

# The Colombo Fort Land & Building PLC



Annual Report 2024/2025



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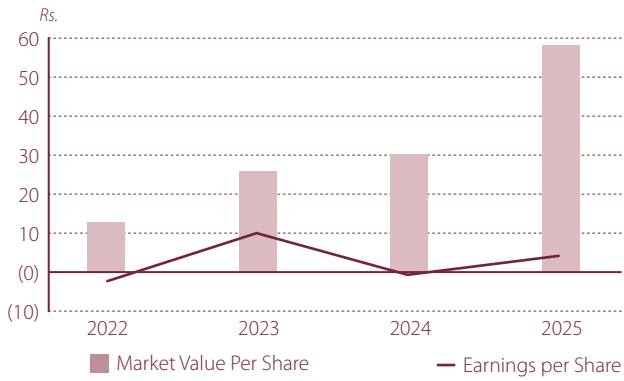
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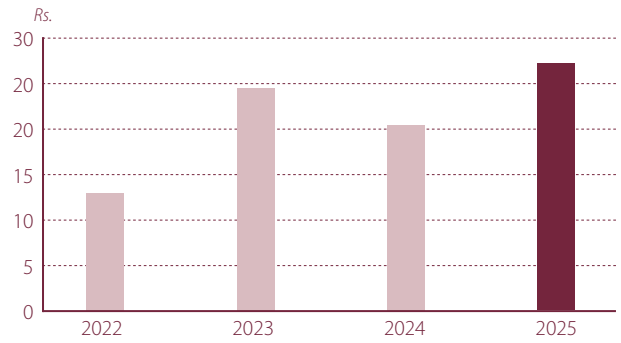
# Group Financial Highlights

<i>Financial Performance - For the year ended 31st March,</i>		2025	2024	Change %
Revenue - Consolidated	Rs. million	88,889	75,895	17
Gross Profit	Rs. million	21,814	17,417	25
Share of Results of Associate/Joint Venture (Net of Tax)	Rs. million	210	15.7	1241
Profit before Interest & Tax (EBIT)	Rs. million	7,914	5,776	37
Profit/(Loss) before Tax	Rs. million	4,426	1,412	213
Profit/(Loss) for the Year	Rs. million	2,541	61	4,077
Profit/(Loss) Attributable to-				
Owners of the Company	Rs. million	1,034	(123)	943
Non Controlling Interest	Rs. million	1,507	184	721
<i>Financial Position - As at 31st March,</i>		2025	2024	Change %
Total Assets	Rs. million	79,953	68,595	17
Total Shareholders' Funds	Rs. million	6,485	4,854	34
Non Controlling Interest	Rs. million	10,107	7,251	39
Total Equity	Rs. million	16,592	12,105	37
Total Debt	Rs. million	30,985	28,597	8
Total Capital Employed	Rs. million	47,577	40,702	17
Net Assets per Share	Rs.	27.02	20.23	34
<i>Market/Shareholder Information - As at 31st March,</i>		2025	2024	Change %
Number of Shares in Issue	million	240	240	-
Market Price of Share	Rs.	58.00	30.00	93
Market Capitalisation	Rs. million	13,920	7,200	93
Price Earnings Ratio (PER)	No. of times	13	(59)	123
<i>Key Financial Ratios - As at 31st March,</i>		2025	2024	Change %
Gross Profit Margin	%	24.54	22.95	7
EBIT Margin	%	8.90	7.61	17
Interest Cover	No. of times	2.27	1.32	71
Net Profit Margin	%	2.86	0.08	3467
Earnings per Share	Rs.	4.31	(0.51)	943
Return on Capital Employed	%	16.63	14.19	17
Return on Equity	%	15.32	0.50	2948
Debt Ratio	%	79.25	82.80	(4)
Total Assets Turnover	No. of times	0.90	0.90	(0)
Current Ratio	No. of times	0.54	0.53	3
Dividend payout Ratio	No. of times	-	0.09	-
Dividend Per Share	Rs.	-	0.25	-

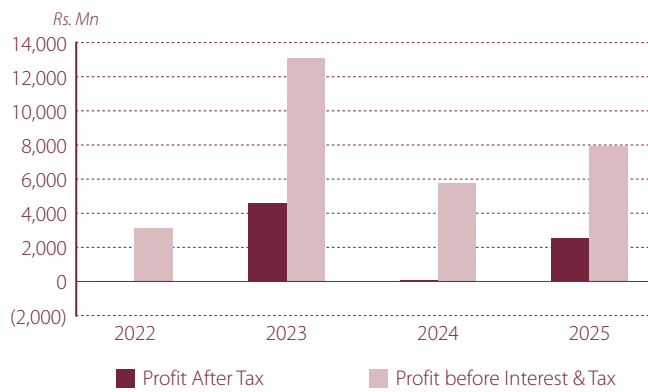
Market Value Vs. Earnings per Share



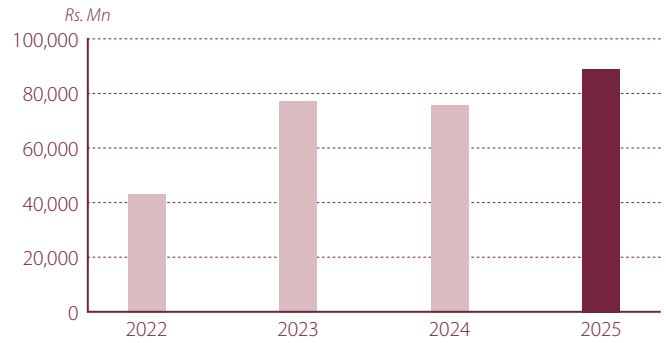
Net Assets Per Share



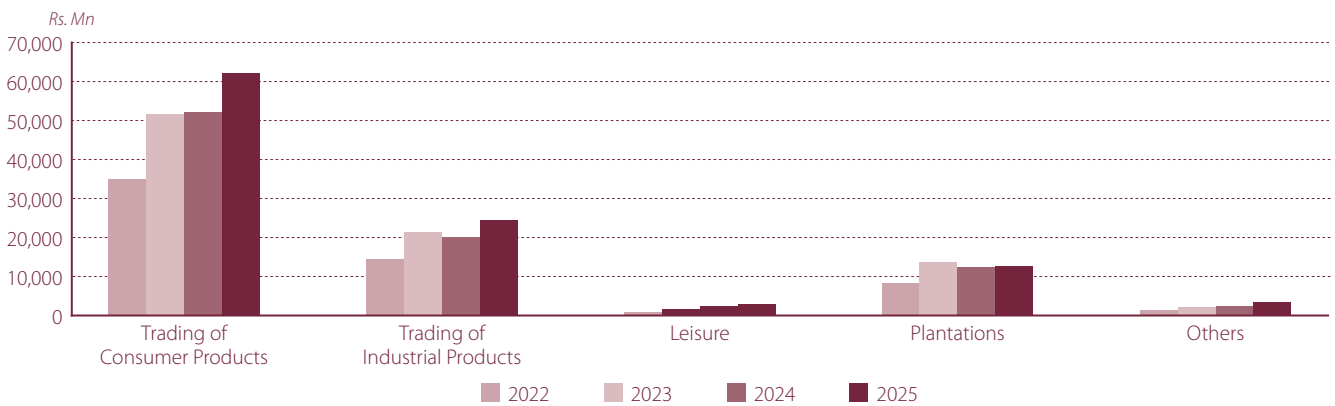
Profit Before Interest & Tax Vs. Profit After Tax



Revenue



Segment Contribution in the Group Revenue - (Gross)



# Chairman's Message

On behalf of the Board of Directors, it gives me great pleasure to present to you the Annual Report and Audited Financial Statements for the year ended 31st March 2025.

## ECONOMIC OVERVIEW

Following multiple years of successive crises, Sri Lanka's economy regained vital momentum during the period in review. GDP expanded by 5.0% in calendar year 2024, with growth of 5.4% in the fourth quarter and 4.8% in the first quarter of 2025. This broad-based recovery was led by double-digit rebounds in the industrial sector, led by construction and manufacturing, and backed by significant gains in tourism and other services.

The country enjoyed greater price stability as headline inflation turned into mild deflation from September 2024, reaching -4.2% in February 2025. Following several years of sustained price pressure, these vital improvements created welcome relief for consumers. Meanwhile, the Central Bank's decision to cut interest rates helped to stimulate domestic credit growth.

Fiscal consolidation remained on track as the deficit narrowed to 5.6% of GDP by September 2024, a primary surplus was achieved, and revenue-to-GDP climbed to roughly 13.5%.

This strong performance helped Sri Lanka to stay engaged with the International Monetary Fund (IMF)'s Extended Fund Facility while foreign debt restructuring was also effectively concluded.

On the external front, export of goods and services grew by 6.8% to US\$ 10.1 billion in the first half of 2025 leading to a current-account surplus during the period under review. Gross official reserves rose to US\$ 6.2 billion, equivalent to over five months of imports, and the Sri Lankan rupee appreciated or held firm against major currencies, underpinning import cost relief and anchoring low inflation.

Nonetheless, social challenges endure: poverty remains elevated at 24.5%, unemployment at 4.5%, and labour out-migration continues to test the recovery's inclusivity.

## GROUP PERFORMANCE

This year in review has been characterized by consolidation, with the Group generating revenue of Rs. 89 billion, up 17% compared with the previous year, and achieved a profit before tax of Rs. 4.4 billion, up 213% compared with the previous year. Similarly, profit for the year rose to Rs. 2.5 billion, marking a significant turnaround from the prior period.

The Group successfully strengthened its balance sheet, reducing finance costs by 21%, and enhancing gross profit margins by 25.2%. We have also continued to invest selectively in high-value growth opportunities within our core sectors, ensuring that we remain well positioned amid global volatility.

At Company level, we recorded a revenue of Rs. 134.4 million, up 1% compared with the previous year, with profit before tax of Rs. 637.7 million and profit for the year of Rs. 646.7 million.

## SEGMENT HIGHLIGHTS

The Group's resounding financial performance during the period under review was supported by strong top and bottom line performances across all key sectors including FMCG, Plantations, Leisure and Tourism, Chemicals and Real Estate.

## CONSUMER PRODUCTS

Consumer products, which represents our largest sector, achieved a revenue of Rs. 61.9 billion, up by 19.1% compared with the previous year, and posted a profit before tax of Rs. 3.3 billion. This growth was driven by robust demand across our Home Care and Personal Care portfolios, where focused brand innovation initiatives and strategic marketing helped secure greater market share despite a tightly competitive retail environment.

## INDUSTRIAL PRODUCTS

Meanwhile, revenue from our industrial products sector rose by 21.2% to Rs. 24.4 billion, reflecting strong order books in packaging and building materials. However, the sector recorded a loss before tax of Rs. 916.4 million, as margin pressure from elevated raw material and energy costs offset much of the top-line gains. In response, the segment accelerated our cost-management programmes and recalibrated pricing strategies to restore profitability.

## LEISURE AND TOURISM

Parallel to the historic rebound at the national level, our Leisure & Tourism sector delivered revenue of Rs. 2.8 billion, reflecting a growth of 31.8% compared with the previous year and profit before tax of Rs. 580.3 million. Higher occupancies helped to drive stronger average room rates. This provided welcome support to ongoing property enhancements aimed at further elevating guest satisfaction and encouraging repeat business.

## PLANTATIONS

Similarly, our plantations business continued to deliver a strong, stable performance, with revenue increasing by 1.6% compared with the previous year up to Rs. 12.4 billion while profit before tax reached Rs. 2 billion. Stable crop yields, disciplined cost control and favourable global tea prices underpinned this steady performance.

The sector continues to invest in agronomic best practices and mechanization to sustain productivity in the face of declining labour availability, which in turn has delivered yield growth and margin resilience in the face of notable input-cost volatility.

## INVESTMENTS

Meanwhile, the Group's investment and service businesses recorded a dramatic 43% compared with the previous year increase in revenue up to Rs. 3.2 billion and loss before tax of Rs. 498.5 million. Improved returns from our quoted investment portfolio, higher dividend income and growth in specialized service lines were the key contributors to this segment's strong double-digit expansion.

Collectively, these results demonstrate the effectiveness of our diversified model: where top-line momentum in consumer and industrial trading, buoyant leisure demand and resilient plantation yields combined, have delivered a markedly improved Group profit profile.

## **OUTLOOK**

Looking ahead, we expect Sri Lanka's GDP growth to moderate between 3.5% and 3.9% in 2025 as the rebound effect subsides. Unpredictable global headwinds continue to present significant downside risks for Sri Lanka in the coming financial year. However, our strategy remains focused on deepening our leadership in consumer, industrial and plantation sectors, strategically expanding into high-value markets, while leveraging our improved financial strength to deliver sustainable, profitable growth.

In view of the results achieved this year, the Board of Directors are pleased to propose a dividend of Rs.0.25 per share.

During the year, the Board was strengthened with the appointments of Mr. K.G. Punchihewa, Mr. S.B. Perera, Mr. S. Viran Corea, PC and Mr. I.A. Wickramasinghe as Independent Non-Executive Directors. I warmly welcome our new colleagues and thank them and my fellow Directors for their counsel and support in guiding the Group to new heights.

We were deeply saddened by the demise of Mr. A.M. de S. Jayaratne on 10 July 2025, who served as a Director for over two decades. We honour his service and extend our heartfelt condolences to his family.

In closing, I extend my sincere appreciation to my fellow Board members for their counsel, our management and staff for their unwavering dedication, and our customers, business partners and shareholders for their continued confidence in CFLB. Together, we will build on this year's achievements to create long-term value and resilience.

**S.D.R. Arudpragasam**

*Chairman*

27th August 2025

# Directors' Profiles

## **S.D.R. Arudpragasam - Chairman**

*FCMA (U.K.)*

Mr. S.D.R. Arudpragasam whilst being associated with The Colombo Fort Land & Building Group of companies since 1982 joined the Board on 11th December 2000, was appointed Deputy Chairman in November 2011 and as Chairman on 1st July 2022. He serves as Chairman of several subsidiaries of The Colombo Fort Land & Building PLC including C M Holdings PLC and Lankem Ceylon PLC. He also functions as Chairman/ Managing Director of E.B. Creasy & Company PLC, in addition to serving on the Boards of other companies in The Colombo Fort Land & Building Group. He also functions as a member of several Board Subcommittees of the CFLB Group.

Mr. Arudpragasam is a Fellow of the Chartered Institute of Management Accountants (UK).

## **C.P.R. Perera – Deputy Chairman**

Mr. C.P.R. Perera was appointed to the Board on 14th May 2013 and was appointed Deputy Chairman with effect from 1st July 2022. He serves on the Boards of several subsidiaries of the CFLB Group and functioned as a Member on the Board Subcommittees of CFLB and as Chairman/Member on the Board Subcommittees of several subsidiary companies of the CFLB Group. He also holds directorships in other private and public companies. He retired as Chairman of Forbes & Walker Ltd. and its subsidiary companies in June 2005 after almost 44 years of service. He is a past Chairman of the Sri Lanka Tea Board, Sri Lanka Insurance Corporation, PERC and Bank of Ceylon. Mr. Perera having held the Office of Chairman of Ceylon Tea Brokers PLC until 1st April 2022 continues to serve as a Non-Executive Director of the said Company. Mr. Perera has served as a Committee Member of the Ceylon Chamber of Commerce, The Planters Association of Ceylon, and on the Committee of Management of the Ceylon Planters Provident Society.

## **Anushman Rajaratnam – Group Managing Director**

*B.Sc (Hons.), CPA, MBA*

Mr. Anushman Rajaratnam joined the Board on 28th November 2011 and functions in the capacity of Group Managing Director of The Colombo Fort Land & Building PLC since January 2017. In addition, he serves on the Boards of several subsidiary companies and also functions as a member on several Board Subcommittees of the CFLB Group. Prior to joining the CFLB Group, he worked overseas for a leading global Accountancy Firm. He holds a Bachelor of Science degree in Economics from the University of Surrey, UK, CPA Australia and MBA from the Massachusetts Institute of Technology, USA.

## **P.M.A. Sirimane - Director**

*FCA, MBA*

Mr. P.M.A. Sirimane was appointed to the Board on 25th May 2017 and currently serves in the capacity of a Non-Executive Director.

He is a Fellow of the Institute of Chartered Accountants of Sri Lanka and also holds a Master's in Business Administration from the University of Swinburne, Victoria, Australia.

Mr. Sirimane also serves on the Boards of several subsidiary companies in the CFLB Group. He has also functioned as Chairman/ Member on certain Board Subcommittees of several subsidiary companies of the CFLB Group, and in certain other Listed and Unlisted Entities. Amongst other senior positions he has functioned as Managing Director/CEO of Mercantile Leasing Ltd., Group Finance Director of United Tractor & Equipment Ltd., Chief Finance Officer of Sri Lanka Telecom Ltd., and Director of SLT Hong Kong Ltd. He has served as a Member of several Committees of the Institute of Chartered Accountants of Sri Lanka and was an ex-officio member of the International Leasing Association.

## **Sanjeev Rajaratnam – Director**

*B.Sc., CA*

Mr. Sanjeev Rajaratnam was appointed to the Board on 25th May 2017. He was appointed Joint Managing Director of E.B. Creasy & Company PLC in April 2018 and holds other Directorships in The Colombo Fort Land & Building Group. He also functions as a member of several Board Subcommittees within the CFLB Group and in certain other Listed Entities.

Mr. S. Rajaratnam holds a Bachelor of Science Degree in Business Administration from Boston College, U.S.A. and is a member of the Institute of Chartered Accountants in Australia.

## **A.R. Rasiah - Director**

*B.Sc. (Cey.), FCA*

Mr. A. R. Rasiah was appointed to the Board with effect from 8th June 2023. He functioned as a Non-Executive Director of the E. B. Creasy Group of Companies, and on some of the Boards of the Hotel Sector in The Colombo Fort Land & Building Group. Mr. Rasiah also functioned as Chairman on the Board Subcommittees of several subsidiary companies of the CFLB Group. He currently functions as a member of certain Board Subcommittees of the Company.

Mr. Rasiah is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka and finalist of the Chartered Institute of Management Accountants (UK). He holds a Bachelor of Science Degree from the University of Ceylon.

Mr. A.R. Rasiah's illustrious career both in finance and commerce spans over forty years. He started his career with Ernst and Young and later served at Mercantile Group of Companies and Almulla Group of Companies, Kuwait. Finally, he joined Nestle Lanka PLC as Director Finance in 1994 and was with the Group until his retirement in 2005. He was formerly Chairman of Atlas Axillia (Pvt) Ltd., Chairman of the Sri Lanka Institute of Directors and Senior Director of Nations Trust Bank PLC. Currently Mr. Rasiah functions as the Chairman of Hela Apparel Holdings PLC, Non Executive Director of Gestetner of Ceylon PLC, and as a Director of Fintek Managed Solutions (Pvt) Ltd. and Clindata Lanka (Pvt) Ltd. He is also a keen sportsman who represented Sri Lanka at Table Tennis.

### **Amrit Rajaratnam - Director**

*LLB (Notts.), Barrister-at-Law*

Mr. Amrit Rajaratnam was appointed to the Board on 29th November 2023. He holds a Bachelor's Degree in Law from the University of Nottingham and is a Barrister-at-Law (Lincoln's Inn). He began his career at the Law Firm Julius & Creasy and later joined Lankem Ceylon PLC. He also serves as Director of Colombo Investment Trust PLC, Colombo Fort Investments PLC, Sigiriya Village Hotels PLC, Marawila Resorts PLC, Beruwala Resorts PLC, York Arcade Holdings PLC and CM Holdings PLC in addition to holding other Directorships in The Colombo Fort Land & Building Group.

### **K.G.Punchihewa - Director**

*FCA, CPA (Aus.)*

Mr. Kamal Punchihewa was appointed to the Board of The Colombo Fort Land and Building PLC on 20th February 2025. He started his career at M/s. B R De Silva & Co. Chartered Accountants, in 1983 and was appointed as a Partner in 1991.

He moved to the mercantile sector as the Financial Controller of Kotagala Plantations Ltd. under M/s George Steuarts Management Services in 1992 and in 1997 he was promoted as the Group Financial Controller of the George Steuarts Group of Companies and also as the Director Finance of George Stuart Auto Supplies (Pvt) Ltd.

He re-joined the Plantation Sector as the General Manager- Finance of Kahawatte Plantations Ltd. in 2002.

In 2005 he took his first overseas posting as the Financial Controller of PT Agro Bukit Indonesia and later promoted to the key position of Head of Finance – Plantation Operations and Business Support for the entire Indonesian operation of Good Hope Asia Group, which consisted of six Oil Palm Plantation Companies.

Mr. Punchihewa returned to Sri Lanka in 2011 and joined Lankem Tea & Rubber Plantations (Pvt) Ltd. (LT&RP) as the Director/ Deputy CEO, and was appointed, as the CEO of Agarapatana Plantations Ltd. in April 2014. He served on the Board of Agarapatana Plantations Ltd. from 2012 to 2016.

In October 2016 he joined Browns Group as the Group Chief Executive Officer – Plantation Sector in-charge of three Regional Plantation Companies and served as the Chief Executive Officer of Maturata Plantations Ltd in the same Group until July 2020.

He joined Richard Pieris Group as the Chief Financial Officer – Plantation Sector in August 2020 and was promoted as the Chief Executive Officer of Maskeliya Plantations PLC in February 2021 in the same Group, in addition to the post he was holding. He served as the Chief Executive Officer of Maskeliya Plantations PLC until March 2023.

Mr. Punchihewa currently serves as a Director of Plantation Human Development Trust and on the Boards of certain other listed entities of The Colombo Fort Land & Building Group as an Independent Non-Executive Director and also serves on the Boards of several other unlisted entities within the CFLB Group. In addition, to serving as Chairman of the Board Subcommittees of CFLB, he also functions as the Chairman/ Member of certain Board Subcommittees of several subsidiary companies of the CFLB Group.

He is a Fellow member of the Institute of Chartered Accountants of Sri Lanka since 1988 (FCA) and a Member of the Certified Public Accountants (CPA) – Australia since 2014.

### **S.B.Perera - Director**

*FCMA/CGMA(UK), B.Sc. Mech.Eng. (Hons.)*

Mr. Shrihan B. Perera was appointed to the Board of The Colombo Fort Land and Building PLC on 20th February 2025. He was the Chief Executive Officer of Teejay Group from April 2018 to December 2019. He also served as the Chief Executive Officer of Brandix Apparel Solutions Limited from January 2010 to March 2018. He was responsible for drawing up and implementing strategies across all business units in the intimate apparel SBUs in Sri Lanka and India. Mr. Perera previously held positions of Group Financial Controller & Treasurer, Group Accounts Manager and Finance Director at Unilever Sri Lanka while counting overall experience over 30 years both with Engineering and Finance exposure in and amongst competitive conditions and multidimensional challenges. He served as Accounts and Administrative Controller at Al Mulla Group of Companies in Kuwait from January 1991 to December 1995. He has wide exposure in FMCG, Garment and Textile Manufacture and service industry (overseas).

Mr. Perera currently serves as an Independent Director of Teejay Lanka PLC and its Subsidiaries and also functions as Chairman/ Member of certain Board Subcommittees. He also serves on the Boards of Fintrex Finance Limited, C.W. Mackie PLC and on the Boards of certain other listed and unlisted entities of The Colombo Fort Land & Building Group. In addition to serving as a member of the Board Subcommittees of CFLB, he also functions as the Chairman/ Member of certain Board Subcommittees of several subsidiary companies of the CFLB Group.

He holds a Bachelor of Science Degree in Mechanical Engineering- 2nd Class Upper Honours from the University of Moratuwa and is a Fellow of the Chartered Institute of Management Accountants/ CGMA, UK.

# Directors' Profiles contd.

## **S. Viran Corea, PC - Director**

*LL.B, LL.M*

Mr. Viran Corea, PC is a senior legal practitioner, providing services as counsel in litigation in courts and fora for adjudication of legal rights/dispute resolution, legal advice, drafting of agreements and legal consultancy. He possesses a Bachelor of Laws (LL.B) and Master of Laws (LL.M) degrees from the University of Colombo. Mr. Corea was called to the Bar as an Attorney-at-Law of the Supreme Court of Sri Lanka in 1997 and conferred Silk (President's Counsel) in December 2023.

Mr. Corea was a Non-Executive Director of Seylan Bank PLC, a licenced commercial bank regulated by the Central Bank of Sri Lanka until his retirement from the Board in May 2024 on completing 9 years. During that time, he served on several sub-committees of the bank, including its Board Governance and Compliance Committee, Related Party Transactions Review Committee and Board Sustainability Committee.

He has also served as a member of the Legislation Steering Committee of the Ceylon Chamber of Commerce (CCC) and completed the Board Leadership Director Certification Programme of the Sri Lanka Institute of Directors (SLID) to be eligible for SLID Graduate Membership. He is also a member of the Board of Management of the Legal Aid Unit of the Faculty of Law of the University of Colombo and legal advisor to several companies and organisations, including think tank Verite Research, Environmental Foundation Limited (EFL) and FactCheck.lk. He was a member of the drafting committee for the Prevention of Torture thematic area for formulation of the National Human Rights Action Plan NHRAP (2017-2021) of the Ministry of Foreign Affairs of Sri Lanka.

He commenced private practice in September 2002, after serving several years in public service as a State Counsel at the Attorney General's Department of Sri Lanka.

## **I.A. Wickramasinghe - Director**

*MBA,FCIM(UK)*

Mr. Indrajit A. Wickramasinghe was the former Director/Chief Executive Officer of Union Bank for over nine years up to his retirement on 15th August 2024. He counts over 35 years of management experience having worked in both the financial services and FMCG sectors in local and multinational companies. He holds an MBA from the Post Graduate Institute of Management, University of Sri Jayewardenepura, and is a Fellow of the Chartered Institute of Marketing UK. He has been exposed to Executive Education Programmes at the National University of Singapore, The Said Business School of the University of Oxford UK and INCEAD (France). He is a member of the Oxford Business Alumni, University of Oxford UK.

Prior to his appointment as Director/CEO of Union Bank he served as the Chief Operating Officer of NDB Bank where he was responsible for all business areas including Retail Banking, Corporate Banking, SME Banking and Project Finance. Prior to joining the financial services sector, he was with the leading Multi National Company Reckitt and Colman where he held numerous senior management positions.

Mr. Wickramasinghe has also served on a number of boards as an Executive Director and Non-Executive Director. He was the Chairman of the Financial Ombudsman Sri Lanka (Guarantee) and a Director of the Credit Information Bureau of Sri Lanka.

He currently also serves on the boards of AIA Insurance Lanka, NDB Securities (Pvt) Ltd., Fintrex Finance Ltd, Three Acre Farms PLC, Ceylon Grain Elevators PLC, C.W.Mackie PLC, Overseas Realty Ceylon PLC and Diesel & Motor Engineering PLC.

He also functions as Chairman/ member of certain Board Subcommittees of several Listed Entities.

# Management Discussion and Analysis

## COMPANY OVERVIEW

The Colombo Fort Land & Building PLC (CFLB) is one of Sri Lanka's earliest commercial property developers and today oversees a diversified portfolio spanning consumer products, industrial products, leisure and tourism, plantations, and other investments and services. Incorporated on 30 April 1895, the Company's origins trace back to the acquisition and development of the Leyden Bastian property to meet demand for high quality office accommodation.

Over time, the company has evolved and grown through a combination of organic growth and strategic acquisitions into a highly diversified conglomerate that is ideally positioned to navigate emerging challenges, and pursue new growth paradigms.

## MACROECONOMIC ENVIRONMENT

Following historic contractions from 2022 to 2023, Sri Lanka's economy rebounded strongly in 2024, growing by 5.0% by the end of the calendar year. Inflation remained in negative territory at -4.2% in February 2025. In response to easing price pressures, the Central Bank's cumulative 150 basis point policy rate reductions filtered through to lending conditions; average commercial lending rates fell from near 30% at the peak to about 8% by late 2024. Credit growth turned positive from December 2024 to January 2025 reflecting growth of approximately 4.3 per cent year on year (YoY).

Fiscal consolidation remained on track during the year in review, with the fiscal deficit narrowing to 6.8% of GDP in 2024 as a result of rising Government revenue, and despite a slight increase in total expenditures. A primary surplus of approximately 2.1 to 2.2% of GDP was achieved, while revenue to GDP climbed to approximately 13.5%; the highest level in over a decade.

On the external front, exports of goods and services reached US\$ 10.1 billion in the first half of FY25, up 6.8% YoY from FY24, while a modest trade deficit was offset by a second consecutive current account surplus. Gross official reserves climbed to US\$ 6.2 billion (equivalent to over five months of imports), and the Sri Lankan rupee appreciated or held firm against major currencies, providing further import cost relief.

Banking sector stability improved further, with non performing loans declining and capital adequacy ratios strengthening, as major banks reported healthier profitability. Notwithstanding these gains, social challenges persist: poverty remains elevated at 24.5%, while unemployment stood between 4 and 4.5%.

Sri Lanka's engagement with the IMF Extended Fund Facility (approved March 2023) remained on track, with the Fourth Review completed on 1 July 2025.

Easing inflation and lower interest rates improved consumer purchasing power, trade liquidity and funding costs across the portfolio. Currency stability and better reserve cover supported import planning in consumer and industrial distribution. Tourism demand strengthened with improving airlift and rates. Plantation margins benefited from disciplined cost management against

broadly stable crop yields. The policy environment and fiscal adjustment improved investor confidence, while persistent affordability constraints and uneven demand recovery required prudent working capital and price discipline.

## COMPANY FINANCIAL REVIEW

For FY 2024/25, CFLB recorded revenue of Rs. 134.4 million, a 1% increase from FY24. Other income amounted to Rs. 691 million, down 3% YoY. Reduced performance largely reflected dividend income and profit on disposal of subsidiary shares. Administrative expenses rose by 7% YoY to Rs. 102.4 million, principally due to modest inflationary pressures. Net finance cost increased by 30% YoY to Rs. 82.5 million.

Profit before tax declined by 6% YoY to Rs. 637.7 million, while profit for the year stood at Rs. 646.7 million. Other comprehensive income of Rs. 1.01 million brought total comprehensive income to Rs. 647.7 million. Earnings per share were Rs. 2.69. On the balance sheet, total equity reached Rs. 3,588 million, with a net asset value per share of Rs. 14.95.

## GROUP FINANCIAL REVIEW

The Group's revenue increased by 17% YoY to Rs. 88.9 billion, supported by broad based demand across all segments. Cost of sales rose 15% YoY to Rs. 67.1 billion, yielding a 25.2% YoY increase in gross profit up to Rs. 21.8 billion.

Other income strengthened by 3.5% YoY to Rs. 1.61 billion, while distribution and administrative expenses totaled Rs. 15.3 billion, up 16.5% YoY from FY24. Finance costs declined by 20% YoY to Rs. 3.67 billion, reflecting the benefit of lower interest rates. Share of results from joint ventures contributed Rs. 168.8 million.

Powered by strong performances across all core businesses, Group profit before tax rose to Rs. 4.4 billion, reflecting growth of 213.4% YoY, with profit for the year of Rs. 2.5 billion. Total comprehensive income reached Rs. 3.7 billion, and earnings per share improved to Rs. 4.31, as compared with a loss per share of 0.51 in FY24.

## SEGMENTAL ANALYSIS

### Consumer Products

Parallel to the significant improvements in the nation's macroeconomic stability, improved economic conditions also enabled greater consumer spending. Together with strategic marketing and continued product innovation, the Group's Consumer Products segment generated a 19.2% YoY increase in revenue up to Rs. 62 billion, as compared with Rs. 52 billion in FY24.

Profit after tax was Rs. 2.4 billion, as compared with Rs. 354.8 million in FY24. Growth was driven by volume recovery as household purchasing power improved, selective pricing and mix management, sharper in store execution and portfolio additions in distribution. Working capital discipline and procurement efficiencies supported margin recovery despite continued input cost volatility and shorter distributor credit cycles and intensifying competition.

# Management Discussion and Analysis contd.

## Industrial Products

Despite strong top line momentum, the Industrial Products segment faced margin pressure from elevated input costs. Revenue grew 21.2% YoY to Rs 24.4 billion, against Rs. 20.1 billion in FY24. However, the segment recorded a loss after tax of Rs. 1.1 billion, as compared with a loss of Rs. 1 billion in FY24.

Results reflected uneven pass through of lower raw material costs, selective portfolio rationalisation, and progress on operational turnarounds within packaging and industrial solutions. Similarly, the sector continues to guard against risks emerging from global volatility in input cost and currency linked sourcing exposure.

## Leisure & Tourism

Buoyed by renewed international travel, Leisure & Tourism revenue rose 31.8% YoY to Rs 2.79 billion, as compared with Rs 2.12 billion in FY24. Profit after tax reached Rs. 502.6 million, up 73.5% YoY compared with Rs. 289.7 million in FY24.

Higher occupancies, particularly from European and Middle Eastern markets, combined with dynamic yield management and targeted property enhancements to deliver both growth and margin improvement. The performance of the sector over the coming year may be strongly impacted by ongoing global geopolitical tensions, together with rising operating costs, and any further disruptions in global travel.

## Plantations

The Plantations segment delivered a steady performance, with revenue of Rs. 12.4 billion, up 1.6% YoY from Rs. 12.2 billion in FY24. Profit after tax increased 84.4% YoY to Rs. 1.37 billion, against Rs. 745.3 million in FY24, underpinned by stable crop yields, disciplined cost control and favourable global tea prices.

Continued investment in agronomic best practices and mechanisation will support further yield and margin resilience. Particularly in recent years, climate change and weather variability have become increasingly important factors in determining crop yields across the plantation industry in Sri Lanka and across other global competitors. Such factors could have an unpredictable impact on crop yields, while the risk of labour cost escalation continues to be a significant challenge for the entire industry.

## Others

The "Others" category which includes investment and specialised service activities, recorded revenue of Rs. 3.24 billion, a 43% YoY increase on Rs. 2.27 billion in FY24. Following increased inter segment eliminations, the segment closed the year with a loss before tax of Rs. 498.5 million, as compared with the previous year's loss of Rs. 227 million. Total loss for the year stood at Rs. 577.7 million, as compared with a loss of Rs. 290.4 million in the previous year.

Market volatility remains a key risk for the sector, particularly in relation to income generated by investments and dividends. The Group continues to monitor for any further changes in occupancy rates and rental yield cycles and any regulatory changes that could impact portfolio companies.

## FUTURE OUTLOOK

Looking ahead, Sri Lanka's GDP growth is forecast to moderate to 3.5 to 3.9% in 2025. As the post crisis rebound normalises inflation is expected to remain subdued in the mid single digit range while policy rates stable at current levels. Tourism receipts should recover further as global travel patterns return to normal and potentially surpass pre pandemic levels, supporting services export growth. On the fiscal side, continued discipline will be necessary to sustain a primary surplus and bring the debt to GDP ratio below 90% over the medium term.

However, unpredictable global headwinds could have significant impacts on these dynamics. The ongoing rebalancing of global trade. This in turn is driven by shifting supply chains and evolving trade agreements which may affect Sri Lanka's export performance and import costs.

Escalating geopolitical tensions following multiple flashpoint events over the past five years also pose significant risks to commodity markets, shipping routes and investor sentiment. In this environment, maintaining policy flexibility and prudent macroeconomic management will be critical to preserving resilience and supporting sustained growth.

Domestic affordability constraints and regulatory changes may influence consumption and investment plans. Accordingly, the Group maintains a cautiously optimistic view of the coming financial year, and will aim to prioritise efficiency, pricing discipline, cash generation and selective growth investments, while maintaining prudent funding and capex decisions moving forward.

# Risk Management Review

## OVERVIEW

Risk management involves identifying potential risks faced by the Group and implementing proper risk management techniques to mitigate such risks.

The Colombo Fort Land & Building Group PLC is involved in a diverse range of business activities. Whilst this diversification provides a hedge against the positive correlation of business and environmental risks, it also exposes the Group to a wider range of risks and opportunities. Therefore, a disciplined approach to risk management is important in order to ensure successful execution of strategic objectives and to express acceptance towards risk management which has been adequately compensated.

