	150,925	116,296
Impairment of Receivable from Subsidiary - Standard Paints Ltd	-	-	1,818,687	-
	156,925	122,296	1,969,612	116,296
NOTE 25 - FINANCE INCOME				
Interest on Savings account	29,721	15,879	29,721	15,879
	29,721	15,879	29,721	15,879
NOTE 26 - FINANCE COST				
Interest on Import & Term Loans	6,701,157	12,431,863	6,701,157	12,431,863
Interest Expense on Bank Overdraft	1,984,251	2,196,155	1,984,251	2,196,155
Lease Interest	-	763,250	-	-
	8,685,409	15,391,268	8,685,409	14,628,018

NOTES TO THE FINANCIAL STATEMENTS CONTD...

NOTE 27 - PROFIT/(LOSS) BEFORE TAX

Profit before tax is stated after charging all expenses including the following

	Group		Company	
	31.03.2026	31.03.2025	31.03.2026	31.03.2025
	Rs.	Rs.	Rs.	Rs.
Depreciation	6,300	5,558	6,300	5,558
Employee Benefits including the following:				
Defined Contribution Plan Costs - EPF and ETF	-	279,206	-	279,206
Salaries and Allowance	-	4,161,038	-	4,161,038
Directors' emoluments	1,325,000	1,268,965	1,325,000	1,268,965
Audit Fees	686,577	542,525	543,852	452,352
Impairment on Receivable from Subsidiary	-	-	-	(42,991,474)

NOTE 28 - TAX EXPENSES

NOTE 28.1 - Tax Recognized in the Statement of Comprehensive Income

Income Tax Expenses	-	-	-	-
Deferred Tax Expenses/(Reversal)	-	5,412,372	-	-
	-	5,412,372	-	-

NOTE 28.2 - Reconciliation between Accounting Profit and Taxable Income or (Loss)

Accounting Profit/(Loss)	7,975,879	(4,991,905)	7,148,918	40,700,907
Income from other sources	(7,350,000)	(6,660,000)	(7,350,000)	(6,660,000)
Income not taxable	(14,722,279)	(1,615)	(14,722,279)	(42,993,089)
Aggregate Disallowed items	600,000	6,833,567	1,818,687	1,417,397
Aggregate Allowable Expenses	-	-	-	-
Less - Deduction under Section 19 Losses claimed	-	-	-	-
Adjusted Business Profit/(Loss)	(13,496,400)	(4,819,953)	(13,104,674)	(7,534,785)
Investment Income	7,350,000	6,660,000	7,350,000	6,660,000
Less - Exempt income	-	-	-	-
Less - Deduction under Section 19 Losses claimed	(7,350,000)	(6,660,000)	(7,350,000)	(6,660,000)
Assessable Income	-	-	-	-
Current Income Tax on Taxable Profit from Business	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS CONTD...

NOTE 29 - EARNINGS / (LOSS) PER SHARE

NOTE 29.1 Basic earnings / (loss) per share

Basic earning / (loss) per share is calculated by dividing the profit / (loss) for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period.

	Group		Company	
	31.03.2026 Rs.	31.03.2025 Rs.	31.03.2026 Rs.	31.03.2025 Rs.
Profits/(loss) attributable to equity holders of the Company (Rs.)	(16,541)	(7,564,479)	7,148,918	40,700,907
Weighted average number of ordinary shares	5,540,828	5,540,828	5,540,828	5,540,828
Basic earnings / (loss) per ordinary share (Rs.)	-	(1.36)	1.29	7.35

NOTE 29.2 Diluted earnings per share

As at 31st March 2026 and as at 31st March 2025 there were no dilutive potential ordinary shares. Hence, diluted earnings per share is same as basic earnings per share.

NOTE 30 - RELATED PARTY TRANSACTIONS

30.1 Transactions with Subsidiary and Related Entities

30.1.1 Group

	Entity Controlled by KMP Samaco International (Pvt) Ltd		Entity Controlled by KMP Sinali Capital (Pvt) Ltd		Significant Investor Standard Industries (Pvt) Ltd	
	2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.
As at 01st April						
Trade Receivable	-	-	-	-	-	237,520
Amounts due from Related Parties	-	-	-	-	3,982,431	-
Amounts due to Related Parties	-	-	(2,015,000)	(200,000)	(300,000)	(17,113,241)
			(2,015,000)	(200,000)	3,682,431	(16,875,721)
Expense Incurred by Related Company on behalf of Standard Capital PLC	-	-	-	(15,000)	(207,500)	(10,514,843)
Rent Expenses	-	-	(1,800,000)	(1,800,000)	-	-
Liability transferred and settled via intercompany set-off with Standard Industries Pvt Ltd	45,250,000	-	3,815,000	-	(49,065,000)	-
Advance received from customer Transferred to Standard Industries (Pvt) Ltd	-	-	-	-	(407,633)	-
Sale of Investment Property	-	-	-	-	-	50,000,000
Transferred inventories	-	-	-	-	-	416,075
Transferred / (Obtained) Funds	(45,250,000)	-	-	-	30,185,408	(19,007,680)
Welfare Fund Balance Transferred to Standard Industries (Pvt) Ltd	-	-	-	-	-	(35,400)
As at 31st March	-	-	-	(2,015,000)	(15,812,294)	3,982,431
Included in the following As At 31 March						
Trade Receivables	-	-	-	-	-	-
Amounts due from Related Parties	-	-	-	-	-	3,982,431
Amounts due to Related Parties	-	-	-	(2,015,000)	(15,812,294)	(300,000)
As at 31st March	-	-	-	(2,015,000)	(15,812,294)	3,682,431

NOTES TO THE FINANCIAL STATEMENTS CONTD...

NOTE 30 - RELATED PARTY TRANSACTIONS (CONTD...)

30.1.2 Company

As at 01st April

Trade Receivables
Amounts due from Related Parties
Amounts due to Related Parties

Transferred inventories

Advance received from customer Transferred to
Standard Industries Pvt Ltd.

Disposal Proceed Settled by Standard Capital PLC
on behalf of Standard Industries (Pvt) Ltd

Transferred/(Obtained) Funds

Liability transferred and settled via intercompany
set-off with Standard Industries Pvt Ltd.

Rent Expense settled by Standard Capital PLC to

Sinali Capital (Pvt) Ltd on behalf of Standard Paint Ltd

Rent (Expenses)/Income

Welfare Fund Balance Transferred to Standard

Industries (Pvt) Ltd

Expense Incurred by Standard Capital PLC

on behalf of Related Company

Expense Incurred by Related Company

on behalf of Standard Capital PLC

Written off of Receivable Balance which was already
provided for impairment

As at 31st March

Included in the following As At 31 March

Trade Receivables
Amounts due from Related Parties
Amounts due to Related Parties

As at 31st March

	Entity Controlled by Chairman Samaco International (Pvt) Ltd		Subsidiary Standard Paints Ltd		Entity Controlled by Chairman Sinali Capital (Pvt) Ltd		Significant Investor Standard Industries (Pvt) Ltd	
	2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.
	-	-	-	-	-	-	-	237,520
	-	-	22,008,526	72,149,808	-	-	3,982,431	-
	-	-	-	-	(1,415,000)	(200,000)	-	(17,955,099)
	-	-	22,008,526	72,149,808	(1,415,000)	(200,000)	3,982,431	(17,717,579)
	-	-	-	-	-	-	-	416,075
	-	-	-	-	-	-	(407,633)	-
	-	-	-	(50,415,514)	-	-	-	50,415,514
(45,250,000)	-	-	-	61,400	-	-	30,185,408	(18,807,680)
45,250,000	-	-	332,500	-	3,815,000	-	(49,397,500)	-
	-	-	1,200,000	-	(1,200,000)	-	-	-
	-	-	-	100,000	(1,200,000)	(1,200,000)	-	-
	-	-	-	-	-	-	-	(35,400)
	-	-	286,188	112,832	-	-	-	-
	-	-	-	-	-	(15,000)	(175,000)	(10,288,499)
	-	-	(23,827,214)	-	-	-	-	-
	-	-	-	22,008,526	-	(1,415,000)	(15,812,294)	3,982,431
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	22,008,526	-	-	-	3,982,431
	-	-	-	-	-	(1,415,000)	(15,812,294)	-
	-	-	-	22,008,526	-	(1,415,000)	(15,812,294)	3,982,431

NOTES TO THE FINANCIAL STATEMENTS CONTD...