## COMPANY'S APPROACH TO RISK

Risk management is an important function of our Group. The Group reviews and assesses significant risks on a regular basis and has implemented an oversight programme to ensure that there is a system of internal controls in place. It is more important to identify risks that may prevent a business from realising its potential, and to manage them in order to minimise adverse effects and maximise positive outcomes.

The risk management process involves identifying the risks, analysing and evaluating the risks and treating such risks by taking steps to reduce and eliminate the losses which may be faced by the Group. As a part of the Risk Management process, at the Group level, the Board reviews its strategies, processes, procedures and guidelines on a continuous basis to effectively identify, assess and respond to such risks.

The Group assesses risk at the individual transaction level and evaluates aggregated risk at the customer, industry, geographic and collateral-type levels, where appropriate. Risk assessment and risk management are the responsibilities of management. The risk infrastructure is designed to identify, evaluate and mitigate risks within each of the following categories;

## RISK FACTORS

### Strategic Risk

Strategic risk relates to the Group's future business plans and strategies, and includes risks associated with the markets and industries in which the Group operates, demand for products and services, competitor threats, technology and product innovation, mergers and acquisitions and public policy.

### Operational Risk

Operational risk relates to the risk arising from the execution of business operations. The Group has established sound internal control systems in all its operations and continuously reviews and monitors those procedures to ensure accountability and transparency in all its operations.

The Group faces a number of operational risks on an ongoing basis, including: Stock management; Supply chain management; Key supplier failure; and IT security. The Group is continuously focusing on improving its controlling and monitoring processes to ensure smooth functioning of all its operations.

### Financial Risk

Financial risk relates to the ability to meet financial obligations and mitigate credit risk, liquidity risk and exposure to broad market risks, including volatility in foreign currency exchange rates, interest rates and commodity prices. Liquidity risk is the risk of being unable to accommodate liabilities at maturity, fund asset growth and meet contractual obligations through access to funding at reasonable market rates. Credit risk is the risk of financial loss arising from a customer or counterparty failing to meet contractual obligations.

### Legal and Compliance

Legal and compliance risk relates to changes in the Government and regulatory environment, compliance requirements with policies and procedures, including those relating to financial reporting, environmental health and safety and intellectual property risks. Government and regulatory risk is the risk that the Government or Regulators' actions which will impose additional cost or cause the Group to change its business models or practices.

### New Business and Acquisitions

Innovation is encouraged across CFLB businesses and activities. Therefore, it is important that all elements of new business initiatives are well understood before commencement. All new business initiatives must be approved by all Directors prior to commencement. The new business approval process is a formal process whereby all relevant risks (e.g. market, credit, equity, legal, compliance, taxation, accounting, operational and systems issues) are reviewed to ensure that the transaction or operation can be managed properly and will not create unknown or unwanted risks for CFLB in the future.

### Credit Risk

Credit Risk is defined as the risk of a counterparty failing to complete its contractual obligations when they fall due. The consequent loss is either the amount of the loan being unpaid, or the loss incurred in replacing a trading contract with a new counterparty.

### Business Risk

New entrants into the markets and the intensification of competition from existing players in these markets, variation in consumer spending patterns and effects of the weather conditions for seasonal businesses are the significant business risks that the Group encounters.

# Corporate Governance

The Colombo Fort Land & Building PLC's (CFLB) Corporate Governance policy has ensured transparency and accountability towards our valuable stakeholders. The core objective of all Corporate Governance rules and regulations is to ensure that the interests of all stakeholders are reasonably safeguarded. Thus, the Board strives to take all possible steps to comply with best practices on Corporate Governance as it builds trust among stakeholders and establishes a basis for responsible conduct.

Our values have been applicable at all levels and this guarantees the business transparency towards our valuable stakeholders and corporate society.

## THE BOARD

### Board Composition

Currently the Board comprises of one Executive Director and ten Non- Executive Directors of whom four are Independent. The Directors possess the necessary expertise in the fields of finance, corporate management and legal with varied business and professional experience in order to direct, lead and control the Company's business activities successfully.

Mr. S.D.R. Arudpragasam - *Chairman - Non-Executive*

Mr. C.P.R. Perera - *Deputy Chairman - Non-Executive*

Mr. Anushman Rajaratnam - *Group Managing Director - Executive*

Mr. A.M. de S. Jayaratne - *Non-Executive*  
(Deceased 10.07.2025)

Mr. P.M.A. Sirimane - *Non-Executive*

Mr. Sanjeev Rajaratnam - *Non-Executive*

Mr. A.R. Rasiah - *Non-Executive*

Mr. Amrit Rajaratnam - *Non-Executive*

Mr. K.G. PUNCHIHEWA - *Independent Non-Executive*  
(Appointed w.e.f. 20.02.2025)

Mr. S.B. Perera - *Independent Non-Executive*  
(Appointed w.e.f. 20.02.2025)

Mr. S. Viran Corea, PC - *Independent Non-Executive*  
(Appointed w.e.f. 28.03.2025)

Mr. I.A. Wickramasinghe - *Independent Non-Executive*  
(Appointed w.e.f. 28.03.2025)

Mr. A.M. de S. Jayaratne, who served as an Independent Non-Executive Director until the close of business on 31st December 2024, and continued to serve as a Non-Executive Director of the Company effective from 1st January 2025 passed away on 10th July 2025.

Mr. C.P.R. Perera, Mr. P.M.A. Sirimane and Mr. A.R. Rasiah, who served as Independent Non-Executive Directors until the close of business on 31st December 2024, continue to serve as Non-Executive Directors of the Company effective from 1st January 2025.

### Decision Making of the Board

The Board discusses matters relating to formulation and implementation of sound business strategies, ensuring an effective system to secure integrity of information, internal controls and risk management.

The Board has met on seven occasions during the year under review. In addition to the decisions taken at Board Meetings, matters are referred to the Board and decided by resolutions in writing. The Board collectively and the Directors individually, act in accordance with the laws of the country, which are applicable to the business enterprise.

The attendance at Board meetings was as follows:

Mr. S.D.R. Arudpragasam	7/7
Mr. C.P.R. Perera	7/7
Mr. Anushman Rajaratnam	6/7
Mr. A.M. de S. Jayaratne (Deceased 10.07.2025)	7/7
Mr. P.M.A. Sirimane	5/7
Mr. Sanjeev Rajaratnam	6/7
Mr. A.R. Rasiah	7/7
Mr. Amrit Rajaratnam	4/7
Mr. K.G. PUNCHIHEWA (Appointed w.e.f. 20.02.2025)	1/1
Mr. S.B. Perera (Appointed w.e.f. 20.02.2025)	1/1
Mr. S. Viran Corea, PC (Appointed w.e.f. 28.03.2025)	0/1
Mr. I.A. Wickramasinghe (Appointed w.e.f. 28.03.2025)	1/1

### Board Responsibilities

- Formulation of short and long term strategies towards sustainable growth.
- Enhancing shareholder value.
- Identifying principal risks of the business.
- Overseeing systems of internal control.
- Approval of interim and annual financial statements.
- Ensuring compliance with laws and regulations.
- Authorizing all material contracts, acquisitions or disposal of subsidiaries and approving capital projects.
- Ensure compliance with Company policies.

The Directors have made themselves aware of applicable laws, rules and regulations and are aware of changes particularly to the Listing Rules and applicable Capital Market provisions.

### Fit & Proper Assessment

The Company's fit and proper assessment for Directors is in line with the guidelines set out in the Listing Rules and include criteria on honesty, integrity and reputation, competence and capability and financial soundness. The Chairman and Directors satisfy the fit and proper assessment criteria stipulated in the Listing Rules of the CSE.

### Company Secretary and Independent Professional Advice

The Company and all the Directors may seek advice from Corporate Managers & Secretaries (Private) Limited (CMSL) who are qualified to act as Secretaries as per the provisions of the Companies Act No. 07 of 2007. CMSL assists the Board in ensuring that Board procedures are followed and that relevant rules and regulations are complied with. The Board in discharging its duties seeks independent professional advice from external parties when necessary.

### Chairman's Role

The Chairman is a Non-Executive Director and is responsible for steering the Board to preserve order and to facilitate the effective discharge of Board functions. He conducts Board proceedings in a manner which always ensures the following:

- \* The effective participation of Directors.
- \* Encourages an effective contribution from Directors within their respective capabilities, for the benefit of the Company.
- \* Ascertains the views of Directors on issues under consideration.

The Board is in complete control of the Company's affairs and is alert to its obligation to all shareholders and other stakeholders.

### Financial Acumen

Currently the Board includes seven finance professionals who possess the knowledge and competence to offer the Board the necessary guidance on matters of finance.

### Board Balance

Except for one Executive Director all Directors on the Board are Non-Executives of whom, four are Independent Directors. The Directors with a blend of experience in the fields of finance, business management, legal and possessing a high standing of integrity and business acumen, constitute a balanced Board. This enables individual Directors to make a significant contribution towards the Board's decision making process. Further, the balanced structure of the Board makes the strategic decision making process more effective which ultimately facilitates build up of sustainable value for shareholders and all its other stakeholders.

Independent Directors on the Board have declared that they are Independent of management and free of any business or other relationship that could materially interfere with or could reasonably be perceived to materially interfere with the exercise of their unfettered and independent judgements. All Independent Non-Executive Directors have also submitted signed and dated declarations of their independence or non-independence to the Board.

The Board makes a determination annually as to the independence or non-independence of each Independent Non-Executive Director based on such declarations made on the defined criteria and other information available to the Board. The names of Directors determined to be "Independent" are set out in the Annual Report.

Despite Mr A.M. de S. Jayaratne, Mr. C.P.R Perera and Mr. A.R. Rasiah being over seventy years of age, Mr. P.M.A. Sirimane being employed by a subsidiary company during the period of three years immediately preceding his appointment to the Board of CFLB, these Independent Directors having served on the Boards of some subsidiaries for a period exceeding nine years and Mr. A.M. de S. Jayaratne and Mr. C.P.R. Perera having served on the Board of the Listed Entity for over a period of nine years, the Board having considered the fact that the said Directors are Independent

of management and having taken into consideration all other circumstances listed in the Rules pertaining to the Criteria for Defining Independence was of the view that the said Directors are nevertheless Independent, and accordingly Mr. A.M. de S. Jayaratne, Mr. C.P.R. Perera, Mr. P.M.A. Sirimane and Mr. A.R. Rasiah, who were thus determined to be nevertheless independent served as Independent Non-Executive Directors until the close of business on 31st December 2024. Mr. C.P.R. Perera, Mr. P.M.A. Sirimane and Mr. A.R. Rasiah, continue to serve as Non-Executive Directors of the Company effective from 1st January 2025.

Mr. K.G. Punchihewa, Mr. S.B. Perera, Mr. S. Viran Corea, PC and Mr. I.A. Wickramasinghe, who were appointed to the Board as Independent Non-Executive Directors meets the criteria for defining independence as set out in Listing Rule 9.8.3 of the Colombo Stock Exchange and were determined to be independent by the Board.

### Directors - Other Directorships

The details pertaining to the names of the companies (in Sri Lanka) in which the Directors serve as a Director or Key Management Personnel are presented on pages 15 to 21.

### Nominations & Governance Committee and Appointments to the Board

There is a formal and transparent procedure for the appointment of new Directors to the Board, which is in accordance with the recommendations made by the Nominations & Governance Committee, in consultation with the Chairman and in compliance with the provisions of the Articles of Association of the Company, the Policies adopted by the Company and the Rules on Corporate Governance.

Upon the appointment of a new Director to the Board, the Company makes the required disclosures to the shareholders by making announcements to the Colombo Stock Exchange.

The Nominations & Governance Committee Report is set out on page 39 to 42 of the Annual Report.

### Re-election and Reappointment of Directors

The Company's Articles of Association require two of the Directors in Office (other than those appointed to the Office of Chairman, Chief Executive, Managing or Joint Managing Director) to retire at each Annual General Meeting. The Directors to retire in each year are those who have been longest in office since their last election or appointment. Retiring Directors are eligible for re-election by the shareholders.

The Nominations & Governance Committee of the Company has duly recommended to the Board the re-election and reappointment of the Directors at the forthcoming Annual General Meeting and the Board of Directors have duly approved the said re-election and reappointment of the Directors. Further the Members have refrained from participating in decisions relating to his/her own appointment.

## DIRECTORS' REMUNERATION

### Remuneration Committee and the Remuneration Procedure

The Remuneration Committee Report is set out on page 38 of this report.

A Directors fee is paid to all Directors.

Aggregate remuneration paid to Directors is disclosed in Note 7 to the Financial Statements on page 77.

All managerial and secretarial services are provided by Corporate Managers & Secretaries (Private) Limited to whom a fee is paid.

## RELATIONS WITH SHAREHOLDERS

### Constructive use of Annual General Meeting (AGM) and Conduct of General Meetings.

The Board makes use of the Annual General Meeting/General Meetings to communicate with shareholders and does encourage their active participation. The Board considers the AGM/General Meetings as an opportunity to communicate and maintain an appropriate dialogue with its shareholders and welcomes their suggestions. It also enables shareholders to meet and discuss Company matters with the Directors.

The policy on Relations with Shareholders and Investors is available on the Company's website [www.cflbplc.com](http://www.cflbplc.com) and the contact persons are mentioned. Major issues and concerns of shareholders are communicated to all Directors by the Senior Management, Corporate Secretaries, Managers and Registrars of the Company.

### Major Transactions

There have been no transactions during the year under review which fall within the definition of "Major Transactions" under Section 185 of the Companies Act No. 07 of 2007.

## ACCOUNTABILITY AND AUDIT

### Financial Reporting and Going Concern

The Board undertakes the responsibility for the preparation and presentation of financial statements and ensures that they are prepared and presented in accordance with the Sri Lanka Accounting Standards adopted by The Institute of Chartered Accountants of Sri Lanka and the requirements of the Companies Act No. 07 of 2007.

The Board values the timely publication of annual and quarterly results and other price-sensitive information enabling shareholders to make effective economic decisions and strives to take all possible steps to comply with the statutory requirements and procedures laid down by the Colombo Stock Exchange and the Securities and Exchange Commission with regard to those publications.

The Annual Report of the Board of Directors presents a balanced and understandable assessment of the Company's financial position, performance and future prospects.

The Directors, after making necessary inquiries and reviews of the Company's financial performance, position, future cash flows and

potential borrowing facilities, have a reasonable expectation that the Company has adequate resources to continue as "a going concern" in the foreseeable future. Further, the Directors do not intend either to liquidate or cease its operations and therefore, the "going concern assumption" adopted in the preparation of the financial statements is appropriate.

All statutory and material declarations are highlighted in the Annual Report of the Board of Directors.

## Compliance with Legal Requirements

The Board is conscious of its responsibility to the shareholders, the Government and the Society in which it operates and is unequivocally committed to upholding ethical behaviour in conducting its business. The Board strives to ensure that the Company and its Subsidiaries comply with the laws and regulations of the Country.

## Internal Control

The Company maintains a sound internal control system to safeguard the shareholders' investment and the Company's assets. The Board is responsible for ensuring the Company has in place an effective system of internal controls and periodical reviews are conducted to identify any deviations that may need corrective action. The observations of the Audit Committee are reported to the Board for appropriate action.

## Audit Committee

The Report of the Audit Committee is set out on pages 33 to 35 of this Annual Report.

## Related Party Transactions Review Committee

The Related Party Transactions are disclosed in Note 30 on pages 152 to 158.

The Report of the Related Party Transactions Review Committee appears on pages 36 to 37.

## COMPLIANCE STATUS WITH THE COLOMBO STOCK EXCHANGE LISTING RULES ON CORPORATE GOVERNANCE

The Company's compliance status with the Colombo Stock Exchange Listing Rules on Corporate Governance is disclosed on pages 22 to 32.

The Company was non-compliant in relation to the minimum number of Independent Non-Executive Directors from 1st January 2025 to 27th March 2025. This situation was fully rectified on 28th March 2025 consequent to the appointment of Independent Directors on 20th February 2025 and 28th March 2025.

The Company was also non-compliant in connection with the constitution of Board Subcommittees from 1st January 2025 to 19th February 2025. The said non-compliance was rectified with effect from 20th February 2025, with the appointment of two Independent Non-Executive Directors and the consequent reconstitution of the

Board Subcommittees with effect from 20th February 2025 in compliance with the requirements of the CSE Listing Rules. Due disclosures have been made to the CSE in this connection.

## COMPANY POLICIES

### Policies

The Company has established the following policies in compliance with Rule 9.2.1 of the Listing Rules of the CSE. The said Policies are available on the Company's website [www.cflbplc.com](http://www.cflbplc.com)

- \*Matters relating to the Board of Directors
- \*Board Committees
- \*Corporate Governance, Nominations, and Re-election
- \*Remuneration
- \*Internal Code of Business Conduct and Ethics
- \*Risk Management and Internal Controls
- \*Relations with Shareholders and Investors
- \*Environmental, Social, and Governance (ESG) Sustainability
- \*Control and Management of Company Assets and Shareholder Investments
- \*Corporate Disclosures
- \*Whistleblowing
- \*Anti-Bribery and Corruption

### Details of Directors' other Directorships

The following table illustrates the total number of Board seats held by each Director of the Company.

#### Abbreviations:

C - Chairman	GMD - Group Managing Director
DC - Deputy Chairman	MD - Managing Director
EC - Executive Chairman	JMD - Joint Managing Director
EX - Executive Director	CEO - Chief Executive Officer
NE - Non-Executive Director	D - Director
INE - Independent Non-Executive Director	Alt - Alternate Director

COMPANIES	Mr. S.D.R. Arudpragasam	Mr. C.P.R. Perera	Mr. Anushman Rajaratnam	Mr. A.M. de S. Jayaratne (Deceased 10.07.2025)	Mr. Sanjeev Rajaratnam	Mr. P.M.A. Sirimane	Mr. A.R. Rasiah	Mr. Amrit Rajaratnam	Mr.K.G. PUNCHIHEWA (Appointed w.e.f. 20.02.2025)	Mr. S.B. Perera (Appointed w.e.f. 20.02.2025)	Mr. S. Viran Corea (Appointed w.e.f. 28.03.2025)	Mr. I.A. Wickramasinghe (Appointed w.e.f. 28.03.2025)												
The Colombo Fort Land and Building PLC	✓	C/NE	✓	DC/NE	✓	GMD/EX	✓	NE	✓	NE	✓	NE	✓	NE	✓	NE	✓	NE	✓	NE	✓	NE	✓	NE
Agarapatana Plantations PLC*	✓	C/NE	✓	DC/INE	✓	NE	✓	INE			✓	INE	✓	INE	✓	INE								
Beruwala Resorts PLC*	✓	C/NE	✓	DC/INE	✓	NE		✓	NE		✓	INE	✓	NE		✓	INE							
C M Holdings PLC*	✓	C/NE			✓	NE	✓	INE	✓	NE			✓	NE										
E.B. Creasy & Company PLC*	✓	C/MD/EX					✓	INE	✓	JMD/EX	✓	NE	✓	INE		✓	INE	✓	INE					
Kotagala Plantations PLC*	✓	C/NE	✓	DC/INE	✓	NE	✓	INE			✓	INE			✓	INE	✓	INE						
Lankem Ceylon PLC*	✓	C/NE			✓	EX				✓	INE					INE	✓	INE						
Lankem Developments PLC*	✓	C/NE	✓	INE	✓	NE	✓	INE			✓	INE			✓	INE	✓	INE						
Laxapana PLC*	✓	C/NE						✓	NE	✓	NE	✓	INE		✓	INE	✓	INE						

# Corporate Governance contd.

COMPANIES		Mr. S.D.R. Arudpragasam		Mr. C.P.R. Perera		Mr. Anushman Rajaratnam		Mr. A.M. de S. Jayaratne (Deceased 10.07.2025)		Mr. Sanjeev Rajaratnam		Mr. P.M.A. Sirimane		Mr. A.R. Rasiah		Mr. Amrit Rajaratnam		Mr.K.G. Punchihewa (Appointed w.e.f. 20.02.2025)		Mr. S.B. Perera (Appointed w.e.f. 20.02.2025)		Mr. S. Viran Corea (Appointed w.e.f. 28.03.2025)		Mr. I.A. Wickramasinghe (Appointed w.e.f. 28.03.2025)
Marawila Resorts PLC*	✓	C/NE	✓	DC/INE	✓	NE			✓	NE			✓	INE	✓	NE			✓	INE				
Muller & Phipps (Ceylon) PLC*	✓	C/NE							✓	NE	✓	NE	✓	INE			✓	INE	✓	INE				
Sigiriya Village Hotels PLC*	✓	C/NE	✓	DC/INE	✓	NE			✓	NE			✓	INE	✓	NE			✓	INE				
York Arcade Holdings PLC *	✓	C/NE			✓	NE	✓	INE	✓	NE					✓	NE								
C W Mackie PLC*	✓	NE	✓	INE	✓	NE	✓	INE	✓	NE							✓	INE				✓	INE	
ACME Printing & Packaging PLC*	✓	NE			✓	NE					✓	INE					✓	INE						
Colombo Fort Investments PLC*	✓	C/NE			✓	NE	✓	INE	✓	NE	✓	INE			✓	NE								
Colombo Investment Trust PLC*	✓	C/NE			✓	NE	✓	INE	✓	NE	✓	INE			✓	NE								
ACME Packaging Solutions (Pvt) Limited*	✓	D			✓	D					✓	D												
Alliance Five (Private) Limited*	✓	C			✓	D					✓	D					✓	D	✓	D				
American Lloyd Travels Limited*	✓	D			✓	D			✓	D					✓	D								
Associated Farms (Private) Limited*	✓	C																						
B.O.T. Hotel Services (Private) Limited*	✓	C					✓	D	✓	D					✓	D								
C. F. Travels Limited*									✓	D					✓	D								
C. W. M. Hotels Holdings Limited	✓	D			✓	D	✓	D																
Candy Delights Limited*	✓	C/MD					✓	D	✓	JMD	✓	D	✓	D										
Capital Finance Limited									✓	D														
Capital Investments Limited*	✓	D																						
Capital Leasing Company Limited*	✓	C			✓	D					✓	D												
Century Equity Trust Limited	✓	D																						
Ceyflex Rubber Limited*	✓	C							✓	D	✓	D												
Ceylon Tapes (Private) Limited*	✓	C			✓	D					✓	D					✓	D	✓	D				
Ceytape (Private) Limited*	✓	C			✓	D					✓	D					✓	D	✓	D				
Colombo Fort Group Services (Pvt) Limited*	✓	D			✓	D					✓	D												
Colombo Fort Holdings Limited*	✓	D							✓	D														
Colombo Fort Hotels Limited*	✓	C			✓	D			✓	D					✓	D								
Colombo Fort Properties (Private) Limited*					✓	D																		
Colombo Fort Travels Limited*	✓	D							✓	D					✓	D								

COMPANIES	Mr. S.D.R. Arudpragasam	Mr. C.P.R. Perera	Mr. Anushman Rajaratnam	Mr. A.M. de S. Jayaratne (Deceased 10.07.2025)	Mr. Sanjeev Rajaratnam	Mr. P.M.A. Sirimane	Mr. A.R. Rasiah	Mr. Amrit Rajaratnam	Mr.K.G. Punchihewa (Appointed w.e.f. 20.02.2025)	Mr. S.B. Perera (Appointed w.e.f. 20.02.2025)	Mr. S. Viran Corea (Appointed w.e.f. 28.03.2025)	Mr. I.A. Wickramasinghe (Appointed w.e.f. 28.03.2025)
Colombo Residencies (Private) Limited	✓	D										
Colonial Motors (Ceylon) Limited*	✓	DC	✓	D	✓	C	✓	D				
Company Holdings (Private) Limited	✓	D			✓	D						
Consolidated Commercial Investments (Private) Limited			✓	D	✓	D		✓	D			
Consolidated Holdings (Private) Limited	✓	D	✓	D								
Consolidated Tea Plantations Limited*	✓	D	✓	D	✓	D	✓	D	✓	D	✓	D
Corporate Systems Limited*	✓	C			✓	D						
Creasy Plantation Management Limited*	✓	D										
Darley Butler & Company Limited*	✓	C/MD		✓	D	✓	JMD	✓	D	✓	D	
E B Creasy Ceylon (Private) Limited*	✓	C			✓	D	✓	D				
E. B. Creasy Logistics Limited*	✓	C			✓	D	✓	D				
E.B. Creasy Trading Limited*	✓	D			✓	D						
Far Eastern Exports (Colombo) Limited*	✓	D	✓	D				✓	D			
Financial Trust Limited			✓	D	✓	D		✓	D			
Fortland Finance Limited	✓	C			✓	D						
Galle Fort Hotel (Private) Limited*	✓	D	✓	D	✓	D		✓	MD			
Guardian Asset Management Limited*	✓	D			✓	D						
Great Eastern Resorts Ltd			✓	D	✓	D		✓	D			
Group Three Associates (Private) Limited*	✓	C			✓	D						
Horton Plains Resorts and Spa Limited			✓	D				✓	D			
Imperial Hotels Limited*	✓	C	✓	D	✓	D		✓	D			
J.F. Packaging Limited*	✓	C	✓	D			✓	D	✓	D	✓	D
JF Ventures Limited*	✓	C	✓	D			✓	D	✓	D	✓	D
Kiffs (Private) Limited*	✓	C	✓	D			✓	D	✓	D	✓	D
Lake Investments (Private) Limited								✓	D			
Lanka Special Steels Limited*	✓	C			✓	D	✓	D				
Lankem Agrochemicals Limited*	✓	C	✓	D								
Lankem Cargo Storage Limited*	✓	D	✓	D								

## Corporate Governance contd.

COMPANIES	Mr. S.D.R. Arudpragasam	Mr. C.P.R. Perera	Mr. Anushman Rajaratnam	Mr. A.M. de S. Jayaratne (Deceased 10.07.2025)	Mr. Sanjeev Rajaratnam	Mr. P.M.A. Sirimane	Mr. A.R. Rasiah	Mr. Amrit Rajaratnam	Mr.K.G. PUNCHIHEWA (Appointed w.e.f. 20.02.2025)	Mr. S.B. Perera (Appointed w.e.f. 20.02.2025)	Mr. S. Viran Corea (Appointed w.e.f. 28.03.2025)	Mr. I.A. Wickramasinghe (Appointed w.e.f. 28.03.2025)
Lankem Chemicals Limited*	✓	C	✓	D								
Lankem Consumer Products Limited*	✓	C	✓	D								
Lankem Exports (Private) Limited*	✓	C										
Lankem Minerals Limited*	✓	C	✓	D		✓	D					
Lankem Paints Limited*	✓	C	✓	D								
Lankem Plantation Services Limited*	✓	D										
Lankem Research Limited*	✓	C	✓	D								
Lankem Tea & Rubber Plantations (Pvt) Limited*	✓	C	✓	D	✓	D	✓	D				
Lankem Technology Services Limited*	✓	C										
Maitland & Knox (Private) Limited	✓	D	✓	D	✓	D		✓	D			
Mayfield Investments (Private) Limited			✓	D								
Motor Mart Ceylon (Private) Limited*	✓	D	✓	D	✓	D						
Muller & Phipps (Health Care) Limited*	✓	C			✓	D	✓	D	✓	D		
Nature's Link Limited*	✓	C										
Nutriklim (Ceylon) Limited	✓	D			✓	D						
Oakley Investments (Private) Limited	✓	D	✓	D	✓	D		✓	D			
Property and Investment Holdings (Private) Limited	✓	D	✓	D	✓	D		✓	D			
Rubber & Allied Products (Colombo) Limited*	✓	C	✓	D	✓	D	✓	D				
Sherwood Holidays Limited*	✓	C			✓	D		✓	D			
Sigiriya Resorts Limited			✓	D	✓	D		✓	D			
SunAgro Farms Limited*	✓	C	✓	D								
SunAgro LifeScience Limited*	✓	C	✓	D		✓	D					
Sunrise Resorts Limited			✓	D	✓	D		✓	D			
Teacom (Private) Limited*	✓	C	✓	D				✓	D			
Transways (Private) Limited*			✓	D	✓	D		✓	D			
Tropical Beach Resorts Limited			✓	D	✓	D		✓	D			
Udaveriya Plantations Limited	✓	D	✓	D				✓	D			
Unicom Clearing and Forwarding (Private) Limited*	✓	C	✓	D				✓	D			
Union Commodities (Private) Limited*	✓	C	✓	D	✓	D	✓	D	✓	D		

COMPANIES	Mr. S.D.R. Arudpragasam	Mr. C.P.R. Perera	Mr. Anushman Rajaratnam	Mr. A.M. de S. Jayaratne (Deceased 10.07.2025)	Mr. Sanjeev Rajaratnam	Mr. P.M.A. Sirimane	Mr. A.R. Rasiah	Mr. Amrit Rajaratnam	Mr.K.G. PUNCHIHEWA (Appointed w.e.f. 20.02.2025)	Mr. S.B. Perera (Appointed w.e.f. 20.02.2025)	Mr. S. Viran Corea (Appointed w.e.f. 28.03.2025)	Mr. I.A. Wickramasinghe (Appointed w.e.f. 28.03.2025)
Union Commodities Exports (Pvt) Limited*	✓	C	✓	D				✓	D			
Union Commodities Teas (Pvt) Limited*	✓	C	✓	D				✓	D			
Union Group (Private) Limited*	✓	D	✓	D								
Union Investments (Private) Limited*	✓	D	✓	D	✓	D	✓	D				
Vanya Safaris (Private) Limited								✓	D			
Villa Investments (Private) Limited					✓	D						
Voyages Ceylan (Private) Limited*			✓	D	✓	D		✓	D			
Waverly Power (Private) Limited*	✓	C	✓	D	✓	D	✓	D	✓	D		
Weligama Hills Limited	✓	D	✓	D								
York Conventions (Private) Limited			✓	D	✓	D		✓	D			
York Hotel Management Services Limited*	✓	C	✓	D	✓	D	✓	D	✓	MD		
York Tours Limited*			✓	D	✓	D		✓	D			
Sterling Steels (Pvt) Limited*	✓	C			✓	D	✓	D				
Kelani Valley Canneries Limited*			✓	D								
Sunquick Lanka (Pvt) Limited*			✓	D								
Sunquick Lanka Properties (Pvt) Limited*			✓	D								
Cambodian Rubber Plantation Industries PTE Ltd			✓	D				✓	D			
Consolidated Rubber Plantations PTE Ltd			✓	D				✓	D			
Lanka Agro Plantations PTE Limited			✓	D				✓	D			
Insite Holdings (Private) Limited		✓	C									
Insite Factories (Private) Limited		✓	C									
Ceylon Tea Brokers PLC		✓	NE									
Logicare (Private) Limited		✓	D									
Tempest P E Partners (Pvt) Limited		✓	D									
ACL Cables PLC				✓	INE							
Mireka Capital Land (Pvt) Limited				✓	D							
Overseas Realty (Ceylon) PLC				✓	C/ INE							

## Corporate Governance contd.

COMPANIES	Mr. S.D.R. Arudpragasam	Mr. C.P.R. Perera	Mr. Anushman Rajaratnam	Mr. A.M. de S. Jayaratne (Deceased 10.07.2025)	Mr. Sanjeev Rajaratnam	Mr. P.M.A. Sirimane	Mr. A.R. Rasiah	Mr. Amrit Rajaratnam	Mr.K.G. Punchihewa (Appointed w.e.f. 20.02.2025)	Mr. S.B. Perera (Appointed w.e.f. 20.02.2025)	Mr. S. Viran Corea (Appointed w.e.f. 28.03.2025)	Mr. I.A. Wickramasinghe (Appointed w.e.f. 28.03.2025)	
Innovest Investments (Pvt) Limited				✓	✓								
Hela Apparel Holdings PLC							✓	C/NE					
Gestetner of Ceylon PLC							✓	INE					
Watawala Plantations PLC							✓	INE					
Atlas Axillia Company (Pvt) Ltd							✓	Alt					
Clindata Lanka (Pvt) Ltd							✓	D					
Fintek Managed Solutions (Pvt) Ltd							✓	D					
Teejay Lanka PLC									✓	INE			
Teejay Lanka Prints (Private) Limited									✓	D			
Teejay India Private Limited									✓	D			
Teejay Mauritius Private Limited									✓	D			
Ceylon Grains Elevators PLC												✓	INE
Overseas Realty Ceylon PLC												✓	INE
Three Acre Farms PLC												✓	INE
AIA Insurance Lanka Limited												✓	INE
NDB Securities (Private) Limited												✓	INE
Plantation Human Development Trust									✓	D			
Sunshine Tea Company (Pvt) Ltd							✓	D					
Fintrex Finance Limited									✓	D		✓	D
Nubian Threads (Egypt)									✓	D			
Diesel & Motor Engineering PLC												✓	INE

The companies marked \* are Subsidiaries or Associates of The Colombo Fort Land & Building Group.

### Notes:

Mr. C.P.R. Perera, Deputy Chairman, The Colombo Fort Land & Building PLC, who served as an Independent Non-Executive Director until the close of business on 31.12.2024, continues to serve in the capacity of Deputy Chairman and as a Non-Executive Director of the Company effective 01.01.2025. Mr. Perera was re-designated as a Non-Executive Director to the Board of Ceylon Tea Brokers PLC with effect from 07.10.2024. He resigned from the Board of C.W. Mackie PLC with effect from 30.12.2024 and from the Boards of Agarapatana Plantations PLC, Kotagala Plantations PLC, Lankem Developments PLC, Beruwala Resorts PLC, Marawila Resorts PLC and Sigiriya Village Hotels PLC with effect from 31.12.2024.

Mr. A.M. de S. Jayaratne, who served as an Independent Non-Executive Director until the close of business on 31.12.2024 and continued to serve as a Non-Executive Director of the Company effective from 01.01.2025 passed away on 10.07.2025.

Further Mr. A.M. de S. Jayaratne resigned from the Board of C.W. Mackie PLC with effect from 30.12.2024 and from the Boards of Agarapatana Plantations PLC, Kotagala Plantations PLC, Lankem Developments PLC, Colombo Fort Investments PLC, Colombo Investment Trust PLC, C M Holdings PLC, York Arcade Holdings PLC, E.B. Creasy & Company PLC and ACL Cables PLC with effect from 31.12.2024.

Messrs. P.M.A. Sirimane and A.R. Rasiah, Directors of The Colombo Fort Land & Building PLC, who served as Independent Non-Executive Directors, until the close of business on 31.12.2024, continue to serve as Non-Executive Directors of the Company effective 01.01.2025.

Mr. P.M.A. Sirimane resigned from the Boards of Agarapatana Plantations PLC, E.B. Creasy & Company PLC, Kotagala Plantations PLC, Lankem Ceylon PLC, Lankem Developments PLC, Laxapana PLC, Muller & Phipps (Ceylon) PLC, Colombo Fort Investments PLC and Colombo Investment Trust PLC with effect from 31.12.2024. He resigned from the Boards of J.F. Packaging Limited, JF Ventures Limited, Alliance Five (Private) Limited, Ceylon Tapes (Private) Limited, Ceytape (Private) Limited and Kiffs (Private) Limited with effect from 29.01.2025.

Mr. A.R. Rasiah resigned from the Boards of E.B. Creasy & Co. PLC, Laxapana PLC and Muller & Phipps (Ceylon) PLC with effect from 31.12.2024. He also resigned from the Boards of Watawala Plantations PLC with effect from 29.05.2024 and from the Boards of Beruwala Resorts PLC, Marawila Resorts PLC and Sigiriya Village Hotels PLC with effect from 31.12.2024. Mr. A.R. Rasiah was appointed to the Boards of Union Commodities (Private) Limited with effect from 01.06.2024 and Gestetner of Ceylon PLC with effect from 23.08.2024. He was also appointed to the Board of York Hotel Management Services Ltd with effect from 07.03.2025.

Mr. Anushman Rajaratnam was appointed to the Board of York Hotel Management Services Limited with effect from 01.08.2024. He was appointed as Managing Director of Union Commodities (Pvt) Ltd with effect from 16.05.2025.

Mr. S. Rajaratnam resigned from the Board of C.W. Mackie PLC on 30.12.2024.

Mr. Amrit Rajaratnam was appointed to the Board of C M Holdings PLC on 31.12.2024.