NOTE 30 - RELATED PARTY DISCLOSURES (CONTD.)

30.2 Recurrent Related Party Transactions

There is no recurrent transactions that have been entered in to with Related Parties during the year which are more than 10% of the income as specified in section 9.14.8 of the Listing Rules of Colombo Stock Exchange that require disclosure to this Annual Report.

30.3 Non Recurrent Related Party Transactions

Non-recurrent transactions that have been entered in to with Related Parties during the year which are more than 10% of the Equity or 5% of the total assets whichever is lower as specified in Section 9.14.8 of the Listing Rules of Colombo Stock Exchange that require disclosure to this Annual Report are given below.

Name of the Related Party	Relationship	Nature of the Transaction	Aggregate Value of the Related Party Transaction Rs.	Aggregate Value of the Related Party Transaction as a % of Equity	Terms and conditions of the Related Party Transactions
Samaco International (Pvt) Ltd	Affiliate	Funds Transferred	45,250,000 <u>45,250,000</u>	32% }	At commercial terms agreed by the management
Standard Industries (Pvt) Ltd	Affiliate	Funds Transferred Liability transferred and settled Via intercompany set off with standard industries (Pvt) Ltd. Advance received for customer transferred to standard Industries (Pvt) Ltd	30,185,408 49,397,500 407,633 <u>79,990,541</u>	56% }	At commercial terms agreed by the management
Standard Paints Ltd	Subsidiary	Written off of Receivable balance which was already provided for impairment	23,827,214 <u>23,827,214</u>	17% }	At commercial terms agreed by the management

30.4 Terms and conditions of transactions with related parties

All related party transactions are carried out in the normal course of business and transacted at normal business terms. It is the policy of the Group to carry out the sales to and purchases from related parties on terms equivalent to those that prevail in arm's length transactions and comparable with those that would have been charged from unrelated parties. All related party outstanding balances at the year-end are unsecured and are to be settled in cash. The balance outstanding as at the reporting date is disclosed in Note 10 and 19 to these Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS CONTD...

30.5 Transactions with Key Management Personnel of the Company

Key Managerial Persons represent all executive and non executive directors and all members of the senior management team of the Company.

Following were members of the board of directors of the Company throughout the year :-

Mr.W. I. Arambage	Non-Independent / Non Executive Director
Mr. S. Kader	Non Independent / Non-Executive Director
Mr. A. M. A. Cader	Senior Independent / Non Executive Director
Mr. B.J. Jayaratne (Appointed on 02.05.2025 & Resigned 31.07.2026)	Independent / Non-Executive Director
Mr. R.M.N.K.B Rathnasinghe (Resigned on 02.05.2025)	Independent / Non-Executive Director
Mr. V.C. Velivitiya (Resigned on 24.07.2026)	CEO / Non-Independent / Executive Director

NOTE 30 - RELATED PARTY DISCLOSURES (CONTD.)

30.5.1 Key Management Personnel Compensation

	Group		Company	
	31.03.2026 Rs.	31.03.2025 Rs.	31.03.2026 Rs.	31.03.2025 Rs.
Directors' emoluments	1,325,000	1,268,965	1,325,000	1,268,965

NOTE 31 - CAPITAL COMMITMENTS

There are no material capital commitments which would require adjustments to or disclosure in the Financial Statements.

NOTE 32 - CONTINGENT LIABILITIES

There are no contingent liabilities which would require adjustments to or disclosure in the Financial Statements.

NOTE 33- EVENTS AFTER THE REPORTING DATE

No circumstances have arisen since the reporting date which would require adjustment to or disclosure in the Financial Statements except the below:

The group disposed its investment in subsidiary, Standard Paints Ltd on 28th September 2026 as part of the restructuring process. This disposal occurred subsequent to the reporting date and has therefore been disclosed as a non-adjusting event after the reporting date.

NOTE 34 - FINANCIAL RISK MANAGEMENT

The Group's principal financial liabilities comprise trade payables, other payables, amounts due to related parties, lease liabilities and interest bearing loans and borrowings. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include bank balances and cash, trade receivables, other receivables, amounts due from related parties and investment in shares that derive directly from its operations.

The Group is exposed in various risks in relation to financial instruments including market risk, credit risk and liquidity risk. The Board of Directors reviews and agrees policies for managing each of these risks.

The Group does not actively engage in the trading of financial assets for speculative purposes. The most significant financial risks to which the Group is exposed are described below :-

(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk of the Group comprises of interest rate risk.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's financial instruments.

NOTES TO THE FINANCIAL STATEMENTS CONTD...

NOTE 34 - FINANCIAL RISK MANAGEMENT (CONTD.)

The Group's financial liabilities that are subject to interest rate risk comprise interest bearing loans and borrowings amounting to Rs.59,634,802/- (2025:Rs.71,330,236/-).

As at the reporting date the interest rate profile of the group interest-bearing financial instruments were :-

	Group		Company	
	31.03.2026 Rs.	31.03.2025 Rs.	31.03.2026 Rs.	31.03.2025 Rs.
Variable Rate Instruments				
Bank Overdraft	2,563,155	2,486,842	2,563,155	2,486,842
Import Loans	5,000,000	5,000,000	5,000,000	5,000,000
Term Loans	52,071,647	63,843,394	52,071,647	63,843,394
	59,634,802	71,330,236	59,634,802	71,330,236

The assumed spread of basis points for the interest rate sensitivity analysis is based on the currently observable market environment changes to base rates such as AWPLR.

	Effect on Profit / (Loss) Before Tax			
	Group		Company	
	31.03.2026 Rs.	31.03.2025 Rs.	31.03.2026 Rs.	31.03.2025 Rs.
Increase / (decrease) in basis points				
+ 1000 basis points	(571,440)	(564,296)	(571,440)	(564,296)
- 1000 basis points	571,440	564,296	571,440	564,296
+ 500 basis points	(285,720)	(282,148)	(285,720)	(282,148)
- 500 basis points	285,720	282,148	285,720	282,148

(b) Credit risk

Credit risk is the risk that the counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities primarily trade receivables and from its financing activities, including deposits with banks and other financial assets.

The Group trades only with recognised creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

The Group's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at 31 March, as summarised below:

	Group		Company	
	31.03.2026 Rs.	31.03.2025 Rs.	31.03.2026 Rs.	31.03.2025 Rs.
Classes of financial assets - carrying amounts:				
Cash & Bank balances	2,597,675	2,029,230	1,738,664	1,164,219
Trade & Other receivables	1,755,000	1,620,000	1,755,000	1,620,000
Amounts due from related parties	-	3,982,431	-	25,990,957
Long Term Investments	1,188,000	1,210,000	1,188,000	1,210,000
Investments In Quoted Shares	-	794,519	-	794,519
	5,540,675	9,636,180	4,681,664	30,779,695
Less : Provision for impairment	-	-	-	(22,008,526)
	5,540,675	9,636,180	4,681,664	8,771,169

(c) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet obligations as they fall due. The Group's approach to managing liquidity risk 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 destructing the Group's operations.

The Group's objective is to maintain a balance between continuity of funding and flexibility through use of the Group's own reserves, funds from the shareholders and bank facilities.

NOTES TO THE FINANCIAL STATEMENTS CONTD...

NOTE 34 - FINANCIAL RISK MANAGEMENT (c) Liquidity risk (CONTD.)

The table below summarises the maturity profile of the Group's financial liabilities as at reporting date, based on contractual undiscounted payments.