Mr. K.G. Punchihewa was appointed to the Board of The Colombo Fort Land & Building PLC with effect from 20.02.2025. He was appointed to the Boards of Agarapatana Plantations PLC and Kotagala Plantations PLC with effect from 01.11.2024 and Lankem Developments PLC and Lankem Ceylon PLC with effect from 31.12.2024. Mr. Punchihewa was appointed to the Boards of E.B. Creasy & Co. PLC, Laxapana PLC and Muller & Phipps (Ceylon) PLC with effect from 01.01.2025. He was also appointed to the Board of Consolidated Tea Plantations Limited with effect from 03.02.2025, ACME Printing & Packaging PLC with effect from 05.02.2025 and Alliance Five (Pvt) Ltd, Ceylon Tapes (Pvt) Ltd, Ceytape (Pvt) Ltd, Kiffs (Pvt) Ltd, J F Packaging Ltd and JF Ventures Ltd with effect from 20.02.2025.

Mr. S.B. Perera was appointed to the Board of The Colombo Fort Land & Building PLC with effect from 20.02.2025. Mr. Perera was appointed to the Board of C.W. Mackie PLC with effect from 30.12.2024 and to the Boards of Lankem Ceylon PLC, Lankem Developments PLC, Kotagala Plantations PLC, Agarapatana Plantations PLC, Beruwala Resorts PLC, Marawila Resorts PLC and Sigiriya Village Hotels PLC with effect from 31.12.2024. He was also appointed to the Boards of E.B. Creasy & Co. PLC, Laxapana PLC and Muller & Phipps (Ceylon) PLC with effect from 01.01.2025. Further, Mr. S.B. Perera was appointed to the Board of Consolidated Tea Plantations Limited with effect from 03.02.2025 and to the Boards of Alliance Five (Pvt) Ltd, Ceylon Tapes (Pvt) Ltd, Ceytape (Pvt) Ltd, Kiffs (Pvt) Ltd, J F Packaging Ltd and JF Ventures Ltd with effect from 20.02.2025. He was also appointed to the Board of Nubian Threads (Egypt) with effect from 09.03.2025. Mr. S.B. Perera resigned from the Boards of J F Ventures Ltd, Ceytape Ltd, Alliance Five (Pvt) Ltd, Kiffs (Pvt) Ltd and Teejay India Private Ltd with effect from 10.05.2025 and also from the Board of Teejay Mauritius Private Ltd with effect from 31.05.2025.

Mr. S.V. Corea was appointed to the Board on 28.03.2025.

Mr. I.A. Wickramasinghe was appointed to the Board on 28.03.2025. He was appointed to the Boards of Overseas Realty (Ceylon) PLC, C.W. Mackie PLC, Ceylon Grain Elevators PLC, Three Acre Farms PLC and Diesel & Motor Engineering PLC with effect from 23.10.2024, 30.12.2024, 01.01.2025, 01.01.2025 and 01.08.2025 respectively.

# Corporate Governance contd.

## ADHERENCE TO THE CORPORATE GOVERNANCE RULES OF THE COLOMBO STOCK EXCHANGE

Rule		Adherence
<b>9.2</b>	<b>POLICIES</b>	
9.2.1	Establish and maintain the following policies a) Matters relating to the Board of Directors b) Board Committees c) Corporate Governance, Nominations and Re-election d) Remuneration e) Internal Code of Business Conduct and Ethics for all Directors and employees, including policies on trading in the Entity's listed securities f) Risk management and Internal controls g) Relations with Shareholders and Investors h) Environmental, Social and Governance Sustainability i) Control and Management of Company Assets and Shareholder Investments j) Corporate Disclosures k) Whistleblowing l) Anti-Bribery and Corruption	Complied
9.2.2	Any waivers from compliance with the Internal code of business conduct and ethics or exemptions granted by the Listed Entity shall be fully disclosed in the Annual Report	Not Applicable
9.2.3	Listed entities shall disclose in its Annual Report. (i) The list of policies that are in place in conformity rule 9.2.1. above with reference to its website. (ii) Details pertaining to any changes to policies adopted by the Listed Entities in compliance with Rule 9.2 above	Complied
9.2.4	Listed Entities shall make available all such policies to shareholders upon written request being made for any such Policy.	Will be made available when requests are received.
9.2.5	i. If a Listed Entity fails to comply with Rule 9.2.1, the Exchange will issue a Notice of Show Cause, granting seven (7) Market Days to provide reasons for the non-compliance. ii. If no response is received within the given time or if the explanation is deemed insufficient, enforcement measures will follow as outlined below: a. A letter of warning will be issued by the Exchange. b. If the Entity fails to rectify the non-compliance within three (3) months from the date of the warning letter, a penalty of Rs. 250,000 will be imposed. iii. The Exchange will make a Market Announcement regarding the non-compliance, enforcement action, and penalty. The penalty must be settled within seven (7) Market Days from notification. Failure to do so will result in referral to the SEC under Section 65 of the SEC Act.	The company is compliant with rule 9.2.1 and therefore Rule 9.2.5 is not applicable.
<b>9.3</b>	<b>BOARD COMMITTEES</b>	
9.3.1	Establishment of Committees (a) Nominations and Governance Committee (b) Remuneration Committee (c) Audit Committee (d) Related Party Transactions Review Committee	Complied
9.3.2	Compliance with composition, responsibilities and disclosures required in respect of the above Board committees	Complied
9.3.3	The Chairperson of the Board of Directors of the Listed Entity shall not be the Chairperson of the Board Committees	Complied
<b>9.4</b>	<b>ADHERENCE TO PRINCIPLES OF DEMOCRACY IN THE ADOPTION OF MEETING PROCEDURES AND THE CONDUCT OF ALL GENERAL MEETINGS WITH SHAREHOLDERS</b>	
9.4.1	Maintain records of all resolutions and the following information upon a resolution being considered at any General Meeting (a) The number of shares in respect of which proxy appointments have been validly made; (b) The number of votes in favour of the resolution; (c) The number of votes against the resolution; and (d) The number of shares in respect of which the vote was directed to be abstained.	Complied

Rule		Adherence
9.4.2.	Communication and relations with shareholders and investors a) Have a policy on effective communication and relations with shareholders and investors b) Disclose the contact person for such communication. c) Policy on relations with shareholders and investors shall include a process to make all Directors aware of major issues and concerns of shareholders d) When conducting of any shareholder meetings through virtual or hybrid means, compliance with the Guidelines issued by the Exchange	Complied
<b>9.5</b>	<b>POLICY ON MATTERS RELATING TO THE BOARD OF DIRECTORS</b>	
9.5.1	Establish and maintain formal policy governing matters relating to the Board a) Composition and Board Balance (Executive and Non-Executive), Role and function of Chairman and CEO and Procedure for Appraisal of Board Performance and appraisal of CEO	Complied
	b) Where Role of Chairman and CEO are combined Appointment of SID-Establish Board Charter inclusive of functions and safeguards for SID	Not applicable
	c) Board diversity – experience, skills, competencies, age, gender, industry requirements d) Maximum number of Directors and rationale e) Frequency of Board meetings f) Mechanisms for ensuring that Directors are kept abreast of the Listing Rules and on-going compliance and/or non-compliance g) Specify the minimum number of meetings, in numbers and percentage, that a Director must attend, h) Requirements relating to trading in securities of the Listed Entity and its listed group Companies and disclosure of such requirements i) Specify the maximum number of directorships in Listed Entities that may be held by Directors. j) Participation at meeting of the Board and Board committees by audio visuals means and participation to be taken into account when deciding the quorum.	Complied
9.5.2	Confirm compliance of 9.5.1. in Annual Report – If non compliant provide explanations with reasons and proposed remedial action.	Complied
<b>9.6</b>	<b>CHAIRPERSON AND CEO</b>	
9.6.1	Chairperson shall be a Non-Executive Director.	Complied
	Chairperson and CEO shall not be held by the same individual, unless otherwise a SID is appointed	Not Applicable
9.6.2	Market Announcement in the event Chairperson is an Executive Director and / or the positions of Chairman and CEO are held by the same individual.	Not Applicable
9.6.3	The Requirement for a SID (a) Appoint of an Independent Director as the SID in the following instances: i. The positions of the Chairperson and CEO are held by the same individual. ii. The Chairperson is an Executive Director. iii. The Chairperson and CEO are Close Family Members or Related Parties (b)-(e) Responsibilities and duties of SID	Not Applicable
9.6.4	Set out the rationale for appointment of SID in the Annual Report	Not Applicable
<b>9.7</b>	<b>FITNESS OF DIRECTORS AND CEOS</b>	
9.7.1	a) Listed Entities shall ensure that the Directors and CEO are at all times fit and proper persons as required in terms of these Rules. b) In evaluating fitness and propriety of the persons referred in these Rules. Listed Entities shall utilize the Fit and Proper Assessment Criteria set out in Rule 9.7.3 below.	Complied
9.7.2	Listed Entities shall ensure that the persons recommended by the Nominations and Governance Committee as Directors are fit and proper before such nominations are placed before Shareholders' meeting or appointments.	Complied
9.7.3	'Fit and Proper Assessment Criteria' set out in Rule 9.7.3 a) Honesty, Integrity and Reputation – (i)-(vii) b) Competence and Capability –(i)-(ii) c) Financial Soundness –(i)-(iii)	Complied
9.7.4	Declarations to be obtained from Directors and CEO on an annual basis confirming that each of them have continuously satisfied the Fit and Proper Assessment Criteria set out in the Rules during the financial year concerned and satisfies the said criteria as at the date of such confirmation.	Complied
9.7.5	Disclosures in the Annual Report (a) Statement on Directors and CEO satisfying Fit and Proper Assessment Criteria	Complied
	(b) Any non-compliance/s and remedial action taken to rectify non compliance	Not Applicable

## Corporate Governance contd.

Rule		Adherence
9.8	<b>BOARD COMPOSITION</b>	
9.8.1	The Board of Directors of a Listed Entity shall, at a minimum, consist of five (05) Directors.	Complied
9.8.2	Minimum Number of Independent Directors: (a) At least two (2) Independent Directors or such number equivalent to one third (1/3) of the total number of Directors at any given time, whichever is higher. (b) Any change occurring to this ratio shall be rectified within ninety (90) days from the date of the change.	Non compliance status that prevailed and remedial action taken is disclosed in the Corporate Governance Report on page 14.
9.8.3	Criteria for determining independence: A Director shall not be considered independent if he/she: (i) Has been employed by the Listed Entity during the period of three (3) years immediately preceding appointment as Director (ii) Currently has/had during the period of three (3) years immediately preceding appointment as a Director, a Material Business Relationship with the Listed Entity, whether directly or indirectly. (iii) Currently has/had during the preceding financial year a close Family Member who is a Director and/or CEO in the Listed Entity. (iv) Has a Significant Shareholding in the Listed Entity. (v) Has served an aggregate period of nine (9) years on the Board of the Listed Entity from the date of the first appointment. (vi) Is employed in another Company or business; a) In which a majority of the other directors of the Listed Entity are employed or are directors; or b) In which a majority of the other directors of the Listed Entity have a Significant Shareholding or Material Business Relationship; or c) That has a Significant Shareholding in the Listed Entity or with which the Listed Entity has a Business Connection. (vii) Is a director of another Company; a) In which a majority of the other Directors of the Listed Entity are employed or are Directors; or b) That has a Business Connection in the Listed Entity or a Significant Shareholding. (viii) Has a Material Business Relationship or a Significant Shareholding in another company or business; a) In which a majority of the other Directors of the Listed Entity are employed or are Directors; and/or b) Which has a Business Connection with the Listed Entity or Significant Shareholding in the same; and/or c) Where the core line of business of such Company is in direct conflict with the line of business of the Listed Entity. (ix) Is above the age of seventy (70) years. Provided that a person above the age of seventy (70) years may nevertheless be considered independent if compliant with Rule 9.8.3 (ix) (a) to (d) and The requirements of sub clauses (a), (b) and (c) shall be repeated at each Annual General Meeting of the Listed Entity in respect of any director over the age of seventy years whom the Listed Entity wishes to continue to treat as independent.	Complied. However, where independence was impaired declared to be nevertheless independent up to 31st December 2024.
9.8.5	The Board of Directors of Listed Entities shall require:	
	(a) Each Independent Director to submit a signed and dated declaration annually	Complied
	(b) Make an annual determination as to the "independence" of Independent Director and set out the names of Directors determined to be 'independent' in the Annual Report.	Complied
	(c) If independence is impaired against any of the criteria set out in Rule 9.8.3, an immediate Market Announcement is required	Not applicable
9.8.6	Enforcement Actions for Non-Compliance with Rules 9.8.1 and 9.8.2 A. In the event a Listed Entity fails to comply with Rules 9.8.1 and/or 9.8.2 of these Rules B. Where a Listed Entity has failed to comply with Rules 9.8.1 or 9.8.2 and has not disclosed of such noncompliance to the Exchange or the market	Complied with Rule 9.8.1 and 9.8.2 9.8.6 A and B Not Applicable

Rule		Adherence
9.9	<b>ALTERNATE DIRECTORS</b>	
	<p>Compliance with the following requirements and such requirements shall also be incorporated into the Articles of Association</p> <p>a) Alternate Directors shall only be appointed in exceptional circumstances and for a maximum period of one (1) year from the date of appointment.</p> <p>b) If an Alternate Director is appointed for a Non-Executive Director such alternate should not be an executive Director.</p> <p>c) If an Alternate Director is appointed by an Independent Director, the person so appointed should meet the criteria of independence. The Nominations and Governance Committee shall review and determine that the person nominated as the alternate would qualify as an Independent Director before such appointment is made.</p> <p>d) Immediate Market Announcement regarding the appointment of an Alternate Director</p> <p>e) Attendance of Alternate Director to be counted for the purpose of quorum at Board and Board Committee meetings.</p>	Complied
9.10.	<b>DISCLOSURES RELATING TO DIRECTORS</b>	
9.10.1	Disclose its policy on the maximum number of directorships in Listed Entities Board members shall be permitted to hold as per Rule 9.5.1. Non compliance to be reported in the Annual Report. (maximum number of Listed Company Directorships – 25)	Complied
9.10.2	Market announcement on appointment of new Director (i - iii)	Complied - New Appointments during 2024/2025 have been disclosed
9.10.3	Immediate Market Announcement regarding any changes to the composition of the Board Committees (i - ii)	Complied -Changes during 2024/2025 have been disclosed
9.10.4	<p>Disclosure in Annual Report - Directors details</p> <ul style="list-style-type: none"> <li>- Name, qualifications and brief profile</li> <li>- Nature of his/her expertise in relevant functional areas</li> <li>- Whether either the Director or Close Family Members has any material business relationships with other Directors</li> <li>- Whether Executive, Non-Executive and/or independent Director</li> <li>- Total number and names of Companies in Sri Lanka in which the Director concerned serves as a Director and/or KMP stating whether listed or unlisted, whether functions as executive or non-executive (If the directorships are within the Group names need not be disclosed)</li> <li>- Number of Board meetings attended</li> <li>- Names of Board Committees in which the Director serves as Chairperson or a member</li> <li>- Attendance of committee meetings</li> </ul>	Complied
	- TOR and powers of SID	Not Applicable
9.10.5	<p>Non-Disclosure of Changes to Board and Committees</p> <p>A. Failure to disclose new appointments or changes to the Board of Directors</p> <p>B. Failure to disclose changes to the composition of Board Committees in terms of Rule 9.10.3 (ii)</p>	Not Applicable

## Corporate Governance contd.

Rule		Adherence
9.11	<b>NOMINATIONS AND GOVERNANCE COMMITTEE</b>	Refer Nominations & Governance Committee Report
9.11.1	Establishment of Nominations and Governance Committee	Complied
9.11.2	Maintain a formal procedure for the appointment of new Directors and re-election of Directors to the Board through the Nominations and Governance Committee.	
9.11.3	Written terms of reference	
9.11.4	Composition (1) The members of the Nominations and Governance Committee shall; (a) Comprise of a minimum of three (03) Directors of the Listed Entity, out of which a minimum of two (02) members shall be Independent Directors. (b) Not comprise of Executive Directors of the Listed Entity (2) An Independent Director shall be appointed as the Chairperson (3) Identify Members in the Annual Report	
9.11.5	Functions	Complied
	(i) Evaluate the appointment of Directors to the Board of Directors and Board Committees (ii) Recommend (or not recommend) the re-appointment/re-election of current Directors (iii) Establish and Maintain a formal and transparent procedure to evaluate, select and appoint/re-appoint Directors (iv) Establish and maintain a set of criteria for selection of Directors (v) Establish and maintain a suitable process for the periodic evaluation of the performance of the Board of Directors and the CEO of the Entity to ensure that their responsibilities are satisfactorily discharged. (vi) Develop a succession plan for the Board of Directors and Key Management Personnel (vii) Review the structure, size and composition of the Board and Board Committees with regard to effective discharge of duties and responsibilities (viii) Review and recommend the overall corporate governance framework of the Listed Entity taking into account the Listing Rules of the Exchange, other applicable regulatory requirements and industry/international best practices. (ix) Periodically review and update the Corporate Governance Policies / Framework of the Entity in line with the regulatory and legal developments relating to same, as a best practice. (x) Receive reports from the Management on compliance with the corporate governance framework of the Entity including the Entity's compliance with provisions of the SEC Act, Listing Rules of the Exchange and other applicable laws, together with any deviations/non-compliances and the rational for same.	
9.11.6	Disclosures in Annual Report Nomination & Governance Committee Report and contents to be incorporated -Sections (a)-(m)	
9.12	<b>REMUNERATION COMMITTEE</b>	Refer Remuneration Committee Report
9.12.1	The term "remuneration" shall make reference to cash and all non-cash benefits whatsoever received	Complied Refer Remuneration Committee Report
9.12.2	Establishment of Remuneration Committee	
9.12.3	Establish and maintain a formal and transparent procedure for developing policy on Executive Directors' remuneration and for fixing the remuneration packages of individual Directors. No Director shall be involved in fixing his/her own remuneration.	
9.12.4	Remuneration for Non-Executive Directors should be based on a policy which adopts the principle of non-discriminatory pay practices among them to ensure that their independence is not impaired.	
9.12.5	Written terms of reference	
9.12.6	Composition (1) The members of the Remuneration Committee shall; (a) Comprise of a minimum of three (03) Directors of the Listed Entity, out of which a minimum of two (02) members shall be Independent Directors. (b) Not comprise of Executive Directors of the Listed Entity (2) An Independent Director shall be appointed as the Chairperson.	

Rule		Adherence
9.12.7	<p>Functions</p> <p>(1) Recommend the remuneration payable to the Executive Directors and CEO of the Listed Entity and/or equivalent position thereof to the Board of the Listed Entity which will make the final determination upon consideration of such recommendations.</p> <p>(2) Engage any external Consultant or expertise that may be considered necessary to ascertain or assess the relevance of the remuneration levels applicable to Directors and CEO.</p>	Complied Refer Remuneration Committee Report
9.12.8	<p>Disclosure in Annual Report</p> <p>a) Names of the Chairperson and members of the Remuneration Committee and the nature of directorships held by such members (or persons in the parent Company's Remuneration Committee in the case of a group Company);</p> <p>(b) A statement regarding the remuneration policy; and,</p> <p>(c) The aggregate remuneration of the Executive and Non-Executive Directors</p>	
<b>9.13</b>	<b>AUDIT COMMITTEE</b>	<b>Refer Audit Committee Report</b>
9.13.1	Where Listed Entities do not maintain separate Committees to perform the Audit and Risk Functions, the Audit Committee of such Listed Entities shall additionally perform the Risk Functions	Complied
9.13.2	Written terms of reference	Complied
9.13.3	<p>Composition</p> <p>(1) The members of the Audit Committee shall;</p> <p>(a) Comprise of a minimum of three (03) Directors of the Listed Entity, out of which a minimum of two (02) members shall be Independent Directors.</p> <p>(b) Not comprise of Executive Directors of the Listed Entity</p>	Complied
	(2) Quorum - requires that the majority of those in attendance to be independent directors.	Complied
	(3) Compulsorily to meet on a quarterly basis prior to recommending the financials to be released to the market.	Refer Audit Committee Report
	(4) An Independent Director shall be appointed as the Chairperson of the Audit Committee by the Board of Directors.	Complied
	(5) Unless otherwise determined by the Audit Committee, the CEO and the Chief Financial Officer (CFO) of the Listed Entity shall attend the Audit Committee meetings by invitation. Provided however where the Listed Entity maintains a separate Risk Committee, the CEO shall attend the Risk Committee meetings by invitation.	Refer Audit Committee Report.
	(6) The Chairperson of the Audit Committee shall be a Member of a recognized professional accounting body. Provided however, this Rule shall not be applicable in respect of Risk Committees where a Listed Entity maintains a separate Risk Committee and Audit Committee.	Complied
9.13.4	<p>Functions</p> <p>Detailed in Rule (1) (i) –(xiii) and (2)</p>	Complied
9.13.5	<p>Disclosures in Annual Report</p> <p>Audit Committee Report</p> <ul style="list-style-type: none"> <li>- Names of chairperson and members with nature of directorship</li> <li>- Status of risk management and internal control – Company and group</li> <li>- Statement on CEO and CFO assurance on operations and finances</li> <li>- Opinion on compliance with Financial reporting requirements, information requirements Listing Rules, Companies Act, SEC Act and any other requirements.</li> <li>- Availability of formal Audit Charter</li> <li>- Internal audit assurance and summary of the work internal audit function</li> <li>- Details demonstrating effective discharge of functions and duties</li> <li>- Statement on external auditors' assurance on their independence</li> <li>- Confirmation on determining auditor's independence</li> </ul>	Refer Audit Committee Report

## Corporate Governance contd.

Rule		Adherence
9.14	RELATED PARTY TRANSACTIONS REVIEW COMMITTEE	Refer Related Party Transactions Review Committee Report
9.14.1	Establishment of Committee Listed Entities shall have a Related Party Transactions Review Committee that conforms to the requirements set out in Rule 9.14 of these Rules	Complied
9.14.2	Composition (1) The Related Party Transactions Review Committee shall comprise of; - Minimum three (03) Directors out of which a minimum of two (02) members shall be Independent Directors - May comprise of Executive Directors - An Independent Director shall be appointed as the Chairperson	Complied
9.14.3	Functions (1) Committee shall be responsible for reviewing the Related Party Transactions (2) Objective - ensure that the interests of shareholders as a whole are taken into account when entering into Related Party Transactions. (3) The objective and the economic and commercial substance of the Related Party Transactions should take precedence over the legal form and technicality. (4) Establish and maintain a clear policy, procedure and process in place for the identification, clarification and reporting the Related Party Transactions on an end-to-end basis across the Entity's operations	Complied
9.14.4	General Requirements (1) The Related Party Transactions Review Committee shall meet at least once a calendar quarter. It shall ensure that the minutes of all meetings are properly documented and communicated to the Board of Directors. (2) Should ensure having access to, enough knowledge or expertise to assess or aspects of proposed Related Party Transactions, and where necessary obtain appropriate professional and expert advice from appropriately qualified person when necessary. (3) Board of Directors to approve RPT when required by the committee	Complied
	(4) If a Director has a material personal interest in a matter being considered at a Board Meeting to approve a Related Party Transaction as required in Rule 9.14.4(3), such Director shall not: (a) Be present while the matter is being considered at the meeting; and, (b) Vote on the matter.	Not Applicable
9.14.5	Review of Related Party Transactions by the Related Party Transactions Review Committee	Complied

Rule		Adherence
9.14.6	<p>Shareholder Approval</p> <p>1. Listed Entities shall obtain shareholder approval by way of a Special Resolution for the following Related Party Transaction.</p> <p>A) Non-recurrent transaction</p> <p>i) a) Transactions exceeding one third (1/3) of the Total Assets as per the latest Audited Financial Statements</p> <p>b) Transactions exceeding one third (1/3) of the Total Assets as per the latest Audited Financial Statements when aggregated with other non- recurrent transactions entered into with the same Related Party during the same financial year</p> <p>ii) Acquisition of substantial asset from, or disposal of a substantial asset to, any Related Party of the Entity or its associates</p> <p>B) Recurrent transaction</p> <p>(i) One third (1/3) of the gross revenue (or equivalent term for revenue in the Income Statement) and in the case of group entity consolidated group revenue of the Entity as per the latest Audited Financial Statements; or</p> <p>(ii) One third (1/3) of the gross revenue (or equivalent term for revenue in the Income Statement) and in the case of group entity consolidated group revenue of the Entity as per the latest Audited Financial Statements of the Entity, when aggregated with other recurrent transactions entered into with the same Related Party during the same Financial year; and;</p> <p>(iii) The transactions are not in the ordinary course of business and in the opinion of the Related Party Transactions Review Committee, are on terms favorable to the Related Party than those generally available to the public.</p>	Not Applicable
	2 In relation to Rules 9.14.6 (1) (A) (i) (b) and 9.14.6 (1)(B) (ii) above, a transaction which has been approved by shareholders, or is the subject of aggregation with another transaction that has been approved by shareholders, need not be included in any subsequent aggregation.	Not Applicable
	3 If a transaction requires shareholder approval as set out in the Rules above, it must be obtained either prior to the transaction being entered into or, if the transaction is expressed to be conditional on such approval, prior to the completion of the transaction.	Not Applicable
9.14.7	<p>Disclosures</p> <p>(1) Immediate Disclosures</p> <p>A Listed Entity shall make an immediate Market Announcement to the Exchange</p> <p>(a) Any non-recurrent Related Party Transaction with a value exceeding 10% of the Equity or 5% of the Total Assets whichever is lower, of the Entity as per the latest Audited Financial Statements; or</p> <p>(b) Of the latest transaction, if the aggregate value of all non-recurrent Related Party Transactions entered into with the same Related Party during the same Financial year amounts to 10% of the Equity or 5% of the Total Assets whichever is lower, of the Entity as per the latest Audited Financial Statements.</p> <p>Subsequent non-recurrent transactions which exceed 5% of the Equity of the Entity, entered into with the same Related Party during the Financial year.</p>	Not applicable
9.14.8	Disclosures in the Annual Report	
	1) In the case of Non-recurrent Related Party Transactions: if the aggregate value of the non-recurrent Related Party Transactions exceeds 10% of the Equity or 5% of the Total Assets of the Listed Entity	Not Applicable
	2) In the case of Recurrent Related Party Transactions: if the aggregate value of the recurrent Related Party Transactions exceeds 10% of the gross revenue/income	Not Applicable
	3) The Annual Report shall contain a report by the Related Party Transactions Review Committee	Complied
	4) An affirmative declaration by the Board of Directors in the Annual Report that the Rules pertaining to Related Party Transactions have been complied	Complied

## Corporate Governance contd.

Rule		Adherence
9.14.9	Acquisition and Disposal of Assets From/to Related Parties	
	<p>1) Shareholder approval is required by Special Resolution for the acquisition from or disposal of substantial assets to Related Companies. [Subject to exemptions as per Rule 9.14.9 (3)]</p> <p>2) Substantial value of the asset or the value of the consideration relating to such asset exceeds 1/3 of the Total Assets.</p> <p>(3) Rule 9.14.9(1) does not apply to:</p> <p>a) Transactions between the Listed entity and a wholly owned subsidiary.</p> <p>b) Transaction between wholly owned subsidiaries of the Listed Entity.</p> <p>c) Takeover offer made by the Listed Entity in accordance with Takeovers and Mergers Code 1995 (as amended).</p> <p>d) Any transaction entered into by the Listed Entity with a bank as principal, on arm's length terms and in the ordinary course of it's banking business.</p> <p>(4) The Related Party Transactions Review Committee should obtain competent independent advice from independent professional experts with regard to the value of the substantial assets of the Related Party Transaction under the consideration. A person who is in the same group of the Listed Entity or the relevant Related Party shall not be eligible to give such advice.</p> <p>(5) Independent advice obtained should be circulated with the notice of meeting to obtain the shareholder approval</p> <p>(6) The competent independent advice required in terms of Rule 9.14.9 (4) shall include:</p> <p>a) Key assumptions, conditions or restrictions that impact the estimate value.</p> <p>b) The different valuation methodologies considered in valuing the subject asset/s and justification for adopting one or more of them in the valuation.</p> <p>c) Sources of information relied upon for the valuation.</p> <p>d) Identity of individuals participating in the valuation assignment and their qualifications.</p> <p>e) Confirmation of the independence of the parties participating in the advice.</p> <p>f) A statement as to whether the transaction is on usual commercial terms, in ordinary and usual course of business, fair and reasonable and in the interests of the Listed Entity and its shareholders.</p>	Not Applicable
9.14.10	Exempted Related Party Transactions	
	<p>(a) Subject to Rule 9.14.8 (2), transactions with Related Parties which are recurrent, of revenue or trading nature and which is necessary for day-to-day operations of a Listed Entity or its subsidiaries and, in the opinion of the Related Party Transactions Review Committee, terms are not favorable to the Related Party than those generally available to the public.</p> <p>(b) The payment of dividend, issue of Securities by the Listed Entity by way of a capitalization of reserves, the exercise of Rights, options or warrants (subject to Rules contained in Section 5 and 7 of these Rules), sub-division of shares or consolidation of shares.</p> <p>(c) The grant of options, and the issue of Securities pursuant to the exercise of options, under an employee share option scheme/employees share purchase scheme (subject to Rule 5.6 of these Rules).</p> <p>(d) A transaction in marketable securities carried out in the open market where the counterparty's identity is unknown to the Listed Entity at the time of the transaction.</p> <p>(e) The provision or receipt of financial assistance or services, upon usual commercial terms and in the ordinary course of business, from a Company whose activities are regulated by any written law relating to licensed banks, Finance Companies or insurance Companies or are subject to supervision by the Central Bank of Sri Lanka or Insurance Board of Sri Lanka.</p> <p>(f) Directors' fees and remuneration, and employment remuneration</p>	Complied

Rule		Adherence
9.15	<b>PENALTIES FOR NON-COMPLIANCE WITH BOARD COMMITTEE COMPOSITION REQUIREMENTS</b>	<b>Not Applicable</b>
	<p>A. When a Listed Entity fails to comply with Rules 9.11.4(1), 9.11.4(2), 9.12.6, 9.13.3(1), 9.13.3(4), 9.13.3(6), or 9.14.2 of these Rules, the Exchange shall (i) - (vi)</p> <p>B. Where a Listed Entity has failed to comply with Rules 9.11.4(1), 9.11.4(2), 9.12.6, 9.13.3(1), 9.13.3(4), 9.13.3(6) or 9.14.2 and has not disclosed of such non-compliance to the Exchange or the market:</p> <ul style="list-style-type: none"> <li>- If non-compliance is rectified: (a) - (b)</li> <li>- If non-compliance is not rectified: (c) - (e)</li> </ul>	<p>The Company was non-compliant with the minimum number of Independent Non-Executive Directors during the period 01.01.2025 to 27.03.2025. Such non-compliance was rectified on 28.03.2025. Further the Company was non-compliant on the composition of Board Subcommittees during the period 01.01.2025 to 19.02.2025 and such non-compliance was rectified on 20.02.2025. Due disclosures have been made to the CSE in this connection.</p>
9.17	<b>ADDITIONAL DISCLOSURES BY BOARD OF DIRECTORS</b>	
	<ul style="list-style-type: none"> <li>- Declared all material interests in contracts involving the entity and that they have refrained from voting on matters in which they were materially interested</li> <li>- Conducted a review of the internal controls covering Financial, operational and compliance controls and risk management and obtained reasonable assurance of their effectiveness and successful adherence, and, if unable to make any of these declarations an explanation on why it is unable to do so;</li> <li>- Made arrangement to make themselves aware of applicable laws, rules and regulations and are aware of changes particularly to Listing Rules and applicable capital market provisions;</li> <li>- Disclosure of relevant areas of any material non-compliance with law or regulation and any fines, which are material, imposed by any government or regulatory authority in any jurisdiction where the Entity has operations.</li> </ul>	<p>Complied Refer Annual Report of the Board of Directors and Corporate Governance Report</p>

## Corporate Governance contd.

Rule		Adherence
9.18	<b>ENFORCEMENT PROCEDURE FOR NON-COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS (a) - (i)</b>	
	<p>a) Immediate Market Announcement on non compliance in the event of failure to comply with any of the requirements contained in Rules 9.3.1, 9.8.1, 9.8.2(a), 9.11.4(1), 9.11.4(2), 9.12.6, 9.13.3(1), 9.13.3(4), 9.13.3(6) or 9.14.2 about such non-compliance within one (1) Market Day from the date of the non-compliance. Announcement shall be repeated on the first (1st) Market Day of each calendar month until the Entity becomes compliant with these Rules.</p> <p>b) The non-compliance must be rectified within three (03) months from the date of non-compliance.</p> <p>c) If not rectified within three months, the Entity's Securities shall be transferred to the Watch List immediately upon the expiration of the said period.</p> <p>d) While the Securities are on the Watch List, Directors, CEO, their Close Family Members, parent Entity, and entities where they hold 50% or more voting rights, cannot transact in the Entity's Securities without prior SEC approval. This restriction continues for three (03) months after resignation or until compliance is restored—whichever is earlier.</p> <p>e) Upon being placed on the Watch List, the Entity must make a Market Announcement including:</p> <ul style="list-style-type: none"> <li>- The remedial action proposed within six (06) months.</li> <li>- The following statements: <ul style="list-style-type: none"> <li>i) Any change in the plan will be announced within 1 Market Day after Board approval.</li> <li>ii) If the plan is not implemented within 6 months, trading will be suspended.</li> <li>iii) If suspension lasts more than 6 months, delisting will follow.</li> </ul> </li> <li>f) At the first General Meeting following the transfer to the Watch List, shareholders must be informed of the non-compliance, remedial actions, and that continued failure will result in suspension and potential delisting.</li> <li>g) The outcome of the above General Meeting must be announced to the Market by the next Market Day, including any decisions made.</li> <li>h) The Entity must rectify non-compliance within six (06) months from the date of Watch List transfer.</li> <li>i) Failure to comply within six months will result in trading suspension. The Exchange will also announce the enforcement action and any penalties imposed.</li> <li>j) In addition to actions under 9.18(c) and 9.18(i), the Exchange shall impose penalties on the Listed Entity and/or its Directors as of the date of non-compliance.</li> <li>k) If suspension exceeds six (06) months, the Securities shall be delisted under Rule 11.3.</li> <li>l) The Exchange's decision to delist the Securities and any attached conditions shall be communicated to the SEC.</li> </ul>	<p>The Company was non-compliant with the minimum number of Independent Non-Executive Directors during the period 01.01.2025 to 27.03.2025. Such non-compliance was rectified on 28.03.2025. Further the Company was non-compliant on the composition of Board Subcommittees during the period 01.01.2025 to 19.02.2025 and such non-compliance was rectified on 20.02.2025. Due disclosures have been made to the CSE in this connection.</p>

# Audit Committee Report

The Board of The Colombo Fort Land Building PLC appointed the Audit Committee to be in line with the Code of the Best Practice on Corporate Governance and the requirement of the Securities and Exchange Commission for Public Listed Companies. The Audit committee functions, authority and duties have been clearly identified in the Audit Committee Charter.

## ROLE OF THE AUDIT COMMITTEE

The role of the Audit Committee is to assist the Board in fulfilling its oversight responsibilities in relation to the integrity of the financial statements of the Company and the Group.

The Audit Committee reviews and advises the Company to ensure that the Financial Reporting system is in adherence with the Sri Lanka Accounting Standards and other regulatory and statutory requirements. It also reviews the adequacy of internal controls and the business risks and the independence of the Company's External Audit function.

The Audit Committee reviews and discusses the Group's quarterly and annual financial statements prior to publication. The review includes ascertaining compliance of same with the Sri Lanka Accounting Standards, the appropriateness and changes in accounting policies and material judgemental matters. The Committee also discussed with the External Auditors and management, any matters communicated to the Committee by the External Auditors in their reports to the Committee on the audit for the year.

The Committee also reviews the financial reporting system adopted by the Group in the preparation of its Quarterly and Annual Financial Statements to ensure reliability of the processes and consistency of the accounting policies and methods adopted and compliance thereof with the Sri Lanka Accounting Standards laid down by The Institute of Chartered Accountants of Sri Lanka. The methodology included obtaining statement of compliance by the Heads of Finance and Directors-in-Charge of subsidiaries. The Committee recommends the Financial Statements to the Board of Directors for its deliberation and issuance. The Committee in its evaluation of the Financial Reporting System also recognised the adequacy of the content and the quality of routine management information and reports forwarded to its members.