Group	Current		Non Current		Total
	Within 6 months Rs.	6-12 months Rs.	1-5 years Rs.	Later than 5 years Rs.	
31st March 2026					
Trade & Other payables	2,322,041	-	-	-	2,322,041
Deposits	-	-	1,500,000	-	1,500,000
Amounts due to related parties	-	-	15,812,294	-	15,812,294
Interest bearing loans and borrowings	9,959,393	9,959,393	37,152,861	-	57,071,647
Lease Liabilities	2,469,389	2,469,389	-	-	4,938,778
Bank Overdrafts	2,563,155	-	-	-	2,563,155
	17,313,978	12,428,782	54,465,155	-	84,207,915
31st March 2025					
Trade & Other payables	2,314,788	-	-	-	2,314,788
Deposits	-	-	1,500,000	-	1,500,000
Amounts due to related parties	2,315,000	-	-	-	2,315,000
Interest bearing loans and borrowings	9,264,136	9,264,136	50,315,121	-	68,843,393
Lease Liabilities	2,469,389	2,469,389	-	-	4,938,778
Bank Overdrafts	2,486,842	-	-	-	2,486,842
	18,850,155	11,733,525	51,815,121	-	82,398,801

Company	Current		Non Current		Total
	Within 6 months Rs.	6-12 months Rs.	1-5 years Rs.	Later than 5 years Rs.	
31st March 2026					
Trade & Other payables	1,753,452	-	-	-	1,753,452
Deposits	-	-	1,500,000	-	1,500,000
Amounts due to related parties	-	-	15,812,294	-	15,812,294
Interest bearing loans and borrowings	9,959,393	9,959,393	37,152,861	-	57,071,647
Bank Overdrafts	2,563,155	-	-	-	2,563,155
	14,276,000	9,959,393	54,465,155	-	78,700,548
31st March 2025					
Trade & Other payables	1,813,237	-	-	-	1,813,237
Deposits	-	-	1,500,000	-	1,500,000
Amounts due to related parties	1,415,000	-	-	-	1,415,000
Interest bearing loans and borrowings	9,264,136	9,264,136	50,315,121	-	68,843,393
Bank Overdrafts	2,486,842	-	-	-	2,486,842
	14,979,215	9,264,136	51,815,121	-	76,058,472

(d) Capital management

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance.

The Group makes adjustments to its capital structure, in light of changes in economic and business conditions. To maintain or adjust the capital structure, the Group may issue new shares or adjust dividend payments to shareholders. No changes were made in the objectives, policies or processes during the year ended 31 March 2026.

Capital, which includes Stated Capital, Revaluation Reserve, Fair value reserve of financial assets at FVOCI and Accumulated Losses is measured at Rs.120,786,517/- as at 31 March 2026 (2025 - Rs.120,825,058/-)

NOTES TO THE FINANCIAL STATEMENTS CONTD...

NOTE 35 - FAIR VALUE HIERARCHY

Level 1 - Quoted (unadjusted) Market prices in active markets for identical assets or liabilities

Level 2 - Other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3 - Techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market.

Group

	Level 1		Level 2		Level 3	
	2026	2025	2026	2025	2026	2025
AS AT 31ST MARCH						
Asset measurement at fair value						
Investment Properties	-	-	225,000,000	212,000,000	-	-
Long Term Investments	-	-	-	-	1,188,000	1,210,000
Investments In Quoted Shares	-	794,519	-	-	-	-

Company

	Level 1		Level 2		Level 3	
	2026	2025	2026	2025	2026	2025
AS AT 31ST MARCH						
Asset measurement at fair value						
Investment Properties	-	-	225,000,000	212,000,000	-	-
Long Term Investments	-	-	-	-	1,188,000	1,210,000
Investments In Quoted Shares	-	794,519	-	-	-	-