The Committee's responsibilities pertain to the Group as a whole and in discharging its responsibilities, the Committee places reliance on the work of other Audit Committees in the Group without prejudicing the independence of those Committees. However, to the extent, and in a manner, it considers appropriate, the Committee provides feedback to those entities for their consideration and necessary action.

## COMPOSITION

The changes to the composition of the Audit Committee during the financial year ended 31st March 2025 are detailed as follows:

The Company's Audit Committee comprised of the following members until 31st December 2024:

Mr. A.M. de S. Jayaratne - Chairman - Independent Non-Executive  
Mr. S.D.R. Arudpragasam - Member - Non-Executive  
Mr. C.P.R. Perera - Member - Independent Non-Executive

Consequent to Mr. A.M. de S. Jayaratne and Mr. C.P.R. Perera being re-designated as Non-Executive Directors effective from 1st January 2025, and the subsequent appointment of Mr. K.G. Punchihewa and Mr. S.B. Perera, Independent Non-Executive Directors to the Company's Board on 20th February 2025 the Audit Committee was reconstituted on 20th February 2025 and comprised of the following members as at 31st March 2025 and as of date of this Report:

Mr. K.G. Punchihewa - Chairman, Independent Non-Executive  
Mr. S.B. Perera - Member - Independent Non-Executive  
Mr. A.R. Rasiah - Member - Non-Executive

The Company was not compliant in relation to the constitution of the Audit Committee from 1st January 2025 to 19th February 2025 and due disclosures were made to the CSE in this regard. The Audit Committee being reconstituted on 20th February 2025 as mentioned above, met the compliance requirement and relevant disclosures were made to the CSE.

The Chairman and the members of the Committee are finance professionals and have a blend of experience in the commercial sector with financial expertise, and high standing of integrity and business acumen in order to carry out their role efficiently and effectively.

Mr. A.M. de S. Jayaratne, the former Chairman of the Committee was a Fellow Member of the Institute of Chartered Accountants of Sri Lanka (FCA) and England & Wales. Mr. Jayaratne passed away on 10th July, 2025.

Mr. K.G. Punchihewa, the current Chairman of the Committee is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka (FCA) and a Member of the Certified Public Accountants (CPA) – Australia.

# Audit Committee Report contd.

The Company's Secretaries, Corporate Managers & Secretaries (Private) Limited function as the Secretaries to the Audit Committee.

## MEETINGS AND ATTENDANCE

The Audit Committee has met in total on five occasions during the financial year ended 31st March, 2025. The attendance of the Committee prior to 31st December 2024 was as follows:

Mr. A.M. de S. Jayaratne – Chairman	4/4
Mr. S.D.R. Arudpragasam	4/4
Mr. C.P.R. Perera	4/4

Meeting attendance of the Audit Committee which was reconstituted with effect from 20th February 2025 was as follows:

Mr. K.G. Punchihewa – Chairman	1/1
Mr. S.B. Perera	1/1
Mr. A.R. Rasiah	1/1

Meetings of the Audit Committee have been held in each quarter of the financial year. In addition to these Meetings on several occasions the Committee has also adopted resolutions in writing in relation to matters under the purview of the Audit Committee.

Representatives from Corporate Managers & Secretaries (Private) Limited, Managers & Secretaries and the Group Managing Director, other Directors and Senior Managers from the Group are invited to the meetings as and when required. The proceedings of the Audit Committee are regularly reported to the Board.

## TERMS OF REFERENCE

The Committee is governed by the specific terms of reference set out in the Audit Committee charter which has been reviewed and recommended by the Audit Committee and approved by the Board.

The Committee focuses on the following objectives in discharging its responsibilities taking into consideration the terms of reference together with the requirements of the Listing Rules of the Colombo Stock Exchange.

- Risk Management.
- Efficiency of the system of internal controls.
- Independence and objectivity of the External (Statutory) Auditors.
- Appropriateness of the principal accounting policies used.
- Financial Statement integrity.

## ACTIVITIES DURING THE FINANCIAL YEAR 2024/2025

### Financial Reporting

The Committee reviewed and discussed the quality and integrity of the financial reporting system adopted by the Company in the preparation and presentation of its quarterly and annual financial statements to ensure reliability of the processes and consistency of the accounting policies adopted and their compliance with the Sri Lanka Financial Reporting Standards.

The Audit Committee obtained Statements of Compliance from the Management where appropriate and reviewed the adequacy of disclosures and presentation of the Annual and Interim Financial Statements before recommending them for approval by the Board.

Further, the Committee reviewed the procedures established by the Management to comply with Statutory and Regulatory requirements and is satisfied that the financial reporting requirements under the Listing Rules of the Colombo Stock Exchange, Companies Act No. 07 of 2007, Securities and Exchange Commission Act and other relevant financial reporting related regulations and requirements are met.

### Compliance

The Audit Committee reviewed the activities and the financial affairs of the Company and its Subsidiaries and the financial reporting system adopted in the preparation of the Quarterly and Annual Financial Statements to ensure reliability of the processes, appropriateness and consistency of the accounting policies and methods adopted in order to comply with the requirements of the Sri Lanka Accounting Standards (SLFRS/LKAS), the Companies Act No. 07 of 2007 and other relevant statutory and regulatory requirements. The Committee reviewed the quarterly and year-end Financial Statements and have recommended their adoption to the Board of Directors, except for the review of the interim financials for the 3rd quarter, due to the absence of a properly constituted Audit Committee at the time. However, subsequently the said Interim Financial Statements were ratified by the current Committee.

### Ethics And Good Governance

The Committee continuously emphasizes upholding ethical values. In this regard, the Policy on Internal Code of Business Conduct and Ethics, the Policy on Whistleblowing and the Policy on Anti-Bribery and Corruption have been established. All appropriate procedures are in place to conduct independent investigations into incidents reported through Whistleblowing or identified through other means. The Whistleblower Policy guarantees strict confidentiality of the identity of the Whistleblowers.

### Group Internal Audit

The Committee assessed the adequacy of existing internal controls and risk management procedures and has recommended to the Board additional controls and risk mitigating strategies that could be implemented to strengthen the existing internal control system.

Further, the Committee has reviewed the routine operations of the Company and assessed the future prospects of its business operations and accordingly ensures that the going concern assumption used in the preparation of the financial statements, is appropriate.

A few companies of the Group have outsourced the internal audit function in order to strengthen the internal control measures.

### External Audit

The Company has appointed KPMG, Chartered Accountants as its External Auditor for the financial year ended 31st March, 2025

and the services provided by them are segregated between audit/ assurance services and other advisory services such as tax consultancy. The Committee has reviewed the progress and conduct of the statutory audit function and discussed the audit related issues with the Auditors. KPMG Chartered Accountants has also issued a declaration as required by the Companies Act No.7 of 2007, that they do not have any relationship or interest in any of the Companies in the Group which may have a bearing on the independence of their role as Auditors. The Committee has also negotiated with the External Auditors on the quantum of the fees and incidental expenses.

During the year under review, the Committee evaluated the independence and performance of the External Auditors and is satisfied that the independence of the External Auditors have not been impaired by an event or service that gives rise to a conflict of interest. The Committee obtained written assurance from the External Auditors that they have been independent throughout the conduct of the audit engagement in terms of all relevant professional and regulatory requirements.

The Audit Committee has recommended to the Board the reappointment of KPMG, Chartered Accountants for the financial year ending 31st March 2026 subject to the approval of the Shareholders at the Annual General Meeting of the Company. The current External Auditors, KPMG has been functioning as the external auditor of the Company for over 30 years. A partner rotation of the External Auditor takes place periodically and the last change took place in 2019.

#### **AUDIT COMMITTEES – LISTED SUBSIDIARY COMPANIES**

All listed subsidiaries have appointed their own Audit Committees. These Audit Committees function independently of the Audit Committee of The Colombo Fort Land & Building PLC but have similar terms of reference.

#### **CONCLUSION**

The Audit Committee is of the view that the internal control environment within the Group is satisfactory and the effectiveness of the organizational structure of the Group and Company in the implementation of the accounting policies and operational controls provide reasonable assurance that the affairs of the Group and Company are managed in accordance with accepted policies and that assets are properly accounted for and adequately safeguarded.



**K.G. Punchihewa**  
*Chairman*  
*Audit Committee*

27th August 2025

# Related Party Transactions Review Committee Report

The Related Party Transactions Review Committee (RPTRC) is entrusted with the responsibility of ensuring that the interests of the Shareholders are taken into consideration when entering into a Related Party Transaction.

## POLICY AND TERMS OF REFERENCE

The Committee has established a clear Policy and Terms of Reference approved by the Board, setting forth the procedure to identify related parties and the process of reporting the transactions with related parties to the Committee on a quarterly basis. It also specifies the approval process and disclosure requirements, including market announcements and Annual Report disclosures.

## COMPOSITION

The changes to the composition of the Related Party Transactions Review Committee during the financial year ended 31st March 2025 are detailed as follows:

The Company's Related Party Transactions Review Committee comprised of the following members until 31st December 2024:

Mr. A.M. de S. Jayaratne – Chairman, Independent Non-Executive  
Mr. S.D.R. Arudpragasam – Member, Non-Executive  
Mr. C.P.R. Perera – Member, Independent Non-Executive

Consequent to Mr. A.M. de S. Jayaratne and Mr. C.P.R. Perera being re-designated as Non-Executive Directors effective 1st January 2025, and the subsequent appointment of Mr. K.G. Punchihewa and Mr. S.B. Perera, Independent Non-Executive Directors to the Company's Board on 20th February 2025 the Related Party Transactions Review Committee was also reconstituted on 20th February 2025 and comprised of the following members as at 31st March 2025 and as of date of this Report:

Mr. K.G. Punchihewa - Chairman, Independent Non-Executive  
Mr. S.B. Perera - Member, Independent Non-Executive  
Mr. A.R. Rasiah – Member, Non-Executive

The Company was not compliant in relation to the constitution of the Related Party Transactions Review Committee from 1st January 2025 to 19th February 2025 and due disclosures were made to the CSE in this regard. The Related Party Transactions Review Committee being reconstituted on 20th February 2025 as mentioned above, met the compliance requirement and relevant disclosures were made to the CSE.

Mr. A.M. de S. Jayaratne, the former Chairman of the Committee passed away on 10th July 2025.

The Committee has extensive experience in financial oversight, regulatory compliance and business acumen in order to carry out their role efficiently and effectively. All three members are finance professionals. Brief profiles of the Committee members are given on pages 6 to 8.

The Company's Secretaries, Corporate Managers & Secretaries (Private) Limited, functions as the Secretaries to the Related Party Transactions Review Committee.

Representatives from Corporate Managers & Secretaries (Private) Limited, Managers & Secretaries and other Directors are invited to the meetings as and when required.

## MEETINGS OF THE COMMITTEE

The Related Party Transactions Review Committee has met in total on four occasions during the financial year ended 31st March, 2025.

The attendance of the committee prior to 31st December 2024 was as follows:

Mr. A.M. de S. Jayaratne - Chairman	3/3
Mr. S.D.R. Arudpragasam	3/3
Mr. C.P.R. Perera	3/3

Meeting attendance of the RPTRC reconstituted with effect from 20th February 2025 was as follows:

Mr. K.G. Punchihewa - Chairman	1/1
Mr. S.B. Perera	1/1
Mr. A.R. Rasiah	1/1

Meetings of the RPTRC have been held in each quarter of the financial year. In addition to these Meetings on several occasions Related Party Transactions were referred to the RPTRC and have been reviewed and recommended by Resolutions in writing.

The Committee is free to seek external professional advice on matters within their purview when necessary.

The activities and views and proceedings of meetings of the Related Party Transactions Review Committee are duly documented and minuted and submitted to the Board of Directors.

## POLICIES, PROCEDURES AND FUNCTIONS OF THE COMMITTEE

The Policies and Procedures adopted by the Related Party Transactions Review Committee when reviewing and recommending transactions are consistent with Section 9.14 of the Listing Rules of the Colombo Stock Exchange.

The functions of the Committee are as follows:

- Review all proposed Related Party Transactions (Except for exempted transactions)
- Determining whether the relevant Related Party Transaction is fair and is conducted on normal commercial terms and is in the best interest of the Company and its stakeholders and is not prejudicial to its minority shareholders.

- Acquire appropriate knowledge or expertise to assess all aspects of proposed Related Party Transactions where necessary. This includes obtaining independent professional or expert advice from suitably qualified persons when required.
- Obtain updates on previously reviewed Related Party Transactions from Senior Management and approve any material changes.
- Establish guidelines for Senior Management to follow in ongoing dealings with related parties.
- Direct the transactions for Board approval/ Shareholder approval as deemed appropriate.
- Ensuring that immediate market disclosures and disclosures in the Annual Report as required by the applicable rules and regulations are made in a timely and detailed manner.

## CONCLUSION

The Related Party Transactions Review Committee has reviewed the Related Party Transactions entered into during the financial year under review and has communicated its comments and observations to the Board of Directors.

The Board of Directors have also declared in the Annual Report that there were no recurrent nor non-recurrent related party transactions which exceeded the respective thresholds mentioned in Section 9.14 of the Colombo Stock Exchange Listing Rules. The details of related party transactions are duly set out in Note 30 on page 152 to 158 of the Annual Report. The Company has complied with the requirements of the Listing Rules on Related Party Transactions.



**K.G. Punchihewa**

*Chairman*

*Related Party Transactions Review Committee*

27th August 2025

# Remuneration Committee Report

The main function of the Remuneration Committee is to assist the Board to develop and administer an equitable and transparent policy on the overall human resources strategy of the Group.

The key objective of the Committee is to attract, motivate and retain qualified and experienced personnel throughout the Group and to ensure that the remuneration of Executives at each level of management is competitive and are rewarded in a fair manner based on their performance and having regard to comparable market statistics and the operating results of the companies within the Group.

The Company does not have any employees and as such does not require the Remuneration Committee to decide on Executive compensation. The individual Group Companies have their own Remuneration Committees.

The Remuneration Committee has a well-defined Terms of Reference outlining the Committee's composition, quorum, authority and its responsibilities.

The Remuneration Committee meets on the same day as the Audit Committee of CFLB as required to give guidance and recommendations to any of the Remuneration Committees of its subsidiaries. The proceedings of the Committee meetings are reported to the Board of Directors.

## COMPOSITION, MEETINGS AND ATTENDANCE

The Remuneration Committee of The Colombo Fort Land & Building PLC comprised of the following members until 31st December 2024.

Mr. A.M. de S. Jayaratne - Chairman, Independent Non-Executive  
Mr. S.D.R. Arudpragasam - Member, Non-Executive  
Mr. C.P.R. Perera - Member, Independent Non-Executive

Consequent to Mr. A.M. de S. Jayaratne and Mr. C.P.R. Perera being re-designated as Non-Executive Directors effective from 1st January 2025, and the subsequent appointment of Mr. K.G. Punchihewa and Mr. S.B. Perera, Independent Non-Executive Directors to the Company's Board on 20th February 2025 the Remuneration Committee was also reconstituted on 20th February 2025 and comprised of the following members as at 31st March 2025 and as of date of this Report:

Mr. K.G. Punchihewa - Chairman, Independent Non-Executive  
Mr. S.B. Perera - Member, Independent Non-Executive  
Mr. S.D.R. Arudpragasam - Member, Non-Executive

The aforesaid reconstituted Committee has met once during the period at which meeting all members were present.

The Company was not compliant in relation to the constitution of the Remuneration Committee from 1st January 2025 to 19th February 2025 and due disclosures were made to the CSE in this regard. The Remuneration Committee being reconstituted on 20th February 2025 as mentioned above, met the compliance requirement and relevant disclosures were made to the CSE.

Mr. A.M. de S. Jayaratne, the former Chairman of the Committee passed away on 10th July 2025.

Brief profiles of the Committee members are given on pages 6 to 8.

The Group Managing Director assists the Committee by providing relevant information and participating in the deliberations of the Committee.

The Company's Secretaries, Corporate Managers & Secretaries (Private) Limited functions as the Secretaries to the Remuneration Committee. All managerial and secretarial services are provided by Corporate Managers & Secretaries (Private) Limited to whom a fee is paid.

A Directors fee is paid to all Directors.

The details on the aggregate remuneration of the Executive and Non-Executive Directors are given in Note 7 to the financial Statements.



**K.G. Punchihewa**  
*Chairman*  
*Remuneration Committee*

27th August 2025

# Nominations & Governance Committee Report

The Nominations & Governance Committee ensures that the governance framework of the Company aligns with the requirements of the Colombo Stock Exchange (CSE), the Securities and Exchange Commission of Sri Lanka (SEC) and the Code of Best Practices on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka.

The Committee supports the Board in fulfilling its statutory and fiduciary responsibilities relating to corporate governance and selection/appointment of new Directors and re-election and reappointment of current Directors to ensure the highest levels of Corporate Governance in the Company and among members of the Board of Directors.

A formal and transparent procedure is in place for the appointment of new Directors to the Board, and the re-election and reappointment of current Directors which is in accordance with the recommendations made by the Nominations & Governance Committee, in consultation with the Chairman and in compliance with the provisions of the Articles of Association of the Company, the Policies adopted by the Company and the Rules on Corporate Governance. The composition and the scope of work of the Committee are in line with the Terms of Reference of the Committee approved by the Board.

## COMPOSITION

In compliance with the Corporate Governance Rules of the Colombo Stock Exchange, on 18<sup>th</sup> September 2024, the Board of Directors of the Company resolved that the Nominations Committee of the Company which comprised of the following members shall continue to function as the Nominations and Governance Committee of the Company with effect from the said date. The said Committee was in force and validly constituted until 31<sup>st</sup> December 2024.

Mr. A.M. de S. Jayaratne - Chairman - Independent Non-Executive  
Mr. S.D.R. Arudpragasam - Member - Non-Executive  
Mr. C.P.R. Perera - Member - Independent Non-Executive

Consequent to Mr. A.M. de S. Jayaratne and Mr. C.P.R. Perera being re-designated as Non-Executive Directors effective from 1<sup>st</sup> January 2025, and the subsequent appointment of Mr. K.G. Punchihewa and Mr. S.B. Perera, Independent Non-Executive Directors to the Company's Board on 20<sup>th</sup> February 2025 the Nominations and Governance Committee was also reconstituted on 20<sup>th</sup> February 2025 and comprised of the following members as at 31<sup>st</sup> March 2025 and as of date of this Report.

Mr. K.G. Punchihewa - Chairman, Independent Non-Executive  
Mr. S.B. Perera - Member - Independent Non-Executive  
Mr. S.D.R. Arudpragasam - Member - Non-Executive

The Company was not compliant in relation to the constitution of the Nominations and Governance Committee from 1st January 2025 to 19<sup>th</sup> February 2025 and due disclosures have been made to the Colombo Stock Exchange in this regard.

The Nominations and Governance Committee was reconstituted on 20<sup>th</sup> February 2025, as mentioned above, and accordingly the Company met the compliance requirements and relevant disclosures were made to the CSE.

The Independent Directors of the Listed Entity have submitted their declarations, and the said Independent Directors meet and continue to meet the criteria for determining independence.

Mr. C.P.R. Perera, Mr. A.M. de S. Jayaratne, Mr. P.M.A. Sirimane and Mr. A.R. Rasiah who were determined to be nevertheless independent, served as Independent Non-Executive Directors until the close of business on 31<sup>st</sup> December 2024. Further, Mr. K.G. Punchihewa and Mr. S.B. Perera who were appointed to the Board on 20<sup>th</sup> February 2025 as Independent Non-Executive Directors and Mr. S. Viran Corea, PC and Mr. I.A. Wickramasinghe who were appointed to the Board on 28<sup>th</sup> March 2025 as Independent Non-Executive Directors meet the criteria for independence as set out in Listing Rule 9.8.3 of the Colombo Stock Exchange and were determined to be independent by the Board.

Mr. C.P.R. Perera, Deputy Chairman, who served as an Independent Non-Executive Director until the close of business on 31<sup>st</sup> December 2024, continues to serve in the capacity of Deputy Chairman and as a Non-Executive Director of the Company effective 1<sup>st</sup> January 2025.

Mr. P.M.A. Sirimane and Mr. A.R. Rasiah, who served as Independent Non-Executive Directors until the close of business on 31<sup>st</sup> December 2024, continue to serve in the capacity of Non-Executive Directors of the Company effective 1<sup>st</sup> January 2025.

Mr. A.M. de S. Jayaratne, the former Chairman of the Committee who served as an Independent Non-Executive Director until the close of business on 31<sup>st</sup> December 2024, and continued to serve as a Non-Executive Director of the Company effective from 1<sup>st</sup> January 2025, passed away on 10<sup>th</sup> July 2025.

Brief profiles of the current members of the Committee are given on pages 6 to 8 of the Annual Report.

The Company's Secretaries, Corporate Managers & Secretaries (Private) Ltd function as the Secretaries to the Nominations and Governance Committee.

## MEETINGS AND ATTENDANCE

The Nominations and Governance Committee has met on two occasions during the financial year ended 31<sup>st</sup> March, 2025 and the attendance of the Committee prior to 31<sup>st</sup> December 2024 was as follows:

Mr. A.M. de S. Jayaratne - Chairman	1/1
Mr. S.D.R. Arudpragasam	1/1
Mr. C.P.R. Perera	1/1

# Nominations & Governance Committee Report contd.

The meeting attendance of the Nominations and Governance Committee reconstituted with effect from 20<sup>th</sup> February 2025 was as follows:

Mr. K.G. Punchihewa - Chairman	1/1
Mr. S.B. Perera	1/1
Mr. S.D.R. Arudpragasam	1/1

## KEY RESPONSIBILITIES AND DUTIES OF THE COMMITTEE

The Committee oversees the corporate governance structure of the organization, providing an overview of the principles, policies, and practices of the Board of Directors. This framework enables the Company to meet the governance requirements of the Colombo Stock Exchange (CSE), and the Securities and Exchange Commission of Sri Lanka (SEC).

Furthermore, the Committee is responsible for reviewing and recommending improvements to the Company's governance policies and practices.

The Committee monitors the effectiveness of compliance with the relevant regulatory and legal requirements and makes recommendations to the Board on such matters and any corrective action to be taken, as the Committee may deem appropriate.

Whilst exercising the oversight with respect to the corporate governance by the Board of Directors, the Committee also considers and recommends succession arrangements from time to time for the retiring Directors, and Key Management Personnel considering the additional/new expertise required. The Committee regularly reviews the structure, size, composition, including gender representation and competencies (including the skills, knowledge and experience) of the Board members and makes recommendations to the Board regarding any changes.

The fitness and propriety of the Directors were considered during the year as and when required to ensure compliance with requirements and Corporate Governance Rules of the CSE.

## COMMITTEE ACTIVITIES IN 2024/2025

Performance evaluations of the Board were conducted in March 2025, reviewed by the Committee, and discussed at Board Meeting.

The Policies of the Company were reviewed and recommended by the Committee and approved by the Board and duly established during the year. The Committee ensured that the Policies were uploaded on the Company website. The Subcommittee Charter and Terms of Reference were reviewed and recommended by the respective Board Sub-committees and approved by the Board.

The Committee also checked the independence of the Directors against the criteria for independence as set out in the CSE Listing Rules. The Committee ensured that the declaration of independence is carried out by the Independent Directors and concluded that all Independent Directors of the Company meet the criteria for determining independence.

The newly appointed Directors were briefed on the structure, processes & resources of the Company, the applicable corporate governance framework, applicable Listing Rules, securities market regulations and other applicable laws and regulations.

Further an annual update was given to existing Directors on Corporate Governance, Listing Rules, securities market regulations and other applicable laws and regulations. Any major issues relating to the Company are communicated to the Independent Directors and special meetings of the Board are held as and when the need arises to address such matters.

## RE-APPOINTMENTS/RE-ELECTIONS

In terms of the Articles of Association a Director appointed by the Board holds office until the next Annual General Meeting, at which he seeks re-election by the Shareholders. The Articles require two of the Directors in Office (other than those appointed to the Office of Chairman, Chief Executive, Managing or Joint Managing Director) to retire at each Annual General Meeting. The Directors to retire in each year are those who have been longest in office since their last election or appointment. Retiring Directors are eligible for re-election by the shareholders. Furthermore, Special Notice has been received by the Company from a shareholder giving notice of the intention to move the Ordinary Resolutions more fully set out in the Notice of Meeting of this Report, at the forthcoming Annual General Meeting.

Accordingly, respective members of the Committee whilst refraining from participating in recommending their own re-election / reappointment, in terms of the Articles of Association of the Company, recommended the re-election of Mr. P.M.A. Sirimane and Mr. Amrit Rajaratnam, the Directors retiring by rotation, as well as the re- election of Mr. K.G. Punchihewa, Mr. S.B. Perera, Mr. S. Viran Corea, PC and Mr. I.A. Wickramasinghe who were appointed to the Board during the year and to reappoint in terms of Section 211 of the Companies Act No. 7 of 2007 Mr. S.D.R. Arudpragasam, Mr. C.P.R. Perera and Mr. A.R. Rasiah who are over seventy years of age, as Directors, at the forthcoming Annual General Meeting of the Company based on their performance and the contribution made to achieve the objectives of the Board.

In view of the strategic direction of the Company and the Group and the pivotal role played by Mr. S.D.R. Arudpragasam, Chairman, Mr. C.P.R. Perera, Deputy Chairman and Mr. A.R. Rasiah, Non-Executive Directors in terms of sustenance and growth of the Company and the Group as a whole as well as the Management skills, integrity, expertise, wealth of experience and business acumen, the Committee has recommended to the Board to reappoint as Directors, Mr. S.D.R. Arudpragasam, Mr. C.P.R. Perera and Mr. A.R. Rasiah who are over seventy years of age and who retire in terms of Section 210 of the Companies Act No. 7 of 2007.

The Directors coming up for re-election/ reappointment do not have any close family relationship with the Directors, the Listed Entity nor do they have any relationship with shareholders holding over 10% of shares of the Company other than those disclosed hereunder:

Information of Directors who are to be re-elected/reappointed at the AGM are as follows:

Board Member	Date first appointed as Director	Date last reappointed / re-elected as a Director	Board Committees served on	Any relationships including close family relationships between the member and the Directors of The Colombo Fort Land & Building PLC, the Company or its shareholders holding more than ten per centum (10%) of the shares of The Colombo Fort Land & Building PLC
Mr. S.D.R. Arudpragasam - Chairman (Non - Executive)	11 <sup>th</sup> December 2000	30 <sup>th</sup> September 2024	Nominations & Governance Committee and Remuneration Committee  Audit Committee and RPTRC (Up to 31 <sup>st</sup> December 2024)	Mr. S.D.R. Arudpragasam is a Director of Property and Investment Holdings (Pvt) Ltd, Colombo Investment Trust PLC and Colombo Fort Investments PLC which hold 16.73%, 12.98% and 11.20% respectively, of Equity in The Colombo Fort Land & Building PLC as at 31.03.2025.
M. C.P.R. Perera - Deputy Chairman (Non - Executive)	14 <sup>th</sup> May 2013	30 <sup>th</sup> September 2024	Audit Committee, RPTRC, Nominations & Governance Committee and Remuneration Committee (Up to 31 <sup>st</sup> December 2024)	Mr. C.P.R. Perera on his own holds 0.004% of equity in The Colombo Fort Land & Building PLC as at 31.03.2025. (Joint Account)
Mr. A.R. Rasiah - Director (Non-Executive)	8 <sup>th</sup> June 2023	30 <sup>th</sup> September 2024	Audit Committee and RPTRC (With effect from 20 <sup>th</sup> February 2025)	Nil
Mr. P.M.A. Sirimane - Director (Non-Executive)	25 <sup>th</sup> May 2017	30 <sup>th</sup> September 2024	Nil	Mr. P.M.A. Sirimane was a Director of Colombo Investment Trust PLC and Colombo Fort Investments PLC until 31.12.2024. The said companies held 12.98% and 11.20% respectively, of Equity in The Colombo Fort Land & Building PLC as at the said date.
Mr. Amrit Rajaratnam - Director (Non-Executive)	29 <sup>th</sup> November 2023	30 <sup>th</sup> September 2024	Nil	Mr. Amrit Rajaratnam is a Director of Property and Investment Holdings (Pvt) Ltd, Colombo Investment Trust PLC and Colombo Fort Investments PLC which hold 16.73%, 12.98% and 11.20% respectively, of Equity in The Colombo Fort Land & Building PLC as at 31.03.2025.  Mr. Amrit Rajaratnam is a Director/ Shareholder of Financial Trust Ltd which holds 11.14% of equity in The Colombo Fort Land & Building PLC as at 31.03.2025.  Mr. Amrit Rajaratnam on his own holds 0.44% of equity in The Colombo Fort Land & Building PLC as at 31.03.2025.

## Nominations & Governance Committee Report contd.

Board Member	Date first appointed as Director	Date last reappointed / re-elected as a Director	Board Committees served on	Any relationships including close family relationships between the member and the Directors of The Colombo Fort Land & Building PLC, the Company or its shareholders holding more than ten per centum (10%) of the shares of The Colombo Fort Land & Building PLC
Mr. K.G. Punchihewa - Director (Independent Non-Executive)	20 <sup>th</sup> February 2025	N/A	Audit Committee, RPTRC, Nominations & Governance Committee and Remuneration Committee (With effect from 20 <sup>th</sup> February 2025)	Nil
Mr. S.B. Perera - Director (Independent Non-Executive)	20 <sup>th</sup> February 2025	N/A	Audit Committee, RPTRC, Nominations & Governance Committee and Remuneration Committee (With effect from 20 <sup>th</sup> February 2025)	Nil
Mr. S. Viran Corea, PC - Director (Independent Non-Executive)	28 <sup>th</sup> March 2025	N/A	Nil	Nil
Mr. I.A. Wickramasinghe Director (Independent Non-Executive)	28 <sup>th</sup> March 2025	N/A	Nil	Nil

The names, qualifications, principal commitments and other Directorships or Chairmanships of the aforesaid Directors coming up for re-election / reappointment and of the rest of the Board members of The Colombo Fort Land & Building PLC are given in their profiles on pages 6 to 8 and under the caption "Details of Directors' other Directorships" appearing on pages 15 to 21.

The Corporate Governance requirements stipulated under the Listing Rules of the CSE have been met and where the Listed Entity has failed to comply with any provisions of such Rules, a statement explaining the reason for such non-compliance and the proposed remedial action taken for the rectification of such non-compliance has been made. The Company's compliance status with the Colombo Stock Exchange Listing Rules on Corporate Governance is disclosed on pages 22 to 32.



**K.G. Punchihewa**  
Chairman  
Nominations & Governance Committee

27th August 2025

# Annual Report of the Board of Directors

The Board of Directors of The Colombo Fort Land & Building PLC present their Report on the affairs of the Company together with the Audited Financial Statements for the year ended 31st March, 2025.

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

## GENERAL

The Company was re-registered on 3rd July, 2008 as required under the Companies Act No. 07 of 2007.

## PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activities of the Company together with those of its subsidiary companies have been described in the Notes to the Financial Statements in this Annual Report. A review of the Company's business and its performance during the year with comments on financial results is contained in the Chairman's Review and Management Discussion and Analysis which together with the Financial Statements reflects the state of affairs of the Company.

The Directors to the best of their knowledge and belief confirm that the Company has not engaged in any activities that contravene laws, regulations and prudential requirements and that there are no material non-compliances other than those disclosed in the Annual Report.

## FINANCIAL STATEMENTS

The Financial Statements of the Company are given on pages 54 to 175.

## INDEPENDENT AUDITORS' REPORT

The Independent Auditors' Report on the Financial Statements is given on pages 48 to 53.

## ACCOUNTING POLICIES

The accounting policies adopted in the preparation of Financial Statements are given on pages 59 to 74.

## INTEREST REGISTER

### Directors' Interest in Transactions

The Directors have made general disclosures as provided for in Section 192(2) of the Companies Act No. 07 of 2007. These have been entered in the Interest Register which is maintained by the Company. The Company carries out transactions in the ordinary course of business with entities in which a Director of the Company is a Director and the said transactions are disclosed in Note 30 'Related Party Transactions', on pages 152 to 158.

The Directors have no direct or indirect interest in any other contract or proposed contract with the Company.

During the financial year the Company has not entered into any contracts in which the Directors have had a material interest. Neither

the Directors nor their close family members have had any material business relationship with other Directors.

## DIRECTORS' INTEREST IN SHARES

Directors of the Company who have an interest in the shares of the Company are required to disclose their shareholdings and any acquisitions/disposals to the Board in compliance with Section 200 of the Companies Act of No.07 of 2007.

Details pertaining to Directors' direct shareholdings are set out below:

Name of Director	No. of shares as at 31.03.2025	No. of shares as at 31.03.2024
Mr. S.D.R. Arudpragasam	-	-
Mr. C.P.R. Perera	10,000	10,000
Mr. Anushman Rajaratnam	36,930	67,865
Mr. A.M. de S. Jayaratne (Deceased - 10.07.2025)	200,666	200,666
Mr. S. Rajaratnam	2,450,000	2,450,000
Mr. P.M.A. Sirimane	-	-
Mr. A.R. Rasiah	-	-
Mr. Amrit Rajaratnam	1,065,690	1,065,690
Mr. K.G. Punchihewa (Appointed w.e.f. 20.02.2025)	-	N/A
Mr. S.B. Perera (Appointed w.e.f. 20.02.2025)	-	N/A
Mr. S. Viran. Corea, PC (Appointed w.e.f. 28.03.2025)	-	N/A
Mr. I.A. Wickramasinghe (Appointed w.e.f. 28.03.2025)	-	N/A

## DIRECTORS' REMUNERATION

Key management personnel compensation in respect of the Company for the financial year 2024/2025 is given in Note 7 to the Financial Statements on page 77.

## CORPORATE DONATIONS

No donations were made by the Company during the year.

## DIRECTORATE

The names of the Directors who held office during the financial year are given below and the Directors currently in Office are profiled on pages 6 to 8.

Mr. S.D.R. Arudpragasam - Chairman

Mr. C.P.R. Perera - Deputy Chairman

Mr. Anushman Rajaratnam - Group Managing Director

Mr. A.M. de S. Jayaratne - Director (Deceased - 10.07.2025)

Mr. P.M.A. Sirimane - Director

Mr. Sanjeev Rajaratnam - Director

Mr. A.R. Rasiah - Director

Mr. Amrit Rajaratnam - Director

Mr. K.G. Punchihewa - Director (Appointed w.e.f. 20.02.2025)

Mr. S.B. Perera - Director (Appointed w.e.f. 20.02.2025)

Mr. S. Viran Corea, PC - Director (Appointed w.e.f. 28.03.2025)

Mr. I.A. Wickramasinghe - Director (Appointed w.e.f. 28.03.2025)

# Annual Report of the Board of Directors contd.

Mr. C.P.R. Perera, Deputy Chairman, who served as an Independent Non-Executive Director until the close of business on 31st December 2024, continues to serve in the capacity of Deputy Chairman and as a Non-Executive Director of the Company effective from 1st January 2025.

Mr. A.M. de S. Jayaratne, who served as an Independent Non-Executive Director until the close of business on 31st December 2024, and continued to serve as a Non-Executive Director with effect from 1st January 2025, passed away on 10th July 2025.

Messrs. P.M.A. Sirimane and A.R. Rasiah, who served as Independent Non-Executive Directors, until the close of business on 31st December 2024, continue to serve as Non-Executive Directors of the Company effective from 1st January 2025.

Mr. K.G. Punchihewa and Mr. S.B. Perera were appointed to the Board as Independent Non-Executive Directors on 20th February 2025. Mr. S. Viran Corea, PC and Mr. I.A. Wickramasinghe were appointed to the Board as Independent Non-Executive Directors on 28<sup>th</sup> March 2025.

In terms of Articles 85 and 86 of the Articles of Association Mr. P.M.A. Sirimane and Mr. Amrit Rajaratnam retire by rotation and being eligible offer themselves for re-election.

Mr. K.G. Punchihewa and Mr. S.B. Perera who were appointed to the Board on 20th February 2025 and Mr. S. Viran Corea, PC and Mr. I.A. Wickramasinghe who were appointed to the Board on 28<sup>th</sup> March 2025 retire in terms of Article 92 of the Articles of Association and being eligible offer themselves for re-election.

Mr. C.P.R. Perera who is over seventy years of age retires and offers himself for reappointment under and by virtue of the Special Notice received from a shareholder of the Company which is referred to in the Notice of Meeting.

Mr. S.D.R. Arudpragasam who is over seventy years of age retires and offers himself for reappointment under and by virtue of the Special Notice received from a shareholder of the Company which is referred to in the Notice of Meeting.

Mr. A.R. Rasiah who is over seventy years of age retires and offers himself for reappointment under and by virtue of the Special Notice received from a shareholder of the Company which is referred to in the Notice of Meeting.

## **CORPORATE GOVERNANCE**

The Corporate Governance Principles adhered to by the Company are given on pages 12 to 32.

## **AUDITORS**

The Financial Statements of the Company for the year have been audited by KPMG, Chartered Accountants, who retire at the forthcoming Annual General Meeting. The retiring Auditors have expressed their willingness to continue as Auditors of the Company and are recommended for reappointment. A resolution

to reappoint them and to authorize the Directors to determine their remuneration will be proposed at the Annual General Meeting. They were paid Rs. 2,775,000/- (2023/2024 - Rs. 2,325,000/-) as audit fees by the Company. In addition, they were paid Rs. 260,340/- (2023/2024 - Rs. 206,620/-) by the Company for non-audit related work, which consists mainly of fees for tax compliance services.

As far as the Directors are aware the Auditors do not have any relationship (other than that of an Auditor) with the Company. The Auditors do not have any interest in the Company.

## **REVENUE**

The revenue of the Company for the year was Rs. 134.40 million (2023/2024 - Rs. 132.73 million)

## **RESULTS**

The Company made a net profit before tax of Rs. 637.70 million against a profit of Rs. 683.74 million in the previous year. The detailed results are given in the Statement of Profit or Loss & Other Comprehensive Income on page 54.

## **DIVIDENDS**

The Directors are pleased to recommend the payment of a First & Final Dividend of Rs.0.25 per share on the ordinary shares of the Company for the year ended 31st March, 2025 for approval by the Shareholders at the forthcoming Annual General Meeting to be held on 29th September 2025.

The Directors have confirmed that the Company satisfies the solvency test requirement under Section 56 of the Companies Act No. 07 of 2007 for the dividend proposed. A solvency certificate has been sought from the Auditors in respect of the aforementioned dividend.

## **INVESTMENTS**

The Cost of Investments in Quoted Securities held as at 31st March, 2025 were Rs. 1,399.20 million (2023/2024 - Rs.1,511.78 million.) and the Market Value of such Investments were Rs. 8,543.46 million (2023/2024 - Rs.6,052.88 million.) The detailed investment portfolio is given in Notes 15,16 and 17 in the Financial Statements on pages 98 to 120.

## **INVESTMENT PROPERTY AND PROPERTY, PLANT & EQUIPMENT**

During 2024/2025, the Company invested Rs. 11.45 million in Investment Property and Property, Plant & Equipment (2023/2024 - Rs.1.16 million.). Further, your Directors are of the opinion that the net amounts at which Property, Plant & Equipment appear in the Statement of Financial Position, are not greater than their market value as at 31st March, 2025.

## **STATED CAPITAL**

In compliance with the Companies Act No. 07 of 2007, the Financial Statements reflect the Stated Capital of the Company. The Stated Capital is the total of all amounts received by the Company in respect of issue of shares.

The Stated Capital of the Company as at 31st March, 2025 was Rs. 927,000,000/- represented by 240,000,000 issued and fully paid Ordinary Shares.

### RESERVES

The total reserves of the Company as at 31st March, 2025 amounted to Rs. 2,660.99 million (2023/2024 – Rs. 2013.29 million). The Reserves comprise, Property Development Reserve of Rs. 10 million (2023/2024 - Rs. 10 million), General Reserve of Rs. 0.5 million (2023/2024 - Rs. 0.5 million), FVOCI Reserve of Rs. 4.89 million (2023/2024 - Rs.3.88 million), and the accumulated profit of Rs. 2,645.60 million (2023/2024 - Rs. 1,998.91 million). The movements are shown in the Statement of Changes in Equity in the Financial Statements.

### TAXATION

In terms of the Inland Revenue Act No. 24 of 2017 and the subsequent amendments thereto, the Company is liable to pay income tax at the rate of 30% on the profits. The Company does not have a liability towards Income Tax during the year. The detailed Income Tax Computation is given in Note 8 to the Financial Statements on pages 78 to 79.

### RELATED PARTY TRANSACTIONS

During the financial year there were no recurrent nor non-recurrent related party transactions which exceeded the respective disclosure thresholds mentioned in Section 9.14 of the Colombo Stock Exchange Listing Rules. The Company has complied with the requirements of the Listing Rules on Related Party Transactions.

The Related Party Transactions presented in the Financial Statements are disclosed in Note 30 from pages 152 to 158.

### SHARE INFORMATION

Information relating to earnings, net assets, market value per share and share trading is given on pages 177 to 178.

### EVENTS AFTER THE REPORTING DATE

No circumstances have arisen since the Reporting date that would require adjustments to or disclosure in the Financial Statements other than those disclosed in Note 35 to the Financial Statements on pages 168 to 169.

### CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

Capital Commitments and Contingent Liabilities as at the Reporting date are disclosed in Notes 36 and 37 to the Financial Statements on pages 169 to 171.

### EMPLOYMENT POLICY

All operational services are provided by Corporate Managers & Secretaries (Private) Limited, Managers and Secretaries, to whom a fee is paid.

### SHAREHOLDERS

It is the Company's policy to endeavour to ensure equitable treatment to its shareholders.

### STATUTORY PAYMENTS

The Directors, to the best of their knowledge and belief, are satisfied that all statutory payments due to the Government have been paid or where relevant, provided for.

### ENVIRONMENTAL PROTECTION

The Group's business activities can have direct and indirect effects on the environment. It is the Group's policy to minimise any adverse effect its activities have on the environment and to promote co-operation and compliance with the relevant authorities and regulations. The Directors confirm that the Group has not undertaken any activities which have caused or are likely to cause detriment to the environment.

### INTERNAL CONTROL

The Directors acknowledge their responsibility for the Company's system of internal control. The system is designed to give assurance regarding the safeguarding of assets, the maintenance of proper accounting records and the reliability of financial information generated.

The Directors have reviewed the internal controls covering financial, operational and compliance controls and risk management and have obtained reasonable assurance of their effectiveness and successful adherence.

### GOING CONCERN

The Directors, after making necessary inquiries and reviews of the Company's future prospects and risks, cash flows and borrowing facilities, have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Therefore, the going concern basis has been adopted in the preparation of the Financial Statements.

For and on behalf of the Board,



S.D.R. Arudpragasam  
Chairman



Anushman Rajaratnam  
Group Managing Director

By Order of the Board,



Corporate Managers & Secretaries (Private) Limited  
Managers & Secretaries

Colombo  
27th August 2025



A large, stylized icon representing financial statements. It features a magnifying glass over a bar chart, with a line graph and a table-like structure above it. The entire icon is rendered in a dark red color against a lighter red background.

Rs.

## Financial Statements

### Financial Statements

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# Independent Auditor's Report



KPMG  
(Chartered Accountants)  
32A, Sir Mohamed Macan Markar Mawatha,  
P. O. Box 186,  
Colombo 00300, Sri Lanka.

Tel +94 - 11 542 6426  
Fax +94 - 11 244 5872  
+94 - 11 244 6058  
Internet www.kpmg.com/lk

## TO THE SHAREHOLDERS OF THE COLOMBO FORT LAND & BUILDING PLC

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of The Colombo Fort Land & Building PLC ("the Company") and the consolidated financial statements of the Company and its subsidiaries ("the Group"), which comprise the statement of financial position as at 31 March 2025, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information as set out on pages 54 to 175 of the Annual Report.

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

#### Basis for Opinion

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

#### Emphasis of Matter – Restatement of Comparative Balances

We draw attention to Note 40 to the consolidated financial statements which indicates that the comparative balances presented as at and for the year ended 31 March 2024 and 01 April 2023 have been restated and disclosed in these consolidated financial statements.

Our opinion is not modified in respect of this matter.

## KEY AUDIT MATTERS

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

### 01) Management Assessment of the Group's ability to continue as Going Concern and Impairment assessment of Goodwill recorded in Group financial statements.

Refer Note 14.1 and 34 to the financial statements and accounting policies Note 3.3.5.2 and 2.7.

#### Risk Description

As at 31 March 2025, the Group current liabilities exceed its current assets by Rs. 2,591 Mn. This is mainly due to the fact that some of the subsidiaries are operating at net current liabilities as disclosed in Note 34 to the financial statements.

However, the directors have determined that use of the going concern basis of accounting is appropriate in preparing the financial statements. Their assessment of the going concern was based on the feasibility of management plans and cash flow forecasts.

Further, as at 31 March 2025, the Group recorded Rs. 670 Mn as goodwill. As required by relevant accounting standards, as at 31 March 2025 the management performed an impairment assessment on goodwill by allocating it to the respective cash generating units and determined their recoverable amounts based on value-in-use calculations.

Due to the inherent uncertainty involved in cashflow forecasting, which is the basis of the management assessment of the Group's ability to continue as a going concern, this is one of the key judgment areas that our audit is concentrated in.

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C.P. Jayatileke FCA  
Ms. S. Joseph FCA  
R.M.D.B. Rajapaksa FCA  
M.N.M. Shameel FCA  
Ms. P.M.K. Sumanasekara FCA

T.J.S. Rajakarier FCA  
W.K.D.C. Abeyrathne FCA  
Ms. B.K.D.T.N. Rodrigo FCA  
Ms. C.T.K.N. Perera ACA  
R.G.H. Raddella ACA,

W.W.J.C. Perera FCA  
G.A.U. Karunaratne FCA  
R.H. Rajan FCA  
A.M.R.P. Alahakoon ACA

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



#### **Our audit procedures for assessment on Going Concern and Impairment of Goodwill included;**

- Obtaining and evaluate the appropriateness of management assessment of going concern of the subsidiaries disclosed in Note 34 to the financial statements.
- Obtaining an understanding of management's assessment of cash flow forecast and impairment assessment process.
- Discussing the detailed cash flow forecasts prepared by management in their model. The main procedures performed on the model and areas where component auditors challenged management were as follows:
- Testing the quality of management forecasting by comparing the management forecast for prior period to actual outcomes.
- Testing the appropriateness of the assumptions that had the most material impact. In challenging these assumptions, we took account of actual results, external data and market conditions.
- Re-performing the management forecasts to verify the arithmetic accuracy of the calculations including those related to management's forecasts.
- Performing our own sensitivity calculations to test the adequacy of the available headroom.
- Agreeing the sources of liquidity and uses of funds to supporting documentation.
- Reviewing the robustness of management's budgeting process by comparing the actual financial results against previous projections.
- Testing the mathematical accuracy of the underlying calculations in the discounted cash flow valuation models (Value in use computations) with the assistance of our own internal business valuation specialists, challenging the reasonableness of the key assumptions in the valuation models.
- Reviewing component auditors workpapers where necessary.
- Assessing the adequacy of disclosures in the financial statements in relation to going concern and impairment of Goodwill in the financial statements.

#### **02) Measurement of Biological Assets.**

Refer Note 10.4 and 10.6 to the financial statements and accounting policies Note 3.10.9.

#### **Risk Description**

The Group has recognised bearer biological assets in the amount of Rs. 5,291 Mn and consumable biological assets in the amount of Rs. 4,331 Mn.

#### **Consumable Biological Assets**

The commercially cultivated timber trees on estates managed by the Group are classified as consumable biological assets and are measured at each reporting date at fair value less estimated cost to sell at harvest. The trees younger than 5 years (if any) are carried at

cost less impairment as the fair value cannot be reliably measured. The valuation of consumable biological assets requires significant levels of judgments and technical expertise in selecting appropriate valuation models and assumptions. Management engaged a subject matter expert who is an incorporated valuer and a member of The Institute of Valuers of Sri Lanka to perform an independent valuation of the consumer biological assets of the Group as at reporting date.

#### **Bearer Biological Assets**

Bearer biological assets mainly include mature and immature tea fields. Inappropriate transfer from immature to mature plantations has a significant impact on the carrying value of the bearer plants and the reported profits as capitalization of costs will cease from the point of transfer and the mature plantations are depreciated over the useful lives of the plants. As per the industry practice, transfer of immature plantations to mature plantation fields happens at the point of commencement of commercial harvesting. The actual point of which commercial harvesting could start depends on the soil condition, weather patterns and plant breed. We considered measurement of biological assets as a key audit matter because the valuation of consumable biological assets involved significant judgments exercised by the management and external valuation expert and were subjected to significant level of estimation uncertainty. Further, immature to mature transfer of bearer biological assets require management to exercise their judgement in determining the point at which a plant is deemed ready for commercial harvesting.

#### **Our audit procedures for consumable biological assets included;**

- Evaluating the competence, independence, qualifications, capability and objectivity of the external valuer engaged by the subsidiary.
- Assessing the completeness and accuracy of the key data used by the external valuer, by tracing those to the underlying books and records maintained by the subsidiary. This also included assessing the appropriateness and consistency of the application of the formula used for deriving the expected timber volume.
- Reading the external valuer's report and understanding key estimates made and approach taken by the valuer in determining the fair value of consumable biological assets.
- Assessing the reasonableness of significant assumptions, judgements and estimates made by the valuer such as discount rate, expected timber volume, price per cubic foot, average market price and valuation technique in assessing the fair value of consumable biological assets by comparing with the industry practices that are generally used in determining fair value of consumable biological assets.
- Reviewing component auditors workpapers where necessary.
- Assessing the adequacy of the disclosures of consumable biological assets made in the notes to the financial statements relating to the significant estimates and judgements.



- Physically verification of the actual girth and height pertaining to a selected sample of trees during estate visits of Kotagala Plantation PLC, in order to ascertain the accuracy of the average girth and height used in the valuation report.
- Verifying the mathematical accuracy of the consumable biological asset valuation.

**Our audit procedures for bearer biological assets included;**

- Obtaining an understanding of management's expense allocation process and evaluating the design of relevant key controls over the identification of expenses to be capitalize in relation to immature plantations.
- Testing the significant expenses incurred by examining related invoices, capital expenditure authorizations and other corroborative evidence.
- Testing transfer of immature plants to respective matured plantation categories by examining ageing profile of immature plantations.
- Assessing the reasonableness of depreciation provided on the matured plantations by performing independent computations.
- Inspecting the ageing profile of the immature biological assets as of the reporting date to ensure that possible indicators of impairment have been identified, assessed for probable impairment charges/ losses accounted for in the financial statements.
- Reviewing component auditors workpapers where necessary.
- Assessing the adequacy of the disclosures of bearer biological assets made in the notes to the financial statements.

**03) Revaluation of Land and Building Improvements.**

Refer Note 10.1 to the financial statements and accounting policies Note 3.2.

**Risk Description**

The Group has revalued its lands and buildings improvement as at 31 March 2025 and recognized a net revaluation gain of Rs. 1,862 Mn in its financial statements. The Group has engaged an independent external valuation specialist to determine the fair values of lands and building improvements as at 31 March 2025.

We considered this as a key audit matter due to the significance of the judgements exercised by the external valuation expert engaged by the management, estimation uncertainty and possible management bias.

**Our audit procedures for assessment of revaluation of Land and Building Improvements included;**

- Assessing the competency, objectivity and capabilities of the independent external valuer engaged by the management.
- Assessing the reasonableness of the valuer's assumptions and methods used in the valuation and comparing the same with evidence of current market values.
- Engaging our own internal resources to assess the reasonability of the valuation technique, per perch and per square feet prices determined by the management specialist.
- Reviewing component auditors workpapers where necessary.
- Assessing the adequacy of disclosures made in relation to the revaluation of lands and buildings improvements in the financial statements, including the description and appropriateness of the inherent degree of subjectivity and key assumptions used.

**04) Valuation of Retirement Benefit Obligations.**

Refer Note 27 to the financial statements and accounting policy Note 3.10.8.

**Risk Description**

The Group has recognised retirement benefit obligations of Rs. 5,377 Mn as at 31 March 2025. The retirement benefit obligation of the Group is significant in the context of the total liabilities of the Group. The valuation of the Group's retirement benefit obligation requires significant judgment and estimation to be applied across numerous assumptions, including salary / wage increases and discount rate. Minor changes in those assumptions could have a significant effect on the financial performance and financial position of the Group.

Management engaged an independent actuary to assist them in the estimation of the Retirement benefit obligation. We considered the estimation of the retirement benefit obligation to be a key audit matter due to the magnitude of the amounts recognized in the financial statements as well as estimation uncertainty involved in determining the amounts.

**Our audit procedures for valuation of retirement benefit obligation included;**

- Assessing the competency, objectivity, independence and capabilities of the actuary engaged by the respective companies.
- Testing the samples of the employees' details used in the computation to the human resource records and performed re-computation of the post-employment benefit liabilities with the assistance of our internal valuation specialist.
- Evaluating the reasonableness of the total annual salaries used in the computation by comparing to the historical data.
- Reading the external actuary's report and identifying the key estimates made and the approach taken by the actuary in determining the value of the retirement benefit obligation.



- Checking the completeness and accuracy of the data used in the valuation of retirement benefit obligations by agreeing key information to source documents and accounting records.
- Assessing reasonableness of the other key assumptions used in the valuation, in particular the discount rate, inflation rate, mortality rate and future salary increment rate.
- Reviewing component auditors workpapers where necessary.
- Assessing the adequacy of the disclosures made in the financial statements including sensitivity analysis.

#### **05) Recoverability of Deferred Tax Assets on Accumulated Losses.**

Refer Note 18 & 26 to the financial statements and accounting policy Note 3.9.2.

##### **Risk Description**

The Group has recognized deferred tax assets of Rs. 827 Mn on accumulated tax losses as at 31 March 2025 which the Group believes recoverable.

In recognizing these deferred tax assets, the management has considered expected utilization or recovery in the future through generation of future taxable profits by the Group entities or set off against deferred tax liabilities. This consideration involves significant judgment and estimates of the management in respect of assessing the sufficiency of future taxable profits and the probability of such future taxable profits being generated by the entities within the Group.

We identified the recognition of deferred tax assets as a key audit matter, because determining the recoverability of deferred tax asset involve forecasting the quantum of the future taxable profits likely to be generated by the Group to offset with accumulated unutilized tax losses as at 31 March 2025.

##### **Our audit procedures for assessment of recoverability of Deferred Tax Assets included;**

- Assessing the Group's approach for evaluating the likelihood of the recoverability of deferred tax assets on tax losses.
- Challenging the key assumptions included in forecasting the future taxable profits after considering the accumulated unutilized tax losses by comparing the key inputs used in the forecasts, including future revenue growth, management of operating costs with historical performance of the entities;
- Assessing the appropriateness of the approval for the forecasts used by the management.
- Reviewing component auditors workpapers where necessary.
- Assessing the adequacy of disclosures in the Financial Statements as required by the relevant accounting standards.

#### **06) Revenue Recognition.**

Refer Note 04 to the financial statements and accounting policy for Note 3.8.1.

##### **Risk Description**

The Group recorded revenue of Rs. 88,889 Mn for the financial year ended 31 March 2025, revenue from companies in trading of consumer / industrial product segments continued to be the main revenue stream for the Group.

Companies in this segment recognise Revenue from sale of goods when control has been transferred to the buyer; and is measured net of trade discounts.

Based on the business model, there are many different types of revenues, arising from different types of transactions and events with customers.

In addition, the subsidiary considers revenue as an important element in the preparation of budgets and measuring management performance. These factors could create an incentive for revenue to be recognised prior to control being transferred.

Considering above factors, we identified revenue as a key audit matter because revenue is a significant audit risk, significance to the Group financial statements and one of the key performance indicators of the subsidiary and therefore, there is an inherent risk of manipulation of the timing of revenue recognition by management to meet specific targets or expectations.

##### **Our audit procedures for Revenue recognition included;**

- Obtaining an understanding of and assessing the design, implementation and operating effectiveness of management's key internal controls over the revenue recognition and measurement.
- Obtaining an understanding of and assessing the design, implementation and operating effectiveness of key IT application controls over revenue, in addition to evaluating the integrity of the general IT control environment.
- Evaluating the appropriateness of the Group's revenue recognition policies, including the recognition, measurement and classification criteria as well as disclosure requirements as per SLFRS 15.
- On a sample basis, comparing specific revenue transactions recorded before and after the financial year end with the underlying goods delivery notes and invoices to assess whether the related revenue had been recognized in the correct financial period.



- Reviewing component auditors workpapers where necessary.
- Performing test of details over revenue by inspecting a sample of invoices and credit notes in order to ensure revenue is recognized and measured in accordance with the contractual terms of the contract and the Group accounting policies.

#### **07) Carrying Value of Inventories.**

Refer Note 19 to the financial statements and accounting policies for Note 3.2.9.

#### **Risk Description**

The Group recorded inventories amounting to Rs. 16,205 Mn as at 31 March 2025.

The Group has significant amount of inventory and judgment is exercised with regard to categorisation of stocks as obsolete and/or slow moving to be considered for provision; estimates are then involved in arriving at provisions against cost in respect of slow moving and obsolete inventories to arrive valuation based on lower of cost and net realizable value. Given the level of judgements and estimates involved this is considered to be a key audit matter.

#### **Our audit procedures for assessing the carrying value of Inventories included;**

- Obtaining an understanding of and assessing the design, implementation and operating effectiveness of management's key internal controls over inventory valuation and identify slow moving and obsolete inventories.
- Obtaining an understanding of and assessing the design, implementation and operating effectiveness of key IT application controls over inventories.
- On a sample basis, physically verify the inventories as at reporting date.
- Comparison of inventory levels, by product group, to sales data to corroborate whether slow moving and obsolete inventories had been appropriately identified and challenge the categorisation as obsolete or slow moving.
- Assessing the reasonableness of judgements applied in the identification and recording of inventories at Net Realizable Value, including allowances recorded considering among others, the age of inventories, historical sales trends, subsequent prices secured.
- Testing the accuracy and completeness of inventory ageing reports used in the estimation of allowances.
- Reviewing component auditors workpapers where necessary.
- Assessing whether the accounting policies had been consistently applied and the adequacy of the disclosures in respect of the judgement and estimation made in respect of inventory provisioning.

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

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

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

#### **AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

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



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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the 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 2599.

#### **CHARTERED ACCOUNTANTS**

Colombo, Sri Lanka  
27th August 2025

# Statement of Profit or Loss & Other Comprehensive Income

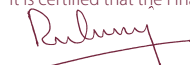
For the year ended 31st March,	Notes	GROUP		COMPANY	
		2025 Rs:'000	2024 Rs:'000	2025 Rs:'000	2024 Rs:'000
Revenue	4	88,888,780	75,895,448	134,396	132,732
Cost of Sales		(67,074,988)	(58,478,015)	-	-
<b>Gross Profit</b>		<b>21,813,792</b>	<b>17,417,433</b>	<b>134,396</b>	<b>132,732</b>
Other Income	5.1	1,601,788	1,547,389	691,005	710,390
Gain on Bargain Purchase	5.1.1	-	101,763	-	-
Distribution Expenses		(8,076,085)	(6,458,378)	-	-
Administrative Expenses		(7,212,235)	(6,667,616)	(102,418)	(95,818)
Other Expenses	5.2	(422,853)	(180,415)	(2,804)	(11)
Finance Income	6	183,850	256,153	16,077	45,804
Finance Costs	6	(3,672,501)	(4,619,612)	(98,559)	(109,355)
Net Finance Costs	6	(3,488,651)	(4,363,459)	(82,482)	(63,551)
Share of Results of Equity Accounted Investees, Net of Tax	16.1	41,220	14,664	-	-
Share of Results of Joint Venture, Net of Tax	16.2	168,829	1,002	-	-
<b>Profit before Tax</b>	7	<b>4,425,805</b>	<b>1,412,383</b>	<b>637,697</b>	<b>683,742</b>
Income Tax Expense	8	(1,884,676)	(1,351,552)	8,993	(940)
<b>Profit for the Year</b>		<b>2,541,129</b>	<b>60,831</b>	<b>646,690</b>	<b>682,802</b>
<b>Other Comprehensive Income</b>					
<b>Items that will not be reclassified to Profit or Loss</b>					
Actuarial Losses on Defined Benefit Plans	27	(1,208,417)	(723,739)	-	-
Deferred Tax on Remeasurement of Retirement Benefit Obligations	18/26	357,052	171,876	-	-
Share of Other Comprehensive Income of Equity Accounted Investees, Net of tax	16.1/16.2	556,899	88,673	-	-
Revaluation of Land	10	1,862,118	93,673	-	-
Deferred Tax on Revaluation Gain	18/26	(546,408)	(13,461)	-	-
<b>Items that are or may be reclassified to Profit or Loss</b>					
Change in Value of FVOCI Financial Assets		270,902	58,622	1,006	503
Deferred Tax on Equity Investments at FVOCI - Net change in Fair Value	18/26	(112,401)	85,250	-	-
Exchange Differences on Translation of Foreign Operations		28	151	-	-
<b>Other Comprehensive Income / (Loss) for the Year, Net of Tax</b>		<b>1,179,773</b>	<b>(238,955)</b>	<b>1,006</b>	<b>503</b>
<b>Total Comprehensive Income / (Loss) for the Year</b>		<b>3,720,902</b>	<b>(178,124)</b>	<b>647,696</b>	<b>683,305</b>
<b>Profit / (Loss) Attributable to:</b>					
Owners of the Company		1,033,654	(122,686)	646,690	682,802
Non - Controlling Interest		1,507,475	183,517	-	-
<b>Profit for the Year</b>		<b>2,541,129</b>	<b>60,831</b>	<b>646,690</b>	<b>682,802</b>
<b>Total Comprehensive Income / (Loss) Attributable to:</b>					
Owners of the Company		1,866,929	(37,959)	647,696	683,305
Non - Controlling Interest		1,853,973	(140,164)	-	-
<b>Total Comprehensive Income / (Loss) for the Year</b>		<b>3,720,902</b>	<b>(178,124)</b>	<b>647,696</b>	<b>683,305</b>
<b>Earnings / (Loss) per Share (Rs.)</b>	9	<b>4.31</b>	<b>(0.51)</b>	<b>2.69</b>	<b>2.85</b>

The Notes from pages 59 to 175 form an integral part of these Financial Statements.  
Figures in brackets indicate deductions.

# Statement of Financial Position

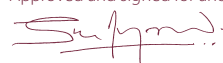
As at 31st March,	Notes	GROUP			COMPANY	
		2025 Rs:000	2024 Rs:000 Restated	2023 Rs:000 Restated	2025 Rs:000	2024 Rs:000
<b>ASSETS</b>						
<b>Non-Current Assets</b>						
Property, Plant and Equipment	10	28,230,014	24,694,074	24,606,208	10,073	2,182
Biological Assets	10.6	4,331,037	3,860,564	3,317,885	-	-
Leasehold Property	11	1,200,595	1,077,687	793,667	-	-
Right of Use Assets	12	927,102	895,327	814,012	-	-
Investment Property	13	2,532,625	2,685,530	2,712,565	796,797	798,673
Intangible Assets	14	736,773	707,919	696,297	-	-
Investment in Subsidiaries	15	-	-	-	3,249,016	3,054,726
Investment in Associates	16.1	1,358,554	758,917	658,240	96,435	96,435
Investment in Joint Venture	16.2	460,474	293,163	-	-	-
Other Financial Assets	17	1,175,291	910,498	869,896	5,244	4,238
Employee Benefits	27	123,322	110,720	100,863	-	-
Deferred Tax Assets	18	370,820	516,103	654,855	-	-
<b>Total Non-Current Assets</b>		<b>41,446,607</b>	<b>36,510,502</b>	<b>35,224,488</b>	<b>4,157,565</b>	<b>3,956,254</b>
<b>Current Assets</b>						
Inventories	19	16,205,052	13,184,177	13,634,248	-	-
Produce on Bearer Biological Assets	10.5	39,110	35,009	43,278	-	-
Trade & Other Receivables	20	17,118,579	14,972,337	11,753,040	414,028	57,524
Amounts due from Related Parties	30.1	146,601	19,197	237,834	108,080	104,191
Loans Given to Related Parties	30.1	-	-	-	106,930	111,930
Income Tax Recoverable		77,624	118,572	82,861	-	-
Other Financial Assets	17.3	1,730,894	1,030,302	872,506	7,095	3,844
Cash & Cash Equivalents	21	3,188,370	2,725,250	1,940,956	16,954	28,950
<b>Total Current Assets</b>		<b>38,506,230</b>	<b>32,084,844</b>	<b>28,564,723</b>	<b>653,087</b>	<b>306,439</b>
<b>Total Assets</b>		<b>79,952,837</b>	<b>68,595,346</b>	<b>63,789,211</b>	<b>4,810,652</b>	<b>4,262,693</b>
<b>EQUITY AND LIABILITIES</b>						
<b>Equity Attributable to Equity Holders of the Parent</b>						
Stated Capital	22	927,000	927,000	927,000	927,000	927,000
Capital Reserves	23	20,058	20,058	20,058	10,000	10,000
Reserves		5,538,015	3,907,216	5,027,709	2,650,986	2,003,290
<b>Equity Attributable to Owners of the Company</b>		<b>6,485,073</b>	<b>4,854,274</b>	<b>5,974,767</b>	<b>3,587,986</b>	<b>2,940,290</b>
Non - Controlling Interest		10,107,082	7,250,860	5,969,840	-	-
<b>Total Equity</b>		<b>16,592,155</b>	<b>12,105,134</b>	<b>11,944,607</b>	<b>3,587,986</b>	<b>2,940,290</b>
<b>Non-Current Liabilities</b>						
Loans and Borrowings	24	10,421,477	10,696,394	11,920,517	101,562	132,812
Amounts due to Related Parties	30.2	100,000	100,000	-	471,500	526,500
Deferred Income - Capital Grants	25	493,477	513,066	504,140	-	-
Deferred Tax Liabilities	26	5,871,264	5,117,946	4,651,740	203,062	212,055
Employee Benefits	27	5,376,945	4,330,913	3,276,975	-	-
<b>Total Non-Current Liabilities</b>		<b>22,263,163</b>	<b>20,758,319</b>	<b>20,353,372</b>	<b>776,124</b>	<b>871,367</b>
<b>Current Liabilities</b>						
Trade & Other Payables	29	16,446,214	13,946,903	11,886,967	114,718	87,768
Amounts due to Related Parties	30.2	653,573	723,970	722,393	247,715	270,481
Loans and Borrowings	24	20,563,593	17,900,389	15,076,703	39,063	39,063
Rent Received in Advance	28	10,935	10,365	9,542	10,935	10,365
Income Tax Payable		702,233	579,762	1,169,945	34,111	43,359
Bank Overdraft	21	2,720,971	2,570,504	2,625,682	-	-
<b>Total Current Liabilities</b>		<b>41,097,519</b>	<b>35,731,893</b>	<b>31,491,232</b>	<b>446,542</b>	<b>451,036</b>
<b>Total Liabilities</b>		<b>63,360,682</b>	<b>56,490,212</b>	<b>51,844,604</b>	<b>1,222,666</b>	<b>1,322,403</b>
<b>Total Equity and Liabilities</b>		<b>79,952,837</b>	<b>68,595,346</b>	<b>63,789,211</b>	<b>4,810,652</b>	<b>4,262,693</b>
<b>Net Assets per Share (Rs.)</b>		<b>27.02</b>	<b>20.23</b>	<b>24.89</b>	<b>14.95</b>	<b>12.25</b>

It is certified that the Financial Statements have been prepared in compliance with the requirements of the Companies Act No. 07 of 2007.



M.V.M. Paulraj  
Director  
Corporate Managers & Secretaries (Private) Limited

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



S.D.R. Arudpragasam  
Chairman



Anushman Rajaratnam  
Group Managing Director

Colombo  
27th August 2025

The Notes on pages 59 to 175 form an integral part of these Financial Statements.  
Figures in brackets indicate deductions.

# Statement of Changes in Equity

GROUP	Equity Attributable to Equity Holders of the Parent										
	Stated Capital	Property Development Reserve	Capital Redemption Reserve Fund	FVOCI Reserve	General Reserve	Foreign Currency Translate Reserve	Revaluation Reserve	Accumulated Profit / (Loss)	Total	Non-Controlling Interest	Total
Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
<b>Balance as at 1st April 2023</b>	927,000	15,190	4,868	1,221,617	84,453	(11,540)	3,878,203	(293,785)	5,826,006	5,812,276	11,638,282
<b>Error Correction (Note 40)</b>	-	-	-	-	-	-	-	148,761	148,761	157,564	306,325
<b>Restated Balance as at 1st April 2023</b>	927,000	15,190	4,868	1,221,617	84,453	(11,540)	3,878,203	(145,025)	5,974,767	5,969,840	11,944,607
Profit for the year	-	-	-	-	-	-	-	(122,686)	(122,686)	183,517	60,831
Other Comprehensive Income for the Year	-	-	-	30,421	-	-	93,673	(46,155)	77,939	(323,682)	(245,743)
Reclassification of Foreign Currency Translation Reserve	-	-	-	-	-	151	-	-	151	-	151
Deferred Tax on Revaluation of Land	-	-	-	-	-	-	6,637	-	6,637	-	6,637
Acquisition of Subsidiary	-	-	-	-	-	-	-	-	-	146,944	146,944
Dividend Paid	-	-	-	-	-	-	-	(60,000)	(60,000)	-	(60,000)
Subsidiary Dividend to Non-Controlling Interest	-	-	-	-	-	-	-	-	-	(560,429)	(560,429)
Effect of Changes in Percentage in Subsidiaries	-	-	-	-	-	-	-	(1,022,533)	(1,022,533)	1,834,670	812,137
<b>Balance as at 31st March, 2024</b>	927,000	15,190	4,868	1,252,038	84,453	(11,389)	3,978,513	(1,396,399)	4,854,274	7,250,860	12,105,134
Profit / (Loss) for the year	-	-	-	-	-	-	-	1,033,654	1,033,654	1,507,475	2,541,129
Other Comprehensive Income for the Year	-	-	-	170,640	-	-	1,862,118	(653,104)	1,379,654	346,499	1,726,153
Reclassification of Foreign Currency Translation Reserve	-	-	-	-	-	28	-	-	28	-	28
Deferred Tax on Revaluation of Land	-	-	-	-	-	-	(546,408)	-	(546,408)	-	(546,408)
Dividends Paid	-	-	-	-	-	-	-	-	-	-	-
Subsidiary Dividend to Non-Controlling Interest	-	-	-	-	-	-	-	-	-	(577,439)	(577,439)
Effect of Changes in Percentage in Subsidiaries	-	-	-	-	-	-	-	(236,130)	(236,130)	1,579,687	1,343,557
<b>Balance as at 31st March, 2025</b>	927,000	15,190	4,868	1,422,678	84,453	(11,361)	5,294,224	(1,251,979)	6,485,073	10,107,082	16,592,155

COMPANY	Equity Attributable to Equity Holders of the Parent					
	Stated Capital	Property Development Reserve	General Reserve	FVOCI Reserve	Accumulated Profit / (Loss)	
Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	
<b>Balance as at 1st April 2023</b>	927,000	10,000	501	3,378	1,376,106	2,316,985
Profit for the year	-	-	-	-	682,802	682,802
Dividends Paid	-	-	-	-	(60,000)	(60,000)
Re-measuring of other non-current financial assets	-	-	-	503	-	503
<b>Balance as at 1st April 2024</b>	927,000	10,000	501	3,881	1,998,908	2,940,290
Profit for the year	-	-	-	-	646,690	646,690
Dividends Paid	-	-	-	-	-	-
Re-measuring of other non-current financial assets	-	-	-	1,006	-	1,006
<b>Balance as at 31st March, 2025</b>	927,000	10,000	501	4,887	2,645,598	3,587,986

The Notes from pages 59 to 175 form an integral part of these Financial Statements. Figures in brackets indicate deductions.