TEN YEAR SUMMARY

Year Ended 31st March	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Revenue	7,350,000	18,352,545	8,541,445	6,532,875		42,800	419,441	36,144,846	151,124,697	212,166,519
Profit/(Loss) Before Tax	7,975,879	(4,991,905)	(74,048,422)	(29,564,420)	36,527,848	13,091,580	6,454,217	(9,695,751)	(46,090,893)	(70,291,181)
Net Finance Cost	(8,655,687)	(15,375,389)	(23,511,055)	(33,595,255)	(19,408,937)	(31,373,681)	(20,734,306)	(5,294,818)	(14,983,035)	(13,034,483)
Net Profit/(Loss) From Continuing Operations	7,975,879	(10,404,277)	(80,727,696)	(29,257,261)	36,906,269	14,920,517	6,569,487	(9,851,360)	(47,047,828)	(69,271,858)
EQUITY & LIABILITIES										
Stated Capital	242,411,225	242,411,225	242,411,225	242,411,225	242,411,225	242,411,225	242,411,225	242,411,225	242,411,225	242,411,225
Reserves	241,000	263,000	8,469,764	48,713,957	48,773,945	49,422,957	48,515,957	48,514,957	66,969,747	41,307,237
Retained Earnings	(121,865,708)	(121,849,167)	(126,011,495)	(124,392,861)	(105,916,250)	(136,430,307)	(108,395,381)	(110,076,052)	(101,445,131)	(62,714,171)
Total Non-Current Liabilities	54,465,155	51,815,122	69,331,208	9,969,303	10,513,362	10,839,377	2,903,487	2,624,162	5,170,359	4,722,633
Total Current Liabilities	70,989,700	72,569,627	80,187,462	171,901,440	144,293,868	129,355,126	115,624,600	104,138,048	168,553,963	173,388,159
ASSETS										
Investment Property	225,000,000	212,000,000	246,599,000	300,000,000	300,000,000	245,000,000	200,000,000	165,000,000	142,000,000	133,000,000
Unquoted Investments	1,188,000	1,210,000	1,208,000	1,146,000	1,200,000	1,200,000	947,000	947,000	1,569,000	1,576,395
Total Current Assets	4,483,151	8,430,867	3,983,634	11,712,595	11,747,727	13,932,499	28,943,504	43,601,844	119,351,274	160,655,795

INVESTOR INFORMATION

Standard Capital PLC

Analysis of Shareholders According to the Number of Shares as at 31 March 2026.

1	SHAREHOLDING AND DISTRIBUTION-TOTAL		No. of Share	Category of
	Total	Percentage of		
		Holders	Holdings	Holdings (%)
		1,162	1 - 1,000	2.79
		103	1,001 - 10,000	5.12
		10	10,001 - 100,000	6.33
		6	100,001 - 1,000,000	54.00
		1	Over 1,000,000	31.76
		<u>1,282</u>	<u>5,540,828</u>	<u>100.00</u>
2	RESIDENT SHAREHOLDING AND DISTRIBUTION			
	No. of Share	Category of	Total	Percentage of
	Holders	Holdings	Holdings	Holdings (%)
	1,158	1 - 1,000	153,371	2.77
	103	1,001 - 10,000	283,858	5.12
	10	10,001 - 100,000	350,675	6.33
	3	100,001 - 1,000,000	1,573,254	28.40
	0	Over 1,000,000	-	-
	<u>1,274</u>		<u>2,361,158</u>	<u>42.62</u>
3	NON RESIDENT SHAREHOLDING AND DISTRIBUTION			
	No. of Share	Category of	Total	Percentage of
	Holders	Holdings	Holdings	Holdings (%)
	4	1 - 1,000	955	0.02
	0	1,001 - 10,000	-	-
	0	10,001 - 100,000	-	-
	3	100,001 - 1,000,000	1,418,715	25.60
	1	Over 1,000,000	1,760,000	31.76
	<u>8</u>		<u>3,179,670</u>	<u>57.38</u>
4	COMPOSITION OF SHAREHOLDERS			
	Categories of		No. of	No. of Share
	Shareholders		Shareholders	
	Individual		1,245	932,666
	Institutional		37	4,608,162
	Total		<u>1,282</u>	<u>5,540,828</u>

INVESTOR INFORMATION CONTD...

5 Market and Other Information

	31.03.2026	31.03.2025
Market Value Per Share at the end of Financial year	N/A	N/A
No of Ordinary Voting Shares	5,540,828	5,540,828
Market Capitalization	282,028,145	253,769,922

Market Capitalization is calculated based on 31/12/2025 closing trade price (Rs.50.90)

Float Adjusted Market Capitalization	108,524,246	88,148,878
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Float Adjusted Market Capitalization is calculated based on 31/12/2025 closing trade price

Relevant Public Holdings Option	Option 05	Option 05
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The Percentage of shares hold by the public as at 31st March 2026 was 38.47% of the issued Share Capital

Number of Public Shareholders as at 31st March 2026 was 1278

Share transaction has suspended by Colombo Stock Exchange (CSE) with effect from 10/12/2025 due to noncompliance with CSE listing rules.