# Statement of Cash Flows

For the year ended 31st March,	Notes	GROUP		COMPANY	
		2025 Rs:'000	2024 Rs:'000	2025 Rs:'000	2024 Rs:'000
<b>Cash Flows from Operating Activities</b>					
Profit before Working Capital Changes	A	9,285,025	7,288,441	4,993	11,538
(Increase)/Decrease in Inventories		(3,300,968)	776,041	-	-
(Increase)/Decrease in Trade & Other Receivables		(2,097,406)	(2,964,413)	(357,345)	(7,251)
(Increase)/Decrease in Amounts due from Related Parties		(123,765)	249,522	(6,692)	91,787
Increase/(Decrease) in Trade & Other Payables		2,669,640	2,270,738	30,456	33,536
Increase/(Decrease) in Amounts due to Related Parties		(70,397)	101,577	18,034	(47,757)
<b>Cash Generated from/(used in) Operating Activities</b>		<b>6,362,129</b>	<b>7,721,906</b>	<b>(310,554)</b>	<b>81,853</b>
Income Tax Paid		(1,165,360)	(1,209,232)	(9,248)	(11,549)
Interest Expenses Paid		(3,672,501)	(4,619,612)	(101,305)	(105,761)
	27.1/27.2/				
Retirement Benefit Paid	27.4	(1,017,203)	(497,425)	-	-
Rent Income Received		39,180	37,812	39,180	37,812
<b>Net Cash Generated from/(used in) Operating Activities</b>		<b>546,245</b>	<b>1,433,449</b>	<b>(381,927)</b>	<b>2,355</b>
<b>Cash Flows from Investing Activities</b>					
Acquisition of Property, Plant & Equipment,	10/10.6/				
Investment Property & Biological Assets	11/13	(3,797,309)	(3,108,654)	(11,449)	(1,160)
Acquisition of Intangible Assets	14	(45,281)	(23,157)	-	-
Proceeds from Disposal of Property, Plant & Equipment & Biological Assets		738,039	1,486,282	-	-
Loans given to Related Parties		-	-	(10,000)	(20,000)
Settlements of Loans due from Related Parties		-	-	15,000	173,070
Acquisition /Disposal of Subsidiaries and Equity Accounted					
Investments (Net of Cash)		1,343,557	(170,261)	273,979	(992,598)
Investment of Joint Venture		-	(294,000)	-	-
Acquisition of FVTPL financial assets	17.3	(227,622)	(20,921)	-	-
Proceeds from Disposal of FVTPL financial assets		9,608	28,337	-	-
Net disposal/Acquisition of Other Investments		6,109	18,020	(748)	(150)
Interest Income Received	6	183,850	256,153	16,917	46,492
Dividend Income Received	5	105,003	34,397	213,282	534,100
<b>Net Cash Generated from/(used in) Investing Activities</b>		<b>(1,684,046)</b>	<b>(1,793,804)</b>	<b>496,981</b>	<b>(260,246)</b>
<b>Cash Flows from Financing Activities</b>					
Capital Grants Received	25	13,830	48,669	-	-
Increase in Other Short-Term Loans		844,599	1,468,936	-	-
Increase/(Decrease) in Loans due to Related Parties		-	-	(95,800)	348,600
Proceeds from Initial Public Offer by Subsidiary		-	744,811	-	-
Repayment of Lease Rentals	24.2	(165,882)	(153,436)	-	-
Receipt of Interest-bearing Borrowings		10,277,448	5,445,679	-	-
Redemption of Debenture		(76,505)	(81,618)	-	-
Right Issue of Shares by Subsidiary		-	67,326	-	-
Repayment of Interest-bearing Borrowings	24.1.3/24.3	(8,865,597)	(5,720,111)	(31,250)	(31,251)
Dividend Paid		-	(60,000)	-	(60,000)
Dividend Paid to Non Controlling Interests		(577,439)	(560,429)	-	-
<b>Net Cash Generated from/(used in) Financing Activities</b>		<b>1,450,454</b>	<b>1,199,827</b>	<b>(127,050)</b>	<b>257,349</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>		<b>312,653</b>	<b>839,472</b>	<b>(11,996)</b>	<b>(542)</b>
Cash & Cash Equivalents at the beginning of the Year	21	154,746	(684,726)	28,950	29,492
<b>Cash &amp; Cash Equivalents at the end of the Year</b>	21	<b>467,399</b>	<b>154,746</b>	<b>16,954</b>	<b>28,950</b>

The Notes from pages 59 to 175 form an integral part of these Financial Statements.

Figures in brackets indicate deductions.

# Statement of Cash Flows contd.

For the year ended 31st March,	Note	GROUP		COMPANY	
		2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
<b>A Profit before Working Capital Changes</b>					
Profit Before Tax		4,425,805	1,412,383	637,697	683,742
<b>Adjustments for ;</b>					
Depreciation and Amortisation	7.1	1,484,851	1,762,249	5,434	4,854
Dividend Income	5.1	(105,003)	(31,737)	(213,282)	(534,100)
Amortisation of Rent Income	28	(38,610)	(36,989)	(38,610)	(36,989)
Interest Expense	6	3,672,501	4,619,612	98,559	109,355
Amortisation of Intangible Assets	14	14,362	11,535	-	-
Amortisation of Capital Grants	25	(33,419)	(39,743)	-	-
Gain on Disposal of Property, Plant & Equipment/Timber Trees	5.1	(40,319)	(99,530)	-	-
Exchange Loss on Translation of Foreign Currency Loan	24.3	(21,053)	(32,672)	-	-
Interest Income	6	(183,850)	(256,153)	(16,077)	(45,804)
Provision for Retirement Gratuity	7.2	842,216	797,201	-	-
Share of Profit of Equity Accounted Investees	16.1	(41,220)	(14,664)	-	-
Share of results of Joint Ventures	16.2	(168,829)	837	-	-
Gain on Disposal of Investments in Subsidiaries	5.1	-	-	(222,299)	(145,060)
Change in Fair Value of Financial assets classified as FVTPL	5.1	(482,578)	(165,211)	(2,502)	(1,338)
Provision for/(Reversal of) Impairment fall in Value of Investments		-	-	(245,970)	-
Impairment Loss on Trade & Other Receivables		86,145	47,474	-	-
Impairment Loss / (Reversal of impairment loss) on					
Related Party Receivables	30	(3,639)	(30,885)	2,804	(23,122)
Change in Fair Value of Biological Assets	5	(310,190)	(538,219)	-	-
Write off of Property Plant & Equipment		1,945	29,732	-	-
Impairment on Inventories	5.2	280,093	85,653	-	-
Creditors No Longer Payable Written Back	5.1	(150)	(23,251)	-	-
Gain on Bargain Purchase		-	(101,763)	-	-
Reversal of Provision for Bad Debts on Trade Receivables	5.1	(94,033)	(107,418)	-	-
Unclaimed Dividend Written Back		-	-	(761)	-
		9,285,025	7,288,441	4,993	11,538

# Notes to the Financial Statements

## 1. REPORTING ENTITY

The Colombo Fort Land & Building PLC is a public limited liability company incorporated and domiciled in Sri Lanka. The registered office and principal place of business of the Company is located at No. 8-5/2, Leyden Bastian Road, York Arcade Building, Colombo 1.

The ordinary shares of the Company are listed on the Colombo Stock Exchange. In the Annual Report of the Board of Directors and in the financial statements, 'the Company' refers to The Colombo Fort Land & Building PLC as the Parent Company and 'the Group' refers to the Companies whose accounts have been consolidated therein.

The principal activities of the Company include real estate and property development, management of an investment portfolio and provision of management services. The Companies within the Group are engaged in;

- a) Real estate and property development.
- b) Manufacture and marketing of chemicals, paints, hardware, building materials and packaging.
- c) Manufacture and marketing of consumer disposables, food & beverage products and marketing and distribution of pharmaceuticals.
- d) Marketing of motor vehicles & accessories and providing vehicle maintenance services.
- e) Tourist hotels and inbound tour operations.
- f) Production, processing and marketing of tea, rubber and desiccated coconut and cultivation and sale of palm oil.
- g) Management of investment portfolios.
- h) Provision of management services.

## 2. BASIS OF PREPARATION

### 2.1 Statement of Compliance

- a) The financial statements of the Company and the consolidated financial statements of the Group have been prepared in accordance with Sri Lanka Accounting Standards (SLFRSs/LKASs) adopted by The Institute of Chartered Accountants of Sri Lanka (CA).

The financial statements of the Company and the consolidated financial statements of the Group comprise the Statement of Profit or Loss and Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and Statement of Cash flows together with the Accounting Policies and Notes to the financial statements.

### (b) Statement of presentation

The Financial Statements of the Company have been presented in compliance with the requirements of the Companies Act No. 7 of 2007 and provide appropriate disclosures as required by the listing rules of Colombo Stock Exchange.

The financial statements of the Group and the Company for the year ended 31st March, 2025 were authorised for issue by the Board of Directors on, 27th August, 2025.

### 2.2 Basis of Measurement

The consolidated financial statements have been prepared on an accrual basis and under the historical cost basis, except for measurement of the following material items in the Statement of Financial Position:

- Derivative financial instruments are measured at fair value.
- Non-derivative financial instruments at fair value through profit or loss are measured at fair value.
- Non-derivative Financial instruments at fair value through Other Comprehensive Income are measured at fair value.
- Class of land under Property, Plant & Equipment is valued under Revaluation model. (Note 10.3)
- Biological assets (managed timber) are measured at fair value less costs to sell. (Note 10.6)
- Defined benefit assets are measured at the present value of the defined benefit obligations. (Note 27)

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an ordinary transaction between market participants at the measurement date.

When measuring fair value of an asset or liability, the Group uses observable market data as far as possible. Fair Values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques.

Level 1 inputs : are unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 inputs : are inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 inputs : are inputs that are not based on observable market data (unobservable inputs).

If inputs used to measure the fair value of an asset or liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

### 2.3 Functional and Presentation Currency

The financial statements are presented in Sri Lankan rupees, which is the Group's functional currency. All financial information presented in Sri Lankan rupees has been rounded to the nearest thousand, except when otherwise indicated.

### 2.4 Key Accounting Judgements and Estimates

The preparation of financial statements of the Group and the Company in conformity with SLFRSs/LKASs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts

# Notes to the Financial Statements contd.

of assets, liabilities, income and expenses and the disclosure of contingent liabilities at the reporting date. Judgments and estimates are based on historical experience and other factors including expectations that believe to be reasonable under circumstances. Actual results may differ from those estimates and judgmental decisions.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

## 2.4.1 Judgements

Judgments, estimates and assumptions made by management in the application of SLFRSs/LKASs that could have a significant effect on the financial statements are mentioned below.

	Policy No.	Note No.
Valuation of Property, Plant and Equipment	3.2.1	10
Valuation of Leasehold Property	3.10.1	11
Valuation of Intangible Assets	3.2.8	14
Deferred Tax	3.9.2	18 and 26
Valuation of Employee Benefit Liabilities	3.6	27
Valuation of Biological Assets	3.10.9	10.5
Leases	3.2.5	12
Provisions, Contingent Assets and Liabilities	3.7	37
Unquoted Investments	3.1.4	17.1.2

## 2.5 Materiality and Aggregation

Each material class of similar items is presented separately in the financial statements. Items of a dissimilar nature or function are presented separately unless they are immaterial.

## 2.6 Comparative Information

Comparative information has been reclassified to conform to the current year's presentation, where necessary. Except when a standard permits or requires otherwise, comparative information is disclosed in respect of the previous period. Where the presentation or classification of items in the financial statements are amended, comparative amounts are reclassified unless it is impracticable.

The Group financial statements for the year ended 31 March 2024 and 01 April 2023 have been restated and disclosed in Note 40. Non-financial information has not been re-stated as there was no impact on those disclosures.

## 2.7 Going Concern

In preparing these financial statements, the management has assessed the existing and anticipated the economic uncertainties on the Group and the appropriateness of the use of the going concern basis of preparation giving special attention on short to medium term economic outlook.

The Group's management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for a foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the Financial Statements continue to be prepared on the going concern basis.

## 2.8 Current versus Non-Current Classification

The Group presents assets and liabilities in the Statement of Financial Position based on Current / Non-Current classification. An asset is Current when it is expected to be realized or intended to be sold or consumed in the normal operating cycle and held primarily for the purpose of trading or expected to be realized within twelve months after the reporting period or is Cash or Cash Equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as Non-Current Assets.

A liability is Current when it is expected to be settled in the normal operating cycle and is held primarily for the purpose of trading and is due to be settled within twelve months after the reporting period or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting date. All other liabilities are classified as Non-Current Liabilities.

## 2.9 Offsetting

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position, only when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or to realize the assets and settle the liabilities simultaneously. Income and expenses are not offset in the Income Statement, unless required or permitted by Sri Lanka Accounting Standards and as specifically disclosed in the Significant Accounting Policies of the Company.

## 3. MATERIAL ACCOUNTING POLICIES

The Group has consistently applied the following accounting policies to all periods presented in these financial statements, except if mention otherwise.

### 3.1 Basis of Consolidation

The consolidated financial statements (referred to as the 'Group') comprise of the financial statements of the Group, its Subsidiaries and the Group's interest in equity accounted investees.

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

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

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

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it;

- Derecognises the assets (including goodwill) and liabilities of the subsidiary.
- Derecognises the carrying amount of any non-controlling interest.
- Derecognises the cumulative translation differences, recorded in equity.
- Recognises the fair value of the consideration received.
- Recognises the fair value of any investment retained.
- Recognises any surplus or deficit in profit or loss in the Statement of Profit or Loss and Other Comprehensive Income.
- Reclassifies the Parent's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

The Group measures goodwill at the acquisition date as the fair value of the consideration transferred including the recognised amount of any non-controlling interests in the acquiree, plus if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The Group elects on a transaction-by-transaction basis whether to measure non-controlling interests at fair value, or at their proportionate share of the recognised amount of the identifiable net assets, at the acquisition date. Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

In a business combination achieved in stages, the Group remeasures its previously held equity interest in the acquiree at its acquisition -

date fair value and recognises the resulting gain or loss, if any, in the Statement of Profit or Loss and Other Comprehensive Income.

### 3.1.1 Acquisitions of Non-Controlling Interest

Acquisitions of non-controlling interests are accounted for as transactions with owners, in their capacity as owners and therefore no goodwill is recognised as a result. Adjustments to non-controlling interests arising from transactions that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary.

### 3.1.2 Subsidiaries

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

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

The Group considers all relevant facts and circumstances in assessing whether it has power over an investee which includes; 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 over the investee.

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

Entities that are subsidiaries of another entity which is a subsidiary of the company are also treated as subsidiaries of the company. The financial statements of subsidiaries are included in the consolidated financial statements from the date of acquisition, being the date on which the Group obtains control, and continues to be consolidated until the date when such control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

The following companies in which the Group's effective holding is less than 50% have been consolidated as the group has the practical ability to direct the relevant activities of these entities, unilaterally.

## Notes to the Financial Statements contd.

Company Name	Holding
Agarapatana Plantations PLC	27.14%
Waverly Power (Private) Limited	27.14%
Muller & Phipps (Ceylon) PLC	30.70%
C.W. Mackie PLC	36.31%
Marawila Resorts PLC	37.10%
Sterling Steels (Private) Limited	40.86%
Laxapana PLC	40.86%
Lankem Developments PLC	40.48%
Kotagala Plantations PLC	44.50%
Sigiriya Village Hotels PLC	46.47%
ACME Printing and Packaging PLC	47.02%
Beruwala Resorts PLC	48.94%
York Arcade Holdings PLC	49.99%

### Loss of Control

On the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and other components of equity relating to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss in the Statement of Profit or Loss and Other Comprehensive Income. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity-accounted investee or as a FVOCI financial asset depending on the level of influence retained.

### 3.1.3 Investments in Equity Accounted Investees (Associates and Jointly Controlled Entities)

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20% and 50% of the voting power of another entity.

Joint ventures are arrangements in which the Group has joint control and have rights to the net assets of the arrangement. The Group has Joint Control in a venture when there is contractually agreed sharing of control of the venture and the decisions about the relevant activities of the venture require the unanimous consent of the parties sharing control.

Associates and Joint ventures are treated as equity accounted investees and are accounted for using the equity method.

Under the equity method Investments in equity-accounted investees are recognised initially at cost, which includes transaction costs. The carrying amount of the investment is adjusted at each reporting date to recognise changes in the Group's share of net assets of the equity-accounted investees arising since the acquisition date. Goodwill relating to the equity-accounted investees is included in the carrying amount of the investment. Dividends declared by the equity-accounted investees are recognised against the equity value of the Group's investment.

The income statement reflects the Group's share of the results of operations of the equity accounted investees. When there is a

change recognised directly in the Other Comprehensive Income or equity of the entity, the Group recognises its share of any changes, when applicable, in the statement of profit or loss and Other Comprehensive Income or the changes in equity. Unrealised gains and losses resulting from transactions between the Group and the equity-accounted investees are eliminated to the extent of the interest in the equity-accounted investees.

The Group's share of profit or loss of equity accounted investees is shown on the face of the income statement and represents profits or loss after tax of the entity.

Adjustments are made if necessary, to the financial statements of the equity accounted investees to bring the accounting policies in line with those of the Group. After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its equity accounted investee. The Group determines at each reporting date whether there is any objective evidence that the investment in the equity accounted investee is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the equity-accounted investees and its carrying value and recognises the amount in 'share of losses of an equity accounted investee' in the income statement.

Upon loss of significant influence over the associate or the joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the equity accounted investee disposed and the fair value of the retaining investment and the proceeds from disposal is recognised in the income statement.

### Non-Controlling Interest

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 year in the Consolidated Statement of Profit or Loss and Other Comprehensive Income and as a component of equity in the Consolidated Statement of Financial Position, separately from the Parent's shareholders' equity.

Summarised financial Information in respect of subsidiaries that have non-controlling interests that are material to the reporting entity (i.e., the Group) is disclosed separately when applicable.

### 3.1.4 Other Long-Term Investments

Investment in companies where the Group's holding is less than 20% and where the Group does not exercise significant influence and/or control over the financial and operating policies/decisions are accounted for on the basis stated in Note 3.3 below. The income from these investments is recognised only to the extent of dividend received.

### 3.1.5 Profits and Losses

The total profits and losses of the Company and its subsidiaries for the period are included in the consolidation. The proportion of the profit or loss after taxation attributable to non-controlling interest shareholders of the subsidiaries is shown as a component of profit

for the period in the Consolidated Statements of Comprehensive Income.

### 3.1.6 Assets and Liabilities

All assets and liabilities of the Company and its subsidiaries are included in the Consolidated Statement of Financial Position. Non-controlling interest which represents the proportion of interest attributable to non-controlling interest of subsidiaries in the net assets employed by the Group is disclosed as a component of equity in the Consolidated Statement of Financial Position, separately from the Parent shareholders' equity.

### 3.1.7 Transactions Eliminated on Consolidation

All intra group balances and transactions, income and expenses and profits and losses resulting from intra group transactions that are recognised in assets, liabilities, income and expenses are eliminated in preparing the consolidated financial statements.

### 3.1.8 Reporting Date

All subsidiaries and equity accounted investees of the Group have a common financial year as the Parent Company other than Sunquick Lanka Property (Private) Limited. Whose financial year ends on 31st December. Group incorporates the results of Sunquick Lanka Property (Private) Limited up to 31st March in the Group's financial statements.

### 3.1.9 Foreign Currency Transactions

All foreign currency transactions are translated to Sri Lankan Rupees at the exchange rates prevailing at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated into local currency at the exchange rate at that date.

The foreign currency gain or loss on monetary items is the difference between the amortised cost in Sri Lankan Rupees at the beginning of the period, adjusted for effective interest and payments during the period, and the amortized cost in foreign currency translated at the exchange rate at the end of the reporting period.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on retranslation are recognised in the Statement of Profit or Loss and Other Comprehensive Income.

## 3.2 Property, Plant & Equipment

### 3.2.1 Recognition and Measurement

Items of property, plant & equipment except freehold land are measured at cost less accumulated depreciation and accumulated impairment losses. From 31 March 2019, freehold land of the Group is recognised at revalued amount and such revaluation will be assessed once in three years.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the following:

- The cost of materials and direct labour
- Any other costs directly attributable to bringing the assets to a working condition for their intended use
- When the entity has an obligation to remove the asset or restore the site an estimate of the costs of dismantling and removing the items and restoring the site on which they are located
- Capitalised borrowing costs

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

Any gain or loss on disposal of an item of property, plant & equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in the Statement of Profit or Loss and Other Comprehensive Income.

Upon transition to SLFRSs/LKASs the Group elected to apply the optional exemption to use the previous revaluation as deemed cost on 1st April, 2011, the date of transition.

### 3.2.2 Subsequent Expenditure

The cost of replacing part of an item of property, plant & equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of those parts that are replaced is derecognised in accordance with the derecognition policy given below. The costs of the day-to-day servicing of property, plant & equipment are recognised in profit or loss as incurred.

### 3.2.3 Derecognition and Depreciation

Items of property, plant & equipment are derecognised upon replacement, disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset is included in the Statement of Profit or Loss and Other Comprehensive Income in the year the asset is derecognised.

#### Depreciation

Depreciation is calculated on a straight-line basis over the estimated useful lives of each part of an item of property, plant & equipment. Assets held under finance leases are depreciated over the shorter of the lease term and the useful lives of equivalent owned assets. Freehold land is not depreciated.

Depreciation of an asset begins when it is available for use whereas depreciation of an asset ceases at the earlier of the date that the asset is classified as held-for-sale and the date that the asset is derecognised. Provision for depreciation is calculated by using a straight-line method on the cost or valuation of all property, plant & equipment, other than freehold land, in order to write off such amounts over the estimated useful economic life of such assets.

# Notes to the Financial Statements contd.

The estimated useful lives of assets are as follows:

Assets	Years
Freehold Buildings	10-40
Plant & Machinery	04 - 13 1/3
Motor Vehicles	04-05
Office Equipment	08-10
Furniture & Fittings	08-10
Computer Equipment	04-05
Electricity	20
Mature Plantations - Tea	33 1/3
Mature Plantations - Rubber	20
CTC Machinery	20
Freehold Buildings on Leasehold Lands	Over the lease period or estimated useful life whichever is shorter
Linen, Cutlery & Crockery	On replacement basis /4 years

The useful life and residual value of assets are reviewed, and adjusted if required, at the end of each financial year.

### 3.2.4 Finance Leases

Property, plant & equipment on finance leases, which effectively transfer to the Group substantially all the risk and benefits incidental to ownership of the leased items, are classified as leasehold assets under the property, plant & equipment and stated at an amount equal to the lower of their fair value and the present value of minimum lease payments at the inception of the lease, less the accumulated depreciation. Depreciation is made over the remaining lease or the useful life of the asset, whichever is shorter.

### 3.2.5 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in SLFRS 16. This policy is applied to contracts entered into, on or after 1 April 2019.

#### 3.2.5.1 As a Lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Group entities uses its incremental borrowing rate as the discount rate.

The Group entities determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

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

The Group presents right-of-use assets that do not meet the definition of investment property in "Right-of-use" assets and lease liabilities in interest bearing loans and borrowings in the statement of Financial Position.

### Short term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

#### 3.2.5.2 As a Lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risk and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic useful life of the asset.

When the Group is an intermediate lessor, it accounts for its interest in the head lease and the sub-lease separately. It assesses the lease classification of sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies sub-lease as an operating lease.

The Group recognises lease payments received under operating leases as rental income on a straight-line basis over the lease term as part of 'other income'. Generally, the accounting policies to the Group as a lessor in the comparative period were not different from SLFRS 16.

### Short term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

#### 3.2.6 Investment Property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not held for sale in the ordinary course of business, used in the production or supply of goods or services or for administrative purposes.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.

Upon transition to SLFRSs/LKASs the Group elected to apply the optional exemption to use fair value as at the date of transition, 1st April 2011 as deemed cost. Consequently, investment property is measured at deemed cost less accumulated depreciation and any impairment losses. Depreciation is recognised on a straight-line basis over the estimated useful life of the investment property.

Investment properties are derecognised when disposed of, or permanently withdrawn from use because no future economic benefits are expected. Any gains or losses on retirement or disposal are recognised in the Statement of Profit or Loss and Other Comprehensive Income in the year of retirement or disposal. Transfers are made to and from investment property only when there is a change in use in accordance with the criteria listed in LKAS 40 - Investment Property.

Where Group companies occupy a significant portion of the investment property of a subsidiary, such investment properties are treated as property, plant & equipment in the consolidated financial statements, and accounted for in accordance with LKAS 16 - Property, Plant & Equipment.

#### 3.2.7 Borrowing Costs

Borrowing costs are recognised as an expense in the period in which they are incurred except those that are directly attributable to the acquisition, construction or production of a qualifying asset that takes a substantial period of time to get ready for its intended use or sale, where it is capitalised as a part of the cost of that asset.

#### 3.2.8 Intangible Assets

An intangible asset is initially recognised at cost, if it is probable that future economic benefit will flow to the enterprise, and the cost of the asset can be measured reliably.

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Intangible assets with finite lives are amortised over the useful economic life, from the date that they are available for use and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

#### Amortisation

The amortisation period and the amortisation method for an intangible asset with finite useful life is reviewed at least once at each financial year end.

The estimated useful lives on Intangible Assets for current and comparative periods are as follows:

Software - 3 to 5 years

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level.

# Notes to the Financial Statements contd.

## Goodwill

Goodwill arising on an acquisition represents the excess of the cost of acquisition over the fair value of net assets acquired. Goodwill is measured at cost less accumulated impairment losses.

Gain from bargain purchase arising on an acquisition represents the excess of the fair value of the net assets acquired over the cost of acquisition. Gain from bargain purchase is recognised immediately in the Statement of Profit or Loss and Other Comprehensive Income.

## Software

All computer software cost incurred, which are not internally related to associate hardware, which can be clearly identified, reliably measured and its probable that they will lead to future economic benefits, are included in the Statement of Financial Position under the category of intangible assets.

### 3.2.9 Inventories

Inventories are measured at lower of cost and estimated net realisable value.

In general, cost is determined on weighted average basis other than in Candy Delights Limited whose cost of inventory is determined on first-in, first out basis (FIFO).

The cost includes all expenses incurred in acquiring the inventories and bringing them to their existing condition. In the case of finished products, cost includes all direct expenditure and production overheads based on the normal level of activity.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated selling expenses and where applicable, cost of conversion from their existing state to the finished condition.

Provision is made for obsolete, slow moving and defective inventories where necessary.

Goods in transit are determined based on actual cost.

## 3.3 Financial Instruments

### 3.3.1 Recognition and Initial Measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provision of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

## 3.3.2 Classification and subsequent measurement

### 3.3.2.1 Financial Assets

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity instrument; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

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

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

### Business model assessment

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

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;

- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

#### Assessment whether contractual cash flows are solely payments of principal and interest

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

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

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

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

#### Subsequent measurement and gains and losses

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

#### 3.3.2.2 Financial Liabilities

Classification, subsequent measurement and gains and losses  
Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

#### 3.3.2.3 Derivative Financial Instruments

Derivatives are initially recognised at fair value; any directly attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

#### 3.3.3 De-recognition

##### 3.3.3.1 Financial Assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial: asset expire, or it transfers the rights to receive the, contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

# Notes to the Financial Statements contd.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

### 3.3.3.2 Financial Liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On de-recognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

### 3.3.4 Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

### 3.3.5 Impairment

#### 3.3.5.1 Non-derivative Financial Assets

The Group recognises loss allowances for Expected Credit Loss (ECL) on:

- financial assets measured at amortised cost;
- debt investments measured at FVOCI; and
- contract assets.

The Group measures loss allowance at an amount equal to lifetime ECLs, except for the following, which are measured at 12-months ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowance for trade receivables and contract assets are always measured at an amount equals to life time ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

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

- the borrower is unlikely to pay its credit obligation to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

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

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

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

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

#### Measurement of ECLs

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

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

#### Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

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

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

#### Presentation of allowance for ECL in the statement of financial position

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

For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognised in OCI.

#### **Write-off**

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Group has a policy of writing off the gross carrying amount when the financial asset is 90 days past due based on historical experience of recoveries of similar assets. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

#### **3.3.5.2 Non-financial Assets**

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

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

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

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

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

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

#### **3.4 Cash and Cash Equivalents**

Cash and cash equivalents comprise of cash balances and call deposits that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short term commitments.

### **3.5 Stated Capital**

#### **Ordinary Shares**

Ordinary shares are classified as equity. As per the Companies Act No. 07 of 2007, Section 58 (1), stated capital in relation to a Company means the total of all amounts received by the Group or due and payable to the Group in respect of the issue of shares and in respect of call in arrears.

### **3.6 Employee Benefits**

#### **Defined Benefit Plans - Retirement Gratuity**

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

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past service costs and the fair value of any plan assets are deducted.

The defined benefit obligation is calculated annually by independent qualified actuaries using Project Unit Credit method (PUC) as recommended by LKAS 19 - Employee Benefits. The present value of the defined benefit obligation is determined by discounting the estimated future cash flows.

The actuarial gain or losses arising from defined benefit plans are recognised immediately in Other Comprehensive Income.

However, according to the Payment of Gratuity Act No. 12 of 1983, the liability for the gratuity payment to an employee arises only on the completion of 5 years of continued service.

Provisions has not been made for gratuity in the accounts of the Company as per LKAS 19 - 'Employee Benefits', since the Company did not employ any staff. All staff related services are provided by Corporate Managers & Secretaries (Pvt) Ltd.

#### **Defined Contribution Plan - Employees' Provident Fund & Employees' Trust Fund**

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts. All employees who are eligible for Provident Fund Contributions and Trust Fund Contributions are covered by relevant contribution funds in line with respective statutes and regulations.

Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

Contribution for Employees Provident Fund and Employees Trust Fund have not been made since the Company does not employ any staff.

When the benefits of a plan are changed or when a plan is curtailed, resulting change in benefit that relates to past service or the gain or

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loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

## 3.7 Provisions, Contingent Assets and Contingent Liabilities

Provisions are made for all obligations present, legal or constructive obligations existing as at the reporting date when it is probable that such an obligation will result in an outflow of resources and a reliable estimate can be made of the quantum of the outflow.

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

Contingent assets are disclosed, where inflow of economic benefit is probable.

## 3.8 Statement of Profit or Loss and Other Comprehensive Income

### 3.8.1 Revenue Recognition

As per SLFRS 15, Revenue from contracts with customers, revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes.

The nature and timing of the satisfaction of performance obligations in contract with customers, including significant payment terms, and the related revenue recognition policies are given below:

#### Sale of Goods

Customers obtain control of products when the goods are delivered to and have been accepted at their premises. Invoices are generated at that point in time. Invoices are usually payable within 30/60/90 days based on the product category.

#### Rendering of Services

Revenue from rendering of services is recognized in the accounting period in which the services are rendered or performed.

#### Revenue from Hotel Services

Revenue is recognised on the rooms occupied on a daily basis and food and beverage and other hotel related sales are recognised at the point of sale.

#### 3.8.1.1 Other Sources of Revenue Dividend Income

Dividend Income is recognised in the Statement of Profit or Loss on the date when the entities right to receive payment is established.

#### Finance Income

Finance income comprises interest income on funds invested (including Financial Assets at FVTPL), gains on the disposal and Fair Value Gains on Financial Assets at fair value through Profit or Loss. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

#### Rental Income

Rental income from investment property is recognised in profit or loss on a straight-line basis over the term of the lease.

Other Income - Other income recognised based on the actual basis. Gains and losses of a revenue nature on the disposal of Property, Plant and Equipment and other non-current assets are recognised by comparing the net sales proceeds with the carrying amount of the corresponding asset and are recognised net within 'other income' in the Statement of Profit or Loss.

### 3.8.2 Expenditure Recognition

All expenditure incurred in the running of the business and in maintaining the property, plant & equipment in a state of efficiency has been charged to Statement of Profit or Loss and Other Comprehensive Income in arriving at the profit for the year.

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

For the purpose of presentation of the Statement of Profit or Loss and Other Comprehensive Income, the "function of expenses" method has been adopted, on the basis that it presents fairly the elements of the Company and the Group's performance.

### 3.8.3 Finance Income and Finance Costs

Finance income comprises interest income on funds invested (including Financial Assets at FVTPL). Interest income is recognised as it accrues in the Statement of Profit or Loss and Other Comprehensive Income, using the effective interest method.

Finance costs comprise of all interest and other costs incurred in connection with borrowings, and are recognised as an expense in the period in which they are incurred, unless they are incurred in respect of qualifying assets in which case it is capitalised.

Foreign currency gains and losses are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

## 3.9 Income Tax Expenses

Income tax expense comprises current and deferred tax. Income tax expense is recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity, or in OCI.

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

### 3.9.1 Current Tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the reporting date and any adjustments to tax payable in respect of previous years.

The provision for income tax is based on the elements of income and expenditure as reported in the financial statements and computed in accordance with the provisions of the Inland Revenue Act, No.24 of 2017 and subsequent amendments.

### 3.9.2 Deferred Tax

Deferred taxation is the tax attributable to the temporary differences that arise when taxation authorities recognise and measure assets and liabilities with rules that differ from those used in the financial statements.

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

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

Deferred tax is not recognised for the following temporary differences:

- Taxable temporary differences arising on the initial recognition of goodwill
- Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects either accounting or taxable profit
- Temporary differences related to investments in subsidiaries to the extent that they probably will not reverse in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Tax withheld in dividend income from subsidiaries and associates is recognised as an expense in the consolidated Statement of Profit or Loss and Other Comprehensive Income at the same time as the liability to pay the related dividend is recognised.

Deferred tax assets and liabilities recognised by individual companies within the Group are disclosed separately as assets and liabilities in the Group Statement of Financial Position and are not offset against each other.

### 3.10 Accounting Policies Which are Specific to the Business of Plantation Companies

The plantation companies in the Group adopt certain accounting policies, which differ from that of the Group since the nature of operation of the plantation companies is significantly different from that of the rest of the Group. Those accounting policies of plantation companies that significantly vary from the rest of the Group are given below:

#### 3.10.1 Leasehold Properties

Leasehold properties comprise of leasehold rights of assets (bare lands and immovable lease assets) taken over from Janatha Estate Development Board (JEDB) / Sri Lanka State Plantation Corporation (SLSPC) on a long term basis.

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. The leasehold rights of assets taken over from JEDB/SLSPC are amortised in equal amounts over the shorter of the remaining lease periods and the useful lives as follows:

#### 3.10.2 Permanent Land Development Costs

Permanent land development costs are those costs incurred to make major changes to land contours to build new access roads and other major infrastructure development. Such expenditure on leasehold land has been capitalised and amortised over the remaining lease period. Permanent impairments to land development costs are charged to the Statement of Profit or Loss and Other Comprehensive Income in full or reduced to the net carrying amounts of such asset in the year of occurrence after ascertaining the loss.

#### 3.10.3 Limited Life Land Development Costs (Mature and Immature Plantations)

The cost of new planting, replanting, inter-planting and crop diversification incurred between the time of field development and being ready for commercial harvesting are classified as immature plantations. Further, the general charges incurred on the plantation are apportioned on the labour days spent on respective replanting and new planting, and capitalised on the immature areas. The remaining portion of the general charges is charged to the Statement of Profit or Loss and Other Comprehensive Income in the year in which it is incurred. No depreciation is provided for immature plantation.

The total expenditure incurred on perennial crops (Tea & Rubber) which come into bearing during the year have been transferred to mature plantations and depreciated over its useful life time. No depreciation has been charged on mature plantations in the year of transfer. Permanent impairments to land development costs are charged to the Statement of Profit or Loss and Other Comprehensive

# Notes to the Financial Statements contd.

Income in full or reduced to the net carrying amounts of such assets in the year of occurrence after ascertaining the loss.

### 3.10.4 Borrowing Costs

Borrowing costs that are directly attributable to acquisition, construction or production of a qualifying asset, which takes a substantial period of time to get ready for its intended use or sale, are capitalised as a part of the asset.

Borrowing costs that are not capitalised are recognised as expenses in the period in which they are incurred and charged to the Statement of Profit or Loss and Other Comprehensive Income.

The amounts of the borrowing costs which are eligible for capitalisation are determined in accordance with LKAS 23 – “Borrowing Costs”.

Borrowing costs incurred in respect of specific loans that are utilised for field development activities have been capitalised as a part of the cost of the relevant immature plantation. The capitalisation will cease when the crops are ready for commercial harvest.

### 3.10.5 Infilling Cost on Bearer Biological Assets

Where Infilling results in an increase in the economic life of the relevant field beyond its previously assessed standard of performance, the costs are capitalized and depreciated over the useful life at rates applicable to mature plantations. Infilling costs that are not capitalized have been charged to the Statement of Comprehensive Income in the year in which they are incurred.

### 3.10.6 Inventories

Finished Goods Manufactured from Agricultural Produce of Biological Assets.

These are valued at the lower of cost and estimated net realisable value, after making due allowance for obsolete and slow moving items. Net realisable value is the estimated selling price at which stocks can be sold in the ordinary course of business after allowing for cost of realisation and/or cost of conversion from their existing state to saleable condition.

Input Material	At average cost (Agarapatana Plantations PLC At actual cost on FIFO basis (Kotagala Plantations PLC)
Growing Crop-Nurseries	At the cost of direct materials, direct labour and an appropriate proportion of directly attributable overheads less provision for overgrown plants.
Spares & Consumables Produce Stocks	At actual cost on FIFO basis. Estimated realisable price or since realised price or cost

### 3.10.7 Grants and Subsidies

Grants are recognised where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as

income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Where the grant relates to an asset, it is set up as deferred income. Where the Group receives non-monetary grants, the asset and that grant are recorded at nominal amounts and are released to the Statement of Profit or Loss and Other Comprehensive Income over the expected useful life of the relevant asset by equal annual instalments.

### 3.10.8 Retirement Benefit Obligations

The Retirement Benefit Plan adopted is as required under the Payment of Gratuity Act No.12 of 1983 to eligible employees. This item is grouped under Retirement Benefit Obligations in the Statement of Financial Position.

### All Workers and Staff

Provision of gratuity for all workers and staff is on actuarial basis, using the Projected Unit Credit (PUC) method. The present value of the defined benefit obligation is determined by discounting the estimated future cash flows using the interest rates that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related liability. Actuarial gains and losses arising from experience

adjustments and changes in actuarial assumptions are recognised as income and expense in the period in which they arise. Past service costs are recognised immediately in the Statement of Profit or Loss and Other Comprehensive Income.

The actuarial valuation was carried out by a professionally qualified Actuaries as disclosed in Note 27.

The Group expects to carry out actuarial valuation every year. The key assumptions used by the actuary include the following.

- Rate of Interest - 10% - 15% p.a.
- Salary Increment Rate - Staff 7.5% - 10% per annum
- Retirement Age - 55 to 60 year

### 3.10.9 Biological Assets

Biological assets are classified as mature biological assets and immature biological assets. Mature biological assets are those that have attained harvestable specifications or are able to sustain regular harvests. Immature biological assets are those that have not yet attained harvestable specifications. Tea, rubber, other plantations and nurseries are classified as biological assets.

Biological assets are further classified as bearer biological assets and consumable biological assets. Bearer biological asset includes tea trees, those that are not intended to be sold or harvested, however used to grow for harvesting agricultural produce from such biological assets. Consumable biological assets include managed timber that are to be harvested as agricultural produce or sold as biological assets.

The entity recognise the biological assets when, and only when, the entity controls the assets as a result of past event, it is probable that future economic benefits associated with the assets will flow to

the entity and the fair value or cost of the assets can be measured reliably.

The bearer biological assets are measured at cost less accumulated depreciation and accumulated impairment losses, if any, in terms of LKAS 16 – Property Plant & Equipment.

The cost of land preparation, rehabilitation, new planting, replanting, crop diversification, inter planting and fertilizing etc. incurred between the time of planting and harvesting (when the planted area attains maturity), are classified as immature plantations. These immature plantations are shown at direct costs plus attributable overheads. The expenditure incurred on bearer biological assets (Tea) which comes into bearing during the year, is transferred to mature plantations.

The managed timber is measured on initial recognition and at the end of each reporting period at its fair value less cost to sell in terms of LKAS 41. The cost is treated as approximation to fair value of young plants as the impact on biological transformation of such plants to price during this period is immaterial. The fair value of timber trees are measured using Discounted Cash Flow (DCF) method taking into consideration the current market prices of timber, applied to expected timber content of a tree at maturity by an independent professional valuer.

Nursery cost includes the cost of direct materials, direct labour and an appropriate proportion of directly attributable overheads, less provision for overgrown plants.

The gain or loss arising on initial recognition of biological assets at fair value less cost to sell and from a change in fair value less cost to sell of biological assets are included in the Statement of Profit or Loss and Other Comprehensive Income for the period in which it arises.

Impairments to biological assets are charged to the Profit or Loss Statement in full and reduced to the net carrying amounts of such asset in the year of occurrence after ascertaining the loss.

### **3.11 Statement of Cash Flows**

The Statement of Cash Flows has been prepared using 'indirect method'. Interests paid are classified as operating cash flows while dividends paid are classified as financing cash flows. Interests and dividends received are classified as investing cash flows for the purpose of presentation of Statement of Cash Flows.

For the purpose of Statement of Cash Flows, cash & cash equivalents consist of cash at bank and in hand and short-term deposits net of outstanding bank overdrafts.

### **3.12 Segmental Reporting**

A segment is a distinguishable component of an enterprise that is engaged in either providing products or services (Business Segments) or in providing products or services within a particular economic environment (Geographic Segment) which is subject to risks and rewards that are different from those of other segments.

Segment information is presented in respect of the Group's business activities. The business segment has been identified as the primary segment of the Group as there are no distinguishable components to be identified as geographical segments for the Group. The business segments are reported based on the Group's management and internal reporting structure.

### **3.13 Related Party Transactions**

Disclosures have been made in respect of the transactions between parties who are defined as related parties as per Sri Lanka Accounting Standards (LKAS) 24 – Related Party Disclosures.

### **3.14 Earnings per Share**

The Group presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

### **3.15 Events after the Reporting Period**

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

### **3.16 Operating Profit**

Operating profit is the result generated from the continuing principal revenue producing activities of the Group as well as other income and expenses related to operating activities. Operating profit excludes net finance costs, share of profit of equity accounted investees and income taxes.

### **3.17 Financial Risk Management Policies**

The Group's principal financial liabilities comprise of loans and borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its operations. The Group has loan and other receivables, trade and other receivables, and cash and short-term deposits that arrive directly from its operations. The Group also holds debt and equity instruments and enters into derivative transactions.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management monitors these risks. The Group's senior management is supported by an Audit Committee that advises on financial risks and the appropriate financial risk governance framework for the Group. The Audit Committee provides assurance

to the Group's senior management that the Group's financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with group policies and group risk appetite.

## Notes to the Financial Statements contd.

The Group's objectives, policies and processes for measuring and managing risk from financial instruments and the management of capital are reported separately in Note 32 in conformity with Sri Lanka Financial Reporting Standards.

### **3.18 Directors responsibilities**

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

### **3.19 Accounting Standards issued but not yet effective as at 31 March 2025**

The Institute of Chartered Accountants of Sri Lanka has issued a number of new amendments to Sri Lanka Accounting Standards (SLFRSs/ LKASs) that are effective for annual periods beginning after the current financial year. Accordingly, the Group has not early adopted them in preparing these financial statements.

The following amended standards are not expected to have a significant impact on the Group's and Company's financial statements.

#### **SLFRS S1 General requirements for disclosure of sustainability related financial information and SLFRS S2 Climate-related disclosures**

SLFRS S1 General Requirements for Disclosure of Sustainability related Financial Information requires an entity to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general-purpose financial reports in making decisions relating to providing resources to the entity.

SLFRS S2 Climate-related Disclosures is to requires an entity to disclose information about its climate-related risks and opportunities that is useful to primary users of general-purpose financial reports in making decisions relating to providing resources to the entity.

These standards will become effective for the Group and the Company from 1 April 2025. No financial impact is expected on the Group and the Company except for additional disclosures.

## 4 REVENUE

For the year ended 31st March,	GROUP		COMPANY	
	2025	2024	2025	2024
	Rs.'000	Rs.'000	Rs.'000	Rs.'000

### 4.1 Revenue Streams

Revenue from Sale of Goods	92,828,642	80,484,276	-	-
Revenue from Rendering of Services	3,080,432	2,530,485	134,396	132,732
Revenue from Other Sources	67,282	61,668	-	-
Less: Revenue related Taxes	(7,087,576)	(7,180,981)	-	-
<b>Net Revenue</b>	<b>88,888,780</b>	<b>75,895,448</b>	<b>134,396</b>	<b>132,732</b>

### 4.2 Business Segment Analysis

Trading of Consumer Products	61,948,271	52,027,740	-	-
Trading of Industrial Products	24,357,061	20,093,597	-	-
Leisure	2,794,911	2,119,715	-	-
Plantations	12,404,871	12,208,151	-	-
Others	3,240,650	2,268,077	134,396	132,732
	104,745,764	88,717,280	134,396	132,732
Inter-Segment Revenue	(15,856,984)	(12,821,832)	-	-
<b>Net Revenue</b>	<b>88,888,780</b>	<b>75,895,448</b>	<b>134,396</b>	<b>132,732</b>

### 4.3 Business Segment Analysis of Revenue

Segmentation has been determined based on the operating activities of the companies or the sector, where multiple activities fall within one company or sector has been based on the core activities of that particular sector.

Trading Consumer Products	- Manufacturing, Selling and Distribution of Consumer Products
Trading Industrial Products	- Manufacturing, Selling and Distribution of Industrial Products
Leisure	- Owning and Operation of Hotels
Plantation	- Cultivation and Processing of Tea and Rubber
Others	- Investment Holdings, Special Projects and Other Services

	GROUP		COMPANY	
	2025	2024	2025	2024
	Rs.'000	Rs.'000	Rs.'000	Rs.'000

### 4.4 Timing of Revenue Recognition

Products and Services Transferred at a Point in Time	88,888,780	75,895,448	134,396	132,732
Products and Services Transferred Over Time	-	-	-	-
	88,888,780	75,895,448	134,396	132,732

# Notes to the Financial Statements contd.

## 5 OTHER INCOME / (EXPENSES)

For the year ended 31st March,	GROUP		COMPANY	
	2025 Rs:'000	2024 Rs:'000	2025 Rs:'000	2024 Rs:'000

### 5.1 Other Income

Gain on disposal of Property, Plant and Equipment	40,319	78,062	-	-
Dividend Income	105,003	31,737	213,282	534,100
Sale of Rubber Trees	140,640	150,650	-	-
Sale of Timber & Scrap	-	21,468	-	-
Amortisation of Grants and Subsidies (Note 25)	33,419	39,743	-	-
Net Gain on Disposal of Subsidiaries / Associate shares	-	-	222,299	145,060
Gain on Investments Disposal	7,419	-	-	-
Commission Income	3,648	21,238	601	1,052
Reversal of Impairment of Investment in subsidiaries	-	-	245,971	-
Reversal of Impairment Loss on Trade and other Receivables	94,033	107,418	-	-
Creditors No Longer Payable Written back	150	23,251	-	-
Change in Fair Value of Biological Assets (Note 10.6.1)	310,190	538,219	-	-
Rental Income	108,649	189,147	-	-
Gain on Financial Assets at Fair Value through Profit or Loss	482,578	165,211	2,503	1,338
Reversal of Expected Credit Loss	-	-	-	23,132
Reversal of Impairment of Related Party Receivables	3,639	30,885	-	-
Sundry Income	272,101	150,360	6,349	5,708
	1,601,788	1,547,389	691,005	710,390

#### 5.1.1 Gain on Bargain Purchase

Gain on Bargain Purchase of Sterling Steels (Private) Limited	-	101,763	-	-
	-	101,763	-	-

### 5.2 Other Expenses

Net Impairment of Inventories	280,093	85,653	-	-
Write off/Provision for Impairment of Trade and other Receivables	141,907	47,474	-	-
Impairment of Related Party Receivables	-	-	2,804	11
Write off of Property Plant & Equipment	-	29,732	-	-
Others	853	17,556	-	-
	422,853	180,415	2,804	11

## 6 NET FINANCE COSTS

For the year ended 31st March,	GROUP		COMPANY	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
<b>Finance Income</b>				
Interest Income	183,850	256,153	16,077	45,804
<b>Total</b>	<b>183,850</b>	<b>256,153</b>	<b>16,077</b>	<b>45,804</b>
<b>Finance Costs</b>				
Interest on Short-Term Loans - Related Parties	-	-	79,711	69,140
Interest on Loans	3,197,982	4,324,609	18,848	40,215
Interest on Finance Lease Obligations	149,205	147,490	-	-
Interest on JEDB/SLPC Estate Lease (Note 24.1)	170,179	139,023	-	-
Debenture Interest	9,357	21,766	-	-
Interest on Bank Overdraft	127,815	196,053	-	-
Other Interest	127,331	353,331	-	-
Net gain on Translation of Foreign Currency	(91,244)	(530,887)	-	-
Amount Capitalised	(18,124)	(31,773)	-	-
<b>Total</b>	<b>3,672,501</b>	<b>4,619,612</b>	<b>98,559</b>	<b>109,355</b>
<b>Net Finance Costs</b>	<b>3,488,651</b>	<b>4,363,459</b>	<b>82,482</b>	<b>63,551</b>

## 7 PROFIT BEFORE TAXATION

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

### Audit Services

KPMG	52,118	43,241	2,775	2,325
Other Auditors	13,707	19,703	-	-

### Non-Audit Services

KPMG	6,126	8,004	260	207
Other Auditors	22	13	-	-
Amortisation of Intangible Assets (Note 14.2 & 14.3)	14,362	11,535	-	-
Depreciation and amortisation (Note 7.1)	1,484,851	1,913,081	5,434	4,854
Director's Remuneration	962,669	600,561	13,312	11,025
Staff Costs (Note 7.2)	12,717,976	10,366,000	-	-
Donations	557	744	50	50

### 7.1 Depreciation and amortisation

Property, Plant & Equipment (Note 10.1 & 10.2)	1,200,479	1,602,828	1,383	855
Leasehold Property (Note 11)	62,391	58,078	-	-
Right of use Assets (Note 12)	193,350	219,836	-	-
Investment Property (Note 13)	28,631	32,339	4,051	3,999
	<b>1,484,851</b>	<b>1,913,081</b>	<b>5,434</b>	<b>4,854</b>

### 7.2 Staff Costs

Salaries and Wages	10,700,460	8,699,632	-	-
Defined Contribution Plan Cost - EPF & ETF	1,175,300	869,167	-	-
Defined Benefit Plan Cost - Retiring Gratuity (Note 27.1, 27.2 & 27.4.1)	842,216	797,201	-	-
	<b>12,717,976</b>	<b>10,366,000</b>	<b>-</b>	<b>-</b>

# Notes to the Financial Statements contd.

## 8 INCOME TAX EXPENSE

For the year ended 31st March,	GROUP		COMPANY	
	2025 Rs:'000	2024 Rs:'000	2025 Rs:'000	2024 Rs:'000
<b>Current Income Tax Expense</b>				
Taxation on Profit for the Year (Note 8.1)	1,140,060	706,552	-	-
Under Provision on Taxation in respect of Previous Years	(55,713)	(87,502)	-	-
Taxes on dividend received	203,484	-	-	-
	<b>1,287,831</b>	<b>619,050</b>	<b>-</b>	<b>-</b>
<b>Deferred Tax Expense</b>				
Origination / (Reversal) of Temporary Differences	596,845	732,502	(8,993)	940
	<b>1,884,676</b>	<b>1,351,552</b>	<b>(8,993)</b>	<b>940</b>

### 8.1 Taxation on Profit for the Year

#### Reconciliation of Accounting Profit to Income Tax Expense

Profit before Tax	4,425,805	1,412,383	637,697	683,742
Intra-Group Adjustments	3,465,883	3,088,293	-	-
	<b>7,891,688</b>	<b>4,500,676</b>	<b>637,697</b>	<b>683,742</b>
Aggregate Disallowed Expenses	3,773,723	3,989,770	27,134	45,128
Aggregate Allowable Items	(7,096,252)	(7,130,690)	(277,942)	(130,156)
Tax Exempt Income	(422,429)	(362)	(435,581)	(629,538)
Statutory Income / (Loss)	4,146,730	1,359,394	(48,692)	(30,824)
Other Source of Income	(88,663)	7,361	16,077	5,594
Tax Losses utilised during the year	(2,042,300)	(1,953,470)	(16,077)	(5,594)
Taxable Income / (Loss)	<b>2,015,767</b>	<b>(586,715)</b>	<b>-</b>	<b>-</b>
Income Tax @ 30%	1,140,060	706,491	-	-
Income Tax at Other Rates	-	61	-	-
<b>Current Income Tax Expenses</b>	<b>1,140,060</b>	<b>706,552</b>	<b>-</b>	<b>-</b>
Tax Losses B/F	18,312,845	16,546,994	42,948	17,718
Adjustment in respect of Prior Year	(5,709,464)	2,129,573	2,010	-
Tax Loss during the Year	1,198,928	1,589,748	48,692	30,824
Tax Loss utilised	(2,042,300)	(1,953,470)	(16,077)	(5,594)
Disallowed tax loss due to expiration	(3,954,226)	-	-	-
Tax Loss C/F	<b>7,805,783</b>	<b>18,312,845</b>	<b>77,573</b>	<b>42,948</b>

### 8.2 Income Tax Expense

The companies of the Group are liable to pay income tax on its taxable income at 30% as per the Inland Revenue Act No. 24 of 2017 and subsequent amendments thereto except as specified below.

Tax status of companies in the Group which are;

\* enjoying concessionary tax rates (Note 8.2.1) on profit/income earned from ordinary activities of business.

### 8.2.1 Companies liable to tax at concessionary rates

Company	Activity	Statute	Period
Ceyflex Rubber Limited	Taxable profit	Board of Investments of Sri Lanka Law No.4 of 1978, Section 17	In accordance with the agreement entered into with BOI under Section 17 of the BOI Act No. 04 of 1978, the profits of Ceyflex Rubber Ltd is exempted from income tax for a period of seven years starting from the year in which the enterprise commence to make profits or on any year of assessment not later than two years reckoned from the date of commencement of commercial operations, whichever year is earlier. After the expiration of above tax exemption period, the profits and income of the enterprise shall be charged at 10% for a period of two years. After the expiration of aforesaid concessionary tax period, profits and income of the enterprise shall be charged for any year of assessment at a rate of 15% or at such rate that may prevail under the Inland Revenue Law, whichever is less.

**8.2.2** Lankem Paints Limited, Lankem Chemicals Limited, Lankem Research Limited, Lankem Consumer Products Limited, Lankem Export Limited, Nature's Link Limited, Sun Agro Farms Limited, Sun Agro Food Limited, Lankem Technology Services Limited, Associated Farms (Private) Limited, and Lankem Agrochemicals Limited were non-operative during the year.

### 8.3 Revaluation Surplus on Freehold Land

As per section 6 and Chapter IV of the Inland Revenue Act No. 24 of 2017, freehold land used for business or investment purpose would be liable to tax at the time of realisation. Accordingly, deferred tax is recognised on the revaluation surplus of freehold land which are treated as capital assets used in the business for tax purposes. In accordance with Sri Lanka Accounting Standards, the deferred tax impact has been charged to retained earnings as the related surplus has been previously added to retained earnings.

### 8.4 Tax Loss Carried forward

As per the Gazette notification issued in relation to Transitional Provisions, any unclaimed tax losses carried forward under the Inland Revenue Act No. 10 of 2006 and amendments thereto are deemed to be losses incurred in the Year of Assessment 2018/19 and will be carried forward as per the provisions of the Inland Revenue Act No. 24 of 2017 and amendments thereto. Further, the Section 19 of the Inland Revenue Act No. 24 of 2017 and amendments thereto stipulate that, any unrelieved tax losses can be carried forward for 6 years, from the year of assessment of such losses had been incurred.

### 8.5 Disallowed Finance Costs

As per the Subsection (3) of Section 18 of the Inland Revenue Act No. 24 of 2017, finance cost for which a deduction is denied as a result of Subsection (1) of the same section, may be carried forward and treated as incurred during any of following six years of assessment, only to the extent of any unused limitation in Subsection (2) of the same section for the year. Accordingly, the Group has evaluated the recoverability of unclaimed finance costs and assets have been recognized.

### 8.6 Deferred Taxation

Deferred tax (30%) has been computed by using applicable tax rates liable for income tax for the Company and its subsidiaries substantially enacted as at the reporting date.

# Notes to the Financial Statements contd.

## 9 BASIC EARNINGS / (LOSS) PER SHARE

Basic Earnings / (Loss) per share is based on the Profit / (Loss) for the year attributable to equity holders of the Company / Group divided by weighted average number of Ordinary Shares outstanding during the year.

There were no potentially dilutive ordinary shares outstanding at any time during the year, hence diluted earnings per share is equal to the basic earnings per share.

For the year ended 31st March,	GROUP		COMPANY	
	2025	2024	2025	2024
Profit / (Loss) attributable to Equity Holders of the Company (Rs.'000)	1,033,654	(122,686)	646,690	682,802
Weighted Average Number of Ordinary Shares (No.'000)	240,000	240,000	240,000	240,000
Earnings / (Loss) Per Share (Rs.)	4.31	(0.51)	2.69	2.85

## 10 PROPERTY, PLANT & EQUIPMENT

### 10.1 Group

Cost / Valuation	Balance as at 01.04.2024	Revaluation of Land	Additions during the Year	Disposals/ Write-off/ Transfers during the Year	Transfer from Investment Property	Balance as at 31.03.2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
<b>Freehold</b>						
Access Roads	69,315	-	-	-	-	69,315
Land (Note 10.3)	10,978,123	1,862,118	-	-	98,570	12,938,811
Buildings	6,424,116	-	455,876	(232,047)	58,575	6,706,520
Mature/Immature Plantations (Note 10.4)	8,129,970	-	496,390	(445,498)	-	8,180,862
Plant & Machinery	8,290,166	-	727,581	(68,353)	-	8,949,394
Motor Vehicles	1,453,240	-	106,455	(28,058)	-	1,531,637
Office Equipments	1,461,945	-	523,349	(155,366)	-	1,829,928
Furniture and Fittings	1,383,705	-	198,318	(62,434)	-	1,519,589
	38,190,580	1,862,118	2,507,969	(991,756)	157,145	41,726,056
<b>Leasehold</b>						
Buildings	15,649	-	-	-	-	15,649
	15,649	-	-	-	-	15,649
<b>Capital WIP</b>	390,295	-	906,786	(265,013)	-	1,032,068
<b>Total Cost / Valuation</b>	<b>38,596,524</b>	<b>1,862,118</b>	<b>3,414,755</b>	<b>(1,256,769)</b>	<b>157,145</b>	<b>42,773,773</b>

## 10.1 Group Contd.

	Balance as at 01.04.2024	Revaluation of Land	Charge for the Year	Disposals/ Write-off during the Year	Transfer to Investment Property	Balance as at 31.03.2025
	Rs:'000	Rs:'000	Rs:'000	Rs:'000	Rs:'000	Rs:'000
<b>Accumulated Depreciation</b>						
<b>Freehold</b>						
Access Roads	42,856	-	2,761	-	-	45,617
Buildings	2,656,131	-	146,559	(271,047)	-	2,531,643
Mature / Immature Plantations (Note 10.4)	2,624,979	-	265,103	-	-	2,890,082
Plant & Machinery	5,104,859	-	491,177	(51,195)	-	5,544,841
Motor Vehicles	1,316,978	-	54,686	(27,901)	-	1,343,763
Office Equipments	1,028,877	-	149,808	(149,097)	-	1,029,588
Furniture and Fittings	1,110,989	-	89,411	(59,929)	-	1,140,471
	13,885,669	-	1,199,505	(559,169)	-	14,526,005
<b>Leasehold</b>						
Buildings	10,031	-	974	-	-	11,005
	10,031	-	974	-	-	11,005
<b>Total Depreciation</b>	13,895,700	-	1,200,479	(559,169)	-	14,537,010
<b>Carrying Value</b>	24,700,824					28,236,763
			<b>Additions</b>	<b>Write-off</b>		
			Rs:'000	Rs:'000		
<b>Impairment</b>	(6,749)		-	-		(6,749)
<b>Total Carrying Value of Property, Plant &amp; Equipment</b>	24,694,074					28,230,014

Note ; The cost of fully depreciated Property, Plant and Equipment of the Group which are still in use as at 31st March 2025 is Rs.5,105 million (2023/2024 - Rs.3,933 million).

### a) Capital Work in Progress

#### C. W. Mackie PLC

The capital work-in-progress balance as at 31 March 2025 represents the costs incurred 102 million by C.W. Mackie PLC in relation to the snack manufacturing plant, aimed at enhancing the factory's production capacity, and the development of a new caster sugar manufacturing plant. Accordingly, the Company has capitalised the expenditures related to improvements in machinery, land, and buildings as at the financial year end.

#### Kotagala Plantations PLC

Capital Work-in-Progress include 82 million in the Work-in-Progress pertaining to Improvements to Land & Buildings, Water Projects & Sanitations and Plant & Machinery.

#### Laxapana PLC

Laxapana PLC installs solar power plants on leased third-party rooftops under 20-year Net Metering agreements with the Ceylon Electricity Board. The Company is entitled to revenue for the first 7 years, after which ownership and revenue rights transfer to the roof-top owner at no cost. As at the reporting date, installations worth Rs. 86.05 million at related companies are under capital work-in-progress pending commissioning. Completed installations worth Rs. 212.82 million at E.B. Creasy PLC, Ceyflex Rubber Ltd, Lanka Special Steels Ltd, and Laxapana Homagama Factory are capitalised under PPE. Depreciation will be charged over 7 years from commissioning of the plant.

## Notes to the Financial Statements contd.

- b) Each company in the Group has evaluated both internal and external indications of impairment of long lived assets and has not identified presence of any of such indications at the end of the financial year.
- c) Property, Plant & Equipment pledged as securities in obtaining loans have been disclosed in Note 24.5 to these Financial Statements.

### 10.2 Company

	Balance as at 01.04.2024	Additions during the Year	Disposals during the Year	Transfers during the Year	Balance as at 31.03.2025
Cost / Valuation	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
<b>Freehold</b>					
Plant & Machinery	2,698	21	-	-	2,719
Motor Vehicles	24,669	-	-	-	24,669
Office Equipment	12,975	9,253	-	-	22,228
Furniture and Fittings	10,721	-	-	-	10,721
<b>Total Cost</b>	<b>51,063</b>	<b>9,274</b>	<b>-</b>	<b>-</b>	<b>60,337</b>

	Balance as at 01.04.2024	Charge for the Year	Disposals during the Year	Transfers during the Year	Balance as at 31.03.2025
Accumulated Depreciation	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
<b>Freehold</b>					
Plant & Machinery	1,543	321	-	-	1,864
Motor Vehicles	24,669	-	-	-	24,669
Office Equipment	12,485	950	-	-	13,435
Furniture and Fittings	10,184	112	-	-	10,296
	48,881	1,383	-	-	50,264
<b>Total Accumulated Depreciation</b>	<b>48,881</b>	<b>1,383</b>	<b>-</b>	<b>-</b>	<b>50,264</b>

<b>Total Carrying Value of Property, Plant &amp; Equipment</b>	<b>2,182</b>				<b>10,073</b>
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Note: The cost of fully depreciated Property, Plant and equipment of the Company which are still in use as at 31st March 2025 was Rs. 46.40 million (2023/2024 - Rs. 45.01 million )

### 10.3 Group

The portfolio of Lands in the Group consist of the following.

Company Name	Location	Extent Perches	No. of Buildings	Name of the Valuer	Latest Valuation	Significant Unobservable Input / Value for Perch Rs:'000	Carrying amount of land under cost model Rs:'000	Market Value as at 31st March 2025 Rs:'000	Market Value as at 31st March 2024 Rs:'000
<b>Marawila Resorts PLC</b>									
Land	Marawila	4,347	23	WikiFrank Chartered Valuers	31.03.2025	175 - 327	880,948	1,406,933	1,289,010
<b>Sigiriya Village Hotels PLC</b>									
Land	Sigiriya	2,688	39	The Late Mr. P. P. T. Mohideen Chartered Valuer	31.03.2019	225	176,245	206,994	206,994
<b>Galle Fort Hotel (Private) Limited</b>									
Land	Galle Fort, Galle.	78	4	WikiFrank Chartered Valuers	31.03.2025	13,000-20,000	336,676	1,694,410	1,355,350
<b>Beruwala Resorts PLC</b>									
Land	Moragalla, Beruwala.	3	-	The Late Mr. P. P. T. Mohideen Chartered Valuer	31.03.2022	1000-1200	267	267	267
<b>B.O.T. Hotel Services (Private) Limited</b>									
Land	Kaparathota Road, Waligama.	491	7	WikiFrank Chartered Valuers	31.03.2025	2250-2500	361,805	709,425	551,775
<b>Imperial Hotels Limited</b>									
Land	Halloluwa, Kandy	974	2	WikiFrank Chartered Valuers	31.03.2025	750-1500	98,570	626,405	-
<b>Lankem Development PLC</b>									
Land	Maguruwila Road, Gonawala.	86	-	WikiFrank Chartered Valuers	31.03.2025	350	6,950	24,500	22,400
<b>Union Commodities (Private) Limited</b>									
Land	No.79, Biyagama Road, Talwatta, Kelaniya.	611	11	WikiFrank Chartered Valuers	31.03.2025	1000	255,920	613,517	581,940
Land	No.120/9, Maya Mawatha, Kiribathgoda.	11	-	WikiFrank Chartered Valuers	31.03.2025	575	1,000	5,000	5,000
<b>Teacom (Private) Limited</b>									
Land	Paddy Land- Ranawiru JA Chaminda Mawatha	1,016	-	WikiFrank Chartered Valuers	31.03.2025	14	3,000	12,700	12,700
<b>Lankem Ceylon PLC</b>									
Land	St. Anthony's Road, Ekala, Kuriduwatta.	476	12	WikiFrank Chartered Valuers	31.03.2025	800-1000	60,600	452,501	385,844
<b>E B Creasy &amp; Company PLC</b>									
Land	No 98, Sri Sangaraja Mawatha, Colombo 10.	238	2	WikiFrank Chartered Valuers	31.03.2025	14,748	453,000	3,510,000	3,217,500
Land	No.55, Maguruwila Road, Gonawala, Sapugaskanda.	868	3	WikiFrank Chartered Valuers	31.03.2025	734	541,044	636,945	524,135
<b>Candy Delight Limited</b>									
Land	No 26 , Agaradaguru Mawatha, Ekala, Ja-Ela.	160	1	WikiFrank Chartered Valuers	31.03.2025	525	32,000	84,000	84,000
<b>Laxapana PLC</b>									
Land	No.398,Awissawella Road, Panagoda, Homagama.	577	3	WikiFrank Chartered Valuers	31.03.2025	886	103,256	554,760	553,500
<b>C.W. Mackie PLC</b>									
Land	Scan Bottling Plant Munagama, Horana.	485	4	WikiFrank Chartered Valuers	31.03.2025	850	74,000	412,429	363,908

## Notes to the Financial Statements contd.

Company Name	Location	Extent Perches	No. of Buildings	Name of the Valuer	Latest Valuation	Significant Unobservable Input / Value for Perch Rs:'000	Carrying amount of land under cost model Rs:'000	Market Value as at 31st March 2025 Rs:'000	Market Value as at 31st March 2024 Rs:'000
<b>Ceymac Rubber Company Limited</b>									
Land	Aramanagolla, Horana.	800	11	WikiFrank Chartered Valuers	31.03.2025	850	3,350	680,400	640,360
<b>Ceymac Rubber Company Limited</b>									
Land	Thebuwana, Narthupana.	800	8	WikiFrank Chartered Valuers	31.03.2025	175	469	143,750	137,250
<b>Kelani Valley Canneries Limited</b>									
Land	Kaluaggala, Hanwella.	350	7	WikiFrank Chartered Valuers	31.03.2025	500-750	39,000	180,650	137,250
<b>CM Holdings PLC</b>									
<b>Colonial Motors (Ceylon) Limited</b>									
Land	41/35, Nagahamulla Road,	133	9	WikiFrank Chartered Valuers	31.03.2025	2,500	67,246	332,540	293,040
<b>J.F. Packaging Limited</b>									
Land	Minuwangoda Road, Kotugoda.	350	7	WikiFrank Chartered Valuers	31.03.2025	800-1000	42,199	348,000	348,000
<b>Ceylon Tapes (Private) Limited</b>									
Land	Samagi Mawatha, Ja-Ela.	45	3	WikiFrank Chartered Valuers	31.03.2025	700-800	11,250	36,000	36,000
<b>ACME Printing and Packaging PLC</b>									
	345, Gonamadiththa Road, Piliyandala.	464	7	WikiFrank Chartered Valuers	31.03.2025	500-750	231,900	266,685	231,900
<b>Total</b>								<b>12,938,811</b>	<b>10,978,123</b>

### 10.3.1 Imperial Hotels Limited

The land and buildings previously classified under Investment Property in the Statement of Financial Position, however, management deemed it more appropriate to reclassify them under Property Plant and Equipment as at 31st March, 2025 due to the absence of rental income from these properties in the foreseeable future.

### 10.3.2 Laxapana PLC

Land area of 27.63 perches belongs to Laxapana PLC has been gazetted to be acquired by the Government. The Company made a claim on 28.04.2016 for Rs. 218.6 Million, which includes the compensation for 27.63 perches of land, 3,885 cubic feet of retaining wall and other miscellaneous items. No adjustment has been made in the financial statements, pending finalisation of the claim.

### 10.4 Mature /Immature Plantations - Bearer Biological Assets

As at 31st March,	GROUP	
	2025 Rs:'000	2024 Rs:'000
Agarapatana Plantation PLC (APL)	2,194,697	2,228,650
Kotagala Plantation PLC (KPPLC)	3,096,082	3,276,340
	<b>5,290,779</b>	<b>5,504,990</b>

#### 10.4.1 Mature/Immature Plantations - Bearer Biological Assets

Cost	Mature Plantations			Immature Plantations			Total	Total
	Tea Rs'000	Rubber Rs'000	Other Rs'000	Tea Rs'000	Rubber Rs'000	Other Rs'000	31.03.2025 Rs'000	31.03.2024 Rs'000
At the beginning of the year	3,697,745	2,480,359	611,968	538,121	671,060	130,717	8,129,970	7,856,167
Additions/Transfer in	72,678	240,651	-	40,156	134,271	8,633	496,389	615,646
Transfer out	-	-	-	(71,357)	(240,651)	(133,490)	(445,498)	(341,843)
At the end of the year	3,770,423	2,721,010	611,968	506,920	564,680	5,860	8,180,861	8,129,970
<b>Depreciation</b>								
At the beginning of the year	1,148,998	1,260,880	215,101	-	-	-	2,624,979	2,375,345
Charge for the year	113,279	121,317	30,507	-	-	-	265,103	249,634
At the end of the year	1,262,277	1,382,197	245,608	-	-	-	2,890,082	2,624,979
<b>Carrying Value as at 31.03.2025</b>	<b>2,508,146</b>	<b>1,338,813</b>	<b>366,360</b>	<b>506,920</b>	<b>564,680</b>	<b>5,860</b>	<b>5,290,779</b>	
<b>Carrying Value as at 31.03.2024</b>	<b>2,548,747</b>	<b>1,219,479</b>	<b>396,867</b>	<b>538,121</b>	<b>671,060</b>	<b>130,717</b>	<b>-</b>	<b>5,504,990</b>

- a) These are investments in mature/immature plantations since the formation of the respective companies. The assets (including plantation assets) taken over by way of estate leases as given in the Note 11.1 and 11.2 to the Financial Statements. Further, investment in Immature Plantations taken over by way of leases are shown in the above Note. When such plantations become mature, the additional investments made since taking over to bring them to maturity are transferred from Immature to Mature under this Note. A corresponding movement, from Immature to Mature, in respect of the investment undertaken by JEDB/SLSPC on the same plantation prior to the leases are shown under Note 11.2 to the Financial Statements.