6 Details of Twenty Five Major Shareholders as at 31st March 2026

	No. of Shares	As a Percentage (%)
1 Gulf East Finance Limited	1,760,000	31.76
2 Standard Industries (Pvt) Ltd	1,000,000	18.05
3 Amina Investments Limited	648,715	11.71
4 Eastern Ocean Investments Ltd	500,000	9.02
5 Best Real Invest Co Services (Private) Limited	293,521	5.30
6 Est.Of Lat K.C. Vignarajah	279,733	5.05
7 Standard Chemical Corporationpte Ltd	270,000	4.87
8 Mrs K Gunaratnam	64,930	1.17
9 Ms S. Gunaratnam	64,930	1.17
10 Miss N.R. Fonseka	48,601	0.88
11 First Capital Markets Limited/Mr.S.P.Jayakumar	35,685	0.64
12 Assetline Finance Limited/M.S.Hiripitiya	35,000	0.63
13 Merchant Bank Of Sri Lanka Plc/Mr.Kamal Raja Upali Gunawardena	32,000	0.58
14 Mrs. S. Vignarajah	26,324	0.48
15 Mr. P.D.N. Perera	17,534	0.32
16 Finextra Capital (Pvt) Ltd	15,000	0.27
17 Mr. G.D. Jinadasa	10,671	0.19
18 Mrs K Sathasivam	10,000	0.18
19 Mr G Sathasivam	10,000	0.18
20 Mr G Udayakumar	10,000	0.18
21 Mr. J.J. Ravindran	9,438	0.17
22 Mr. W.G. Karunadasa	7,215	0.13
23 Mr. S. Marimuthu	7,000	0.13
24 Dr. W.W.P.W.M.R.S. Kularatne	6,724	0.12
25 Mr. M. Senanayeke (Deceased)	6,250	0.11
	5,169,271	93.29

INVESTOR INFORMATION CONTD...

7 Details of Twenty Major Shareholders as at 31st March 2025

	No. of Shares	As a Percentage (%)
1 Gulf East Finance Limited	1,760,000	31.76
2 Standard Industries (Pvt) Ltd	1,000,000	18.05
3 Amina Investments Limited	855,775	15.44
4 Eastern Ocean Investments Ltd	528,987	9.55
5 Best Real Invest Co Services (Private) Limited	293,521	5.30
6 Mr. K.C. Vignarajah	279,841	5.05
7 Standard Chemical Corporationpte Ltd	270,000	4.87
8 Mrs K Gunaratnam	64,930	1.17
9 Ms S. Gunaratnam	64,930	1.17
10 Miss N.R. Fonseka	38,540	0.70
11 First Capital Markets Limited/Mr.S.P.Jayakumar	35,685	0.64
12 Mrs. S. Vignarajah	26,324	0.48
13 Mr. U.D.M. Fernando	20,000	0.36
14 Mrs. G.Y. Packeerally	10,000	0.18
15 Mrs K Sathasivam	10,000	0.18
16 Mr G Sathasivam	10,000	0.18
17 Mr G Udayakumar	10,000	0.18
18 Mr. R.E. Rambukwelle	8,000	0.14
19 Mr. S.K. Gopidas	7,805	0.14
20 PMF Finance Plc/S.S.Kumar	7,332	0.13
21 Mr. G.H.S. Senarathne	7,250	0.13
22 Mr. D.P. Navaratnam	7,024	0.13
23 Dr. W.W.P.W.M.R.S. Kularatne	6,724	0.12
24 Mr. M. Senanayeke (Deceased)	6,250	0.11
25 Mr. U.I. Suriyabandara	6,244	0.11
	<u>5,335,162</u>	<u>96.27</u>

STANDARD CAPITAL PLC
No. 16/1, Mohideen Terrace,
Ward Place, Colombo Sri Lanka