The Bearer Biological Assets are measured at cost less accumulated depreciations and accumulated impairment losses, if any, in terms of LKAS 16 - "Property Plant and Equipment.

- b) Borrowing costs of Kotagala Plantations PLC, a subsidiary, amounting Rs.1.8 million (2023/24 - Rs.2.5 million) on Tea, and Rs.46.1 million (2023/24 - Rs.47.6 million) on Rubber incurred on term loans and overdrafts utilised to finance replanting expenditure of tea and rubber have been capitalised. The average rate of interest for capitalisation was 11.69% (2023/24 - 12.75%). The capitalisation will cease when crops are ready for harvest.
- c) Borrowing costs of Agarapatana Plantations PLC, a subsidiary, amounting to Rs.18,123,853 /- (2024 Rs. 31,773,125 /-) have been capitalised as part of the cost of the immature plantations. Capitalisation will cease when crops are ready for harvest. The capitalisation rate of 9.94 % (2024 - 19.71%) was used.
- d) Other Immature Plantations include other crops such as Cinnamon, Coconut, etc. and carried at cost less impairment.

#### 10.5 Produce on bearer Biological Assets

As at 31st March,	GROUP	
	2025 Rs'000	2024 Rs'000
At the beginning of the year	35,009	43,278
Change in Fair value less cost to sell	4,101	(8,269)
At the end of the year	39,110	35,009

#### 10.6 Consumable Biological Assets

At the beginning of the Year	3,860,564	3,317,885
Increased due to Development	32,218	8,921
Transfer from Bearer Biological Assets - Immature	132,166	-
Decreased due to harvesting	-	(12,730)
Gain arising from changes in Fair Value for the Year	306,089	546,488
At the end of the year	4,331,037	3,860,564

# Notes to the Financial Statements contd.

Kotagala Plantations PLC and Agarapatana Plantations PLC have recognised managed trees as biological assets.

## **Kotagala Plantations PLC (KPPLC)**

Managed trees include commercial timber plantations cultivated on estates. The cost of immature trees up to 5 years from planting are treated as approximate fair value particularly on the grounds of little biological transformation has taken place and impact of the biological transformation on price is not material. When such plantations become mature, the additional investments since taken over to bring them to maturity are transferred from immature to mature.

The fair value of managed trees was valued by Mr. Fathihu A A M (FIV), as of 31st March, 2025.

The board of directors established that the fair value of consumable biological assets of the Company is comprised of only managed trees which fall under the purview of the forestry management plan of the company, since LKAS 41 is only applicable for managed agricultural activity in terms of the ruling issued by The Institute of Chartered Accountants of Sri Lanka.

During the year ended 31st March 2025, a physical verification of timber was carried out by the management covering all the estates and the actual number of trees available in the estates was ascertained. The actual number of commercially cultivated managed timber trees available as per the physical verification is included within the fair value of timber (consumable biological assets) for the year ended 31st March 2025.

The Company is exposed to the following risks relating to its timber plantations.

## **Regulatory and environmental risks**

The Company is subject to laws and regulations in Sri Lanka. The Company has established environmental policies and procedures aimed at compliance with local environmental and other laws. Management performs regular reviews to identify environmental risks and to ensure that the systems in place are adequate to manage those risks.

## **Supply and demand risk**

The Company is exposed to risks arising from fluctuations in the price and sales volume of timber. When possible, the Company manages this risk by aligning its harvest volume to market supply and demand. Management performs regular industry trend analysis to ensure that the Company's pricing structure is in line with the market and to ensure that projected harvest volumes are consistent with the expected demand.

## **Climate and other risks**

The Company's timber plantations are exposed to the risk of damage from climatic changes, diseases, forest fires and other natural forces. The Company has extensive processes in place aimed at monitoring and mitigating those risks, including regular forest health inspections and industry pest and disease surveys.

## **Agarapatana Plantations PLC (APL)**

Managed timber plantation was measured at fair value initially as at 31 March 2013 and subsequently. The corresponding gain/(loss) was recognized in the statement of profit or loss. However fair value surplus was recognized in the equity as a separate component which will be available for distribution only on realisation of consumable biological assets.

Managed trees include commercial timber plantations cultivated on estates. The cost of immature trees is treated as approximate fair value particularly on the ground of little biological transformation has taken place and impact of the biological transformation on price is not material. When such Plantations become mature, the additional investments since taken over to bring them to maturity are transferred from Immature to Mature.

The fair value of matured managed trees were ascertained in accordance with SLFRS 13. The valuation was carried out as of 31st March, 2025 by Mr. A.A.M Fathihu, FIV, chartered valuation surveyors, using Discounted Cash Flow (DCF) methods. In ascertaining the fair value of timber, a physical verification was carried out covering all the estates by the management.

### 10.6.1 Measurement of Fair Value

- a) The Future cash flows are determined by reference to current timber prices
- b) The fair value measurement for the consumable biological assets has been categorized as level 3 fair value based on inputs to the valuations used. Breakdown of the total gains recognized in respect of level 3 fair values of biological assets are given below.

As at 31st March,	Group	
	2025 Rs. `000	2024 Rs. `000
Change in fair value of consumable biological assets (Note 10.6)	306,089	546,488
Change in fair value of growing produce of bearer biological assets (Note 10.5)	4,101	(8,269)
	310,190	538,219

- c) Following table shows the valuation techniques in measuring level 3 fair value of consumable biological assets as well as significant unobservable inputs used.

Type	Valuation Technique	Discount Rates	Significant unobservable inputs	Inter relationship between Key unobservable inputs and fair value measurements
Mature Timber	Discounted Cash Flows	<ul style="list-style-type: none"> <li>14% - Trees age to harvest 5 years or below</li> <li>15% - Trees age to harvest 6 -14 years</li> <li>16% - Trees age to harvest 15 years or above</li> <li>comprising a risk free rate of 11.5%</li> </ul> <p>Estimated based on normal life span of each species by factoring the forestry plan of the Company approved by the Forestry Department.</p>	<p><b>Determination of Timber content</b></p> <p>Species planted in separate blocks as at the reporting date have been identified by a qualified forestry officer of the company and the timber content has been estimated based on the girth, height, growth, present age of the trees and current cubic content.</p> <p>The prevailing statutory regulations enforced against harvesting of timber coupled with forestry plan of the Company approved by the Forestry Department.</p> <p>Timber trees that have not come up to a harvestable size are valued working out the period that would take for those trees to grow up to a harvestable size.</p> <p>Volume at Rotation - 19.4 - 88.5 cu.ft.</p> <p><b>Determination of Price of Timber</b></p> <p>*Price per cu.ft. -Rs.386/- to Rs.1,260/-</p> <p>* Estimated based on prevailing Sri Lankan market prices factoring all the conditions to be fulfilled in bringing the trees in to saleable condition.</p>	<ul style="list-style-type: none"> <li>The estimated timber content</li> <li>The estimated timber prices per cubic meter</li> <li>The estimated selling related costs</li> <li>The estimated maturity age</li> <li>The risk adjusted discount rate</li> </ul>

#### Other key assumptions used in valuation

- The harvesting is approved by the PMMD and the Forest Department based on the Forestry Development Plan.
- The prices adopted are net of expenditure
- Though the replanting is a condition precedent for harvesting yet the costs are not taken in to consideration.

The valuations, as presented in the external valuation models based on net present values, take into account the long term exploitation of the timber plantations. Because of the inherent uncertainty associated with the valuation at fair value of the biological assets due to the volatility of the variables, their carrying value may differ from their realisable value. The Board of Directors retains their view that commodity

# Notes to the Financial Statements contd.

markets are inherently volatile and that long term price projections are highly unpredictable. Hence, the sensitivity analysis regarding selling price and discount rate variations as included in this note allows every investor to reasonably challenge the financial impact of the assumptions used in the LKAS 41 against his own assumptions.

The biological assets of the company are mainly cultivated in leased lands. When measuring the fair value of the biological assets it was assumed that these concessions can and will be renewed at normal circumstances. Timber content expects to realise in future included in the calculation of the fair value takes into account the age of the timber plants and not the expiration date of the lease.

## 10.6.2 Sensitivity Analysis

### Sensitivity analysis on sales price and discounted Rate

The Future cash flows are determined by reference to current timber prices and the fair value measurement.

#### a) Sensitivity variation-sales price

Values as appearing in the Statement of Financial Position are very sensitive to price changes with regard to the average sales prices applied. Simulations made for timber show that a rise or decrease by 10% of the estimated future selling price has the following effect on the net present value of biological assets:

	10%	-10%
Sensitivity effect on the carrying value of Biological Assets Rs.(000)		
As at 31 March 2025	418,620	(418,620)
As at 31 March 2024	386,581	(386,581)

#### b) Sensitivity variation-discount rate

Values as appearing in the Statement of Financial Position are very sensitive to changes of the discount rate applied. Simulations made for timber trees show that a rise or decrease by 1% of the estimated future discount rate has the following effect on the net present value of biological assets:

	1%	-1%
Sensitivity effect on the net present value of Biological Assets Rs.(000)		
As at 31 March 2025	(121,710)	124,238
As at 31 March 2024	(90,061)	92,509

## 11 LEASEHOLD PROPERTY

	Balance as at 01.04.2024 Rs.'000	Additions during the Year Rs.'000	Balance as at 31.03.2025 Rs.'000
<b>Cost</b>			
<b>Leasehold Right to Bare Land of JEDB/SLSPC Estates (Note 11.1)</b>			
Kotagala Plantations PLC (Note 11.1.a)	1,246,066	185,299	1,431,365
Agarapatana Plantations PLC (Note 11.1.b)	341,588	-	341,588
	1,587,654	185,299	1,772,953
<b>Immovable Leased Assets of JEDB/SLSPC Estates (Other than Bare Land) (Note 11.2)</b>			
Kotagala Plantations PLC (Note 11.2.a)	448,322	-	448,322
Agarapatana Plantations PLC (Note 11.2.b)	265,748	-	265,748
	714,070	-	714,070

## 11 LEASEHOLD PROPERTY CONTD.

	Balance as at 01.04.2024 Rs:'000	Additions during the Year Rs:'000	Balance as at 31.03.2025 Rs:'000
<b>Other Leasehold Assets</b>			
SunAgro Farms Limited	2,555	-	2,555
	2,555	-	2,555
<b>Total Cost</b>	2,304,279	185,299	2,489,578

	Balance as at 01.04.2024 Rs:'000	Charge for the Year Rs:'000	Balance as at 31.03.2025 Rs:'000
<b>Accumulated Depreciation</b>			
<b>Leasehold Right to Bare Land of JEDB/SLSPC Estates</b>			
Kotagala Plantations PLC (Note 11.1.a)	312,017	50,573	362,590
Agarapatana Plantations PLC (Note 11.1.b)	205,017	6,503	211,520
	517,034	57,076	574,110

### Immovable Leased Assets of JEDB/SLSPC Estates (Other than Bare Land)

Kotagala Plantations PLC (Note 11.2.a)	447,669	326	447,995
Agarapatana Plantations PLC (Note 11.2.b)	259,334	4,989	264,323
	707,003	5,315	712,318

### Other Leasehold Assets

SunAgro Farms Limited	2,555	-	2,555
	2,555	-	2,555
<b>Total Depreciation</b>	1,226,592	62,391	1,288,983
<b>Carrying Value</b>	1,077,687	122,908	1,200,595

### 11.1 Leasehold Right to Bare Land of Janatha Estate Development Board (JEDB)/Sri Lanka State Plantation Corporation (SLSPC) Estates

#### a) Kotagala Plantations PLC

The leases of all the 23 estates have been executed and will be retroactive from 22nd June, 1992. The leasehold rights to land on all these estates have been taken into the books of the Company as at 22nd June, 1992 immediately after formation of the Company, in terms of the ruling obtained from the Urgent Issues Task Force (UITF) of the Institute of Chartered Accountants of Sri Lanka. For this purpose, the Board decided at its meeting held on 8th March, 1995 that these bare lands would be revalued, at the value established for these lands, by the valuation Specialist Mr.D.R.Wickramasinghe, just prior to the formation of the Company.

Millewa estate was acquired by the Urban development authority of Sri Lanka on the 26th of October 2017. During the financial year 2018/19 Leasehold right to bare land was written off since the company no longer has control of the said estate.

The Group has applied SLFRS-16 from 1 April 2019 (Leases) for leasehold assets recorded in the financial statements.

Cost/Valuation	Life of the Asset	As at 22.06.1992 Rs:'000	Balance Lease Period as at 31.03.2025	Remeasurement during the Year Rs:'000	Balance 31.03.2025 Rs:'000	Balance 31.03.2024 Rs:'000
Right to use the Land of JEDB/SLSPC Estates	53 years	358,928	20 Years	185,299	1,431,365	1,246,066

## Notes to the Financial Statements contd.

Amortisation	Balance as at 01.04.2024 Rs.'000	Charge for the Year Rs.'000	Balance as at 31.03.2025 Rs.'000	Carrying Value as at 31.03.2025 Rs.'000	Carrying Value as at 31.03.2024 Rs.'000
Right to use the Land of JEDB/SLSPC Estates	312,017	50,573	362,590	1,068,775	934,049

### b) Agarapatana Plantations PLC

"Right-To-Use of Land on Lease" was previously accounted under Statement of Alternative Treatment (SoAT) issued by the Institute of Chartered Accountants of Sri Lanka dated 21 August 2013. However, with effect from January 1, 2019, "Right-of-use assets—Land" have been accounted for in accordance with SLFRS 16. "Right-of-use assets - Land" have been executed for all estates for a period of 53 years. The unexpired period of the lease as at the Statement of Financial Position date is 20 years.

This Right-of-use assets - Land is amortized over the remaining lease term or useful life of the right whichever is shorter and is disclosed under non current assets.

Description	Cost / Valuation as at 22.06.1992 Rs.'000	Accumulated Amortisation 01.04.2024 Rs.'000	Amortisation During the Year Rs.'000	Accumulated Amortisation 31.03.2025 Rs.'000	Carrying Value as at 31.03.2025 Rs.'000	Carrying Value as at 31.03.2024 Rs.'000
Leasehold right to bare land of JEDB/SLSPC Estates	341,588	205,017	6,503	211,520	130,068	136,571

## 11.2 Immovable Leased Assets of JEDB/SLSPC Estates (Other than Bare Land)

### a) Kotagala Plantations PLC

The leases of all the 23 estates have been executed and will be retroactive from 22nd June 1992. The leasehold rights to land on all these estates have been taken into the books of the Company as at 22nd June 1992 immediately after formation of the Company, in terms of the ruling obtained from the Urgent Issue Task Force (UITF) of the Institute of Chartered Accountants of Sri Lanka based on then existing accounting standards. For this purpose, the Board decided at its meeting held on 8th March 1995 that these bare lands would be revalued, at the value established for these lands, by the valuation Specialist Mr. D R Wickramasinghe, just prior to the formation of the Company. The value taken into 22nd June, 1992, statement of Financial Position and the amortisation of leasehold rights up to 31st March 2025 are as follows,

Millewa estate was acquired by the Urban development authority of Sri Lanka on the 26th of October 2017. During the financial year 2018/19 Leasehold right to Immovable Leased Assets was written off since the company no longer has control of the said estate.

Revaluation	Life of the Asset	As at 22.06.92 Rs.'000	Balance 31.03.2025 Rs.'000	Balance 31.03.2024 Rs.'000
Land Development Cost	30 years	6,712	6,360	6,360
Buildings other than Worker housing	25 years	26,519	25,174	25,174
Plant & Machinery	15 years	8,757	8,757	8,757
Water Projects and Sanitations	30 years	8,688	8,688	8,688
Mature Plantations				
- Tea	30 years	69,767	227,655	227,655
- Rubber	30 years	61,138	163,548	163,548
- Others	25 years	-	8,140	8,140
Immature Plantations				
- Tea		158,960	-	-
- Rubber		126,898	-	-
- Others		8,140	-	-
		475,579	448,322	448,322

## 11.2 Immovable Leased Assets of JEDB/SLSPC Estates (Other than Bare Land) Contd.

### a) Kotagala Plantations PLC Contd.

Amortisation	Balance as at 01.04.2024 Rs.'000	Charge for the Year Rs.'000	Balance as at 31.03.2025 Rs.'000	Carrying Value As at 31.03.2025 Rs.'000	Carrying Value As at 31.03.2024 Rs.'000
Land Development Cost	6,360	-	6,360	-	-
Buildings other than Worker Housing	25,174	-	25,174	-	-
Plant & Machinery	8,757	-	8,757	-	-
Water Projects and Sanitations	8,688	-	8,688	-	-
Mature Plantations					
- Tea	227,655	-	227,655	-	-
- Rubber	163,548	-	163,548	-	-
- Others	7,487	326	7,813	327	653
	447,669	326	447,995	327	653

Investment in Immature Plantations at the time of handing over to the Company by way of estate leases are shown under Immature Plantations as at 22.06.1992. Further investment in such plantations to bring them to maturity are shown under Note 10.4.1.

### b) Agarapatana Plantations PLC

At the time of privatisation of plantation estates, all immovable assets in these estates have been taken into the books of the Company retroactive to 22nd June 1992 under finance lease. However, SLFRS 16 - Leases was applicable with effect from 01 January 2019, and therefore, these assets have accounted in accordance with such standard with effect from 01 January 2019.

Description	Revaluation as at 22.06.92 Rs.'000	Transfers/ Immature to Mature (Adjustments) Rs.'000	Value Accumulated as at 01.04.2024 Rs.'000	Depreciation Accumulated 01.04.2024 Rs.'000	Depreciation for the Year Rs.'000	Accumulated Depreciation 31.03.2025 Rs.'000	Carrying Value as at 31.03.2025 Rs.'000	Carrying Value as at 31.03.2024 Rs.'000
Improvement to Land	5,406	-	5,406	5,406	-	5,406	-	-
Unimproved Land	998	-	998	-	-	-	998	998
Roads and Bridges	677	-	677	538	17	555	122	139
Buildings	62,634	-	62,634	62,634	-	62,634	-	-
Fences and Securities	49	-	49	49	-	49	-	-
Machinery	8,823	(621)	8,202	8,202	-	8,202	-	-
Water Supply	6,158	-	6,158	6,158	-	6,158	-	-
Power Augmentation	972	-	972	972	-	972	-	-
Coffee, Pepper, Cardamom	305	-	305	-	-	-	305	305
Mature Plantations	37,457	141,636	179,093	174,121	4,972	179,093	-	4,972
Vested Tea	1,223	-	1,223	1,223	-	1,223	-	-
Immature Plantations	141,636	(141,636)	-	-	-	-	-	-
Other Vested Assets	31	-	31	31	-	31	-	-
	266,369	(621)	265,748	259,334	4,989	264,323	1,425	6,414

Note : Investment in plantations assets which were immature at the time of handing over to the Company by way of estate leases are shown under immature plantations (revalued as at 22nd June, 1992).

However, since then all such investments in Immature Plantations attributable to JEDB/SLSPC period have been transferred to Mature Plantations. These mature tea were classified as bearer biological assets in terms of LKAS 16 – Property, Plant & Equipment. The carrying value of the bearer biological assets leased from JEDB/SLSPC is recognised at cost less amortisation. Further investments in such plantations to bring them to maturity are shown in. Note 10.4.1.

# Notes to the Financial Statements contd.

## 12 RIGHT-OF-USE ASSETS

As at 31st March,	GROUP		COMPANY	
	2025 Rs:'000	2024 Rs:'000	2025 Rs:'000	2024 Rs:'000
<b>Cost</b>				
Balance as at beginning of the Year	1,545,351	1,298,643	-	-
Reassessment	14,296	92,769	-	-
De-Recognition of ROU due to termination during the year	(13,979)	(70,430)	-	-
Adjusted balance	1,545,668	1,320,982	-	-
Additions during the year	226,196	224,369	-	-
Balance as at end of the Year	1,771,864	1,545,351	-	-
<b>Accumulated Depreciation</b>				
Balance as at beginning of the Year	650,024	484,631	-	-
De-Recognition of ROU due to Termination during the year	1,388	(54,443)	-	-
Adjusted balance	651,412	430,188	-	-
Depreciation charge of the right-of-use assets for the year	193,350	219,836	-	-
Balance as at end of the Year	844,762	650,024	-	-
<b>Total Carrying Value</b>	<b>927,102</b>	<b>895,327</b>	<b>-</b>	<b>-</b>

### (i) C W Mackie PLC

C W Mackie PLC, a subsidiary of the Group, has taken certain land and buildings on lease. In terms of the grant to the Company dated 22 September 1964 under the Crown Lands Ordinance, premises No.34 and 36, D. R. Wijewardena Mawatha, Colombo 10 has been leased for a period of 60 years, 8 months and 10 days (being the residue of the unexpired term under Indenture of Lease by the Crown dated 10 June 1925 granting the Company a 99-year lease of the premises from the said date). At the time of handing over the possession of the premises, the Company is not entitled to any compensation in respect of the land, buildings or improvements thereon.

The Crown Lease Agreement in respect of the Company's Head Office premises at Nos. 34 and 36, D R Wijewardena Mawatha, Colombo 10 lapsed on 10 June 2024 and the Company is in the process of pursuing a renewal of the lease with the relevant authorities.

### (ii) Beruwala Resorts PLC

Beruwala Resorts PLC, a subsidiary, has constructed building on a land which was leased out from Sri Lanka Tourism Development Authority for 30 years commencing from 1st August, 2007. The lease period will expire on 31st July, 2037.

### (iii) Sigiriya Village Hotels PLC

Sigiriya Village PLC, a subsidiary, has constructed building on a land which was leased out from Sri Lanka Tourism Development Authority for 30 years commencing from 2nd September, 2009. The lease period will expire on 1st September 2039.

### (iv) Ceyflex Rubber Limited

Ceyflex Rubber Limited, a subsidiary of the Group, has entered into a Lease agreement with the Board of Investment of Sri Lanka to hold the land for a period of 50 years commencing from 12th May 2016 to 11th May 2066 for a sum of USD 40,000 of non refundable lease premium and an annual ground rent of USD 6,050/- per annum. The carrying value of lease rentals paid in advance was transferred to right-of-use asset in accordance with provisions in SLFRS - 16.

### (v) ACME Packaging Solutions (Private) Limited

ACME Packaging Solutions (Private) Limited, a subsidiary, has constructed building on a land is on a 50 years lease period obtained from the Government of Sri Lanka.

### (vi) J.F. Packaging Limited

J.F. Packaging Limited, a subsidiary of the Group, leases land and the building which located in, No06 Agaradaguru Mawatha Ekala has been obtained on lease for 5 years from 01st December 2022 to 30th November 2027 with the option to terminate the agreement after 02 years by giving 01 year prior notice. The management has not taken a decision to terminate the lease as at 31st March 2025. During the lease period, the Company has the right to use the land for the business purposes.

**(vii) Kiffs (Private) Limited**

Kiffs (Private) Limited, a subsidiary of the Group, leases land and the building which is located in, Pahalakaragahamuna, Kadawatha has been obtained as a lease for 10 years from 01st July 2016 to 30th June 2026 with the option to terminate the agreement after 04 years by giving 06 months prior notice. The management has not taken a decision to terminate the lease as at 31st March 2025. During the lease period, the Company has the right to use the land for the business purposes.

**(viii) Ceylon Tapes (Private) Limited**

Ceylon Tapes (Private) Limited, a subsidiary of the Group, leases its factory land and the buildings which is located in, Ekalakuruduwatta in Ragampattu of Aluthkurukorale which has been obtained as a lease for 20 years from 9th June 2016 to 8th June 2036, with the option to terminate the agreement after 04 years by giving 06 months prior notice. The management has not taken a decision to terminate the lease as at 31st March 2025. During the lease period, the Company has the right to use the land for the business purposes.

**(ix) Alliance Five (Private) Limited**

Alliance Five (Private) Limited, a subsidiary of the Group, leases land and the building which located in, Nedungahawatta and Alubogahawatta has been obtained on lease for 10 years from 01st January 2017 to 31st December 2026 with the option to terminate the agreement after 04 years by giving 06 months prior notice. The management has not taken a decision to terminate the lease as at 31st March 2025. During the lease period, the Company has the right to use the land for the business purposes.

**13 INVESTMENT PROPERTY**

As at 31st March,	GROUP		COMPANY	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
<b>Cost</b>				
Balance as at beginning of the Year	2,965,226	2,950,941	829,118	819,208
Additions during the year	32,231	17,085	1,534	9,910
Transfers to Property Plant and Equipment	(157,145)	(2,800)	-	-
Balance as at end of the Year	2,840,312	2,965,226	830,652	829,118
<b>Accumulated Depreciation</b>				
Balance as at beginning of the Year	279,696	247,357	30,445	26,446
Charge for the Year	28,631	32,339	4,050	3,999
Balance as at end of the Year	308,327	279,696	34,495	30,445
<b>Carrying Value</b>				
Capital Work in Progress	640	-	640	-
<b>Total Carrying Value (Note 13.1)</b>	<b>2,532,625</b>	<b>2,685,530</b>	<b>796,797</b>	<b>798,673</b>

**13.1 Fair value of the investment property as at 31st March 2025 is as follows;**

Company	Location	Extent	Carrying Value Rs.'000	Fair Value Rs.'000
The Colombo Fort Land and Building PLC	York Arcade Building, Leyden Bastian Road, Colombo 01.	156,436 Sq ft	796,797	4,057,900
C.W. Mackie PLC	No. 36, D R Wijewardena Mw, Colombo 10.	57,158 Sq ft	-	-
Sunquick Lanka Properties (Private) Limited	Munagama, Horana.	128,774 Sq ft	637,737	700,000
Union Commodities (Private) Limited	No.79, Biyagama Road, Talwatta, Kelaniya.	38,287 Sq ft	16,415	39,281
C M Holdings PLC	297,Colvin R De Silva Mw, Colombo 02.	31,757 Sq ft	955,063	3,807,591
C M Holdings PLC	497/C Pannipitiya Road, Pelawatta.	109.2P	102,207	282,200
Sigiriya Village Hotels PLC	Trincomalee	8A,1R, 2.3P	24,407	24,407
			<b>2,532,625</b>	<b>9,011,319</b>

# Notes to the Financial Statements contd.

## 13.2 Rent Income is included in the Statement of Comprehensive Income as follows;

For the year ended 31st March,	GROUP		COMPANY	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Rent Income	317,232	388,879	134,396	132,732
Direct operating expenses arising from investment property that generated rental income during the year	79,967	86,821	43,623	39,621

### C.W. Mackie PLC

C.W. Mackie PLC has rented out a part of C.W. Mackie building complex and the value of land and buildings of that portion has been classified as investment property and accounted on "Cost Model" as required by LKAS 40 – Investment Property. The above investment property is situated at No. 36, D. R. Wijewardena Mawatha, Colombo 10 and the extent of the building is 57,158 square feet.

### Sunquick Lanka Properties (Private) Limited

Sunquick Lanka Properties (Private) Limited has rented out a part of its building complex and value of land and buildings of that portion has been classified as "investment property" and accounted on "cost model" as permitted by LKAS 40 – Investment Property.

As per the valuation carried out on 31 March 2024, by an independent professional Valuer Mr. K.T.D. Tissera, J.P.U.M., Diploma in Valuation (Sri Lanka), F. R. I. C. S. (Eng.), F. I. V. (Sri Lanka), Chartered Valuation Surveyor. These properties were valued on an open market value for existing use basis

### C M Holdings PLC

The company and the group has initially accounted for the investment property at cost, and subsequently accounted for it under the cost model in accordance with the policy adopted by its ultimate parent. The investment property is depreciated using a straight line method over its estimated useful life of 20 years.

Details of the valuation of the land and buildings under Investment Property of the Company carried out by WikiFrank Chartered Valuers (Pvt) Ltd.

### Sigiriya Village Hotels PLC

During the year, as a result of a change in the Company's business plan, land previously recognised under property, plant and equipment has been classified as investment property and accounted under "Cost Model" as required by LKAS 40 – Investment Property. The Company intends to hold the land for capital appreciation. The above investment property is situated in Trincomalee and the extent of the land is 8 A, 1 R & 2.3 P.

### Union Commodities (Private) Limited

Union Commodities (Private) Limited has rented out the upper floor of the G Building of the factory to a third party. The property has been classified as an investment property in terms of LKAS 40. Its fair value was last assessed on 31st March 2025 by WikiFrank Chartered Valuers (Private) Limited, an external and independent Chartered Valuation Surveyor, based on market-based evidence. In accordance with the Group's accounting policy, investment properties are carried under the cost model. The carrying amounts have been adjusted as appropriate and are presented in the consolidated financial statements.

### COMPANY

Investment property of the Company consists of land amounting to Rs.621.62 million (2024 - Rs.621.62) and building amounting to Rs.174.54 million (2024 - Rs.177.05 million) as at the reporting date. The Company has adopted the cost model to value the investment properties.

Location	Extent Perches	Carrying Value Rs.'000	Fair Value Rs.'000
Fort - Colombo	153	796,157	4,057,900

The properties of the Company were valued by an independent valuer, Wikifrank Chartered Valuers (Pvt) Ltd, Chartered Valuers and the fair value of the investment properties as at 31st March, 2025 was Rs.4.06 billion.

The Rental Income earned by the Company from the said properties amounted to Rs. 134.39 million (2024 - 132.73 million).

Direct Operating Expenses incurred by the Company amounted to Rs. 43.62 million (2024- Rs. 39.62 million) and this consists of Rs. 6.72 million (2024 Rs. 6.10 million) relating to premises which are vacant.

The Investment Property is depreciated using the straight line method over its estimated useful life of 99 years and 44 years for the premises situated at Sir Baron Jayatilake Mawatha and Leyden Bastian Road respectively.

As at the reporting date there were no contractual obligations to purchase, construct or develop the investment properties or for repairs, maintenance and enhancement.

The Company has executed a Tertiary Mortgage Bond for Rs.100.0 million, a Quaternary Mortgage Bond for Rs.87.5 million and Quinary Mortgage Bond for Rs.31.25 million over the property at No. 53-1/1, 53-2/1 and 57, Sir Baron Jayatilake Mawatha, Colombo – 1 belonging to the Company for the facilities granted to the Company.

The Company reviewed the carrying values of Investment Property as at the reporting date, and determined that no impairment is necessary, as the Company has evaluated their business continuity plans and is satisfied that it has taken necessary steps to safeguard the assets.

## 14 INTANGIBLE ASSETS

As at 31st March,	GROUP	
	2025 Rs.'000	2024 Rs.'000
Goodwill on Acquisition (Note 14.1)	669,701	669,701
Trade Mark (Note 14.2)	22,899	164
Computer software (Note 14.3)	44,173	38,054
	<b>736,773</b>	<b>707,919</b>

### 14.1 Goodwill

At the beginning of the Year	669,701	669,701
At the end of the Year (Note 14.1.1)	<b>669,701</b>	<b>669,701</b>

#### 14.1.1 Goodwill on Acquisition

This represents the excess of the cost of acquisition of the net assets of the following Companies. The aggregated carrying amount of goodwill allocated to each company is as follows:

C. W. Mackie PLC	92,778	92,778
Ceylon Tapes Limited	14,190	14,190
Lanka Special Steel Limited	21,696	21,696
J.F.Packaging Limited	263,442	263,442
Sherwood Holidays Limited	27,070	27,070
Kiffs (Private) Limited	85,202	85,202
Alliance Five (Private) Limited	24,999	24,999
ACME Printing and Packaging PLC	140,324	140,324
	<b>669,701</b>	<b>669,701</b>

For the purpose of impairment testing, goodwill acquired from business combinations have been allocated to cash generating units (CGU) that is expected to benefit from the synergies of the combination. CGUs to which goodwill has been allocated have been tested for impairment annually, and whenever there is an indication that the unit may be impaired by comparing the carrying amount of the unit including the goodwill, with the recoverable amount of the unit. If the carrying amount of the unit exceeds the recoverable amount of the unit and the goodwill allocated to that unit has been regarded as impaired. The impairment loss has been allocated to reduce the carrying amount of any goodwill allocated to the CGU and then to other assets of the unit.

## Notes to the Financial Statements contd.

In light of current operational and economic conditions, the Group reassessed the expected future business performance relating to cash generating units (CGUs) where the management has concluded that the recoverable values of CGUs exceed its carrying values.

Therefore, further impairment is not required as at 31st March, 2025 (2024 NIL).

Methods used in estimating recoverable amounts are given below;

- (i) Business Growth - Based on historical growth rate & business plan
- (ii) Inflation - Based on current inflation & the percentage of the total cost subjected to the inflation
- (iii) Discount Rate - Average market borrowing rate adjusted for risk premium
- (iv) Margin - Based on current margin & business plan

The management has identified that a reasonably possible change in key assumptions could cause the carrying amount to exceed the recoverable amount. The following table shows the key assumptions and amount by which assumption would need to change individually for the estimated recoverable amount to be equal to the carrying amount.

### 14.1.2 Recoverable values measured with reference to the value in use

Methods used in estimating recoverable amounts are given below:

Ceylon Tapes (Private) Limited, JF Packaging Limited, Kiffs (Pvt) Limited, Alliance Five (Private) Limited, Sherwood Holidays Limited, Lanka Special Steels Limited and C.W. Mackie PLC were assessed based on value in use estimated using discounted future cash flows from investments. The fair value measurement was categorized as a Level 03 fair value based on the inputs in valuation technique used.

The key assumptions used in the estimation of the recoverable amount are set out below. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industry and have based on historical data from both external and internal sources.

Investee	Significant unobservable inputs	Value of the inputs	Change required for carrying amount to equal recoverable amount	
			Discount Rate	Growth Rate
Ceylon Tapes (Pvt) Ltd.	Average Growth Rate Discount Rate (range) Term	10% 14.90% 4 years (terminal value thereafter)	21.4%	(9.6%)
JF Packaging Ltd.	Average Growth Rate Discount Rate (range) Term	25% 18% - 21% 3 years (terminal value thereafter)	0.1%	(0.1%)
Kiffs (Pvt) Ltd.	Average Growth Rate Discount Rate (range) Term	10% 14.40% 4 years (terminal value thereafter)	22.9%	(14.8%)
Alliance Five (Pvt) Ltd.	Average Growth Rate Discount Rate (range) Term	9% 16.50% 4 years (terminal value thereafter)	29.4%	(36.2%)
Sherwood Holidays Ltd.	Average Growth Rate Discount Rate (range) Term	15% 21% 5 years (terminal value thereafter)	35.9%	(24.8%)
Lanka Special Steels Limited	Average Growth Rate GP Margin EBITA Margin Discount Rate Term	6.8% for first year, 12% for next 4 years and terminal growth rate of 3.1% thereafter 12.5% - 20.0% 1.5% - 4% 13% - 16.5% 5 years (terminal value thereafter)	2.1%	(1.8%)
C.W. Mackie PLC	Average Growth Rate Discount Rate Term	7% 11.9% 3 Years	25%	(12%)

#### 14.1.2 Recoverable values measured with reference to the fair value less cost to sell

Investee	Significant unobservable inputs	Value of the inputs
ACME Printing and Packaging PLC	Market Value	Rs.3.90

Above fair value is classified as level 1 as per the fair value hierarchy under SLFRS 13.

As at 31st March,	GROUP	
	2025 Rs:'000	2024 Rs:'000

#### 14.2 Trade Mark

##### Cost

At the beginning of the Year	22,585	22,585
Additions disposal during the Year	25,000	-
Disposal / Write off during the Year	(1,979)	-
As at the end of the Year	45,606	22,585

##### Amortisation

At the beginning of the Year	22,421	20,628
Amortised during the Year	2,145	1,793
Disposal / Write off during the Year	(1,859)	-
At the end of the Year	22,707	22,421
<b>Carrying Value</b>	<b>22,899</b>	<b>164</b>

#### 14.3 Computer Software

##### Cost

As at the beginning of the Year	256,868	233,711
Additions during the Year	20,281	23,157
Disposal during the year	(2,346)	-
As at the end of the Year	274,803	256,868

##### Amortisation

As at the beginning of the Year	218,814	209,072
Disposal during the Year	(401)	-
Amortised during the Year	12,217	9,742
At the end of the Year	230,630	218,814
<b>Carrying Value</b>	<b>44,173</b>	<b>38,054</b>

#### Trade Mark

During the financial year 2015/2016, Darley Butler & Company Limited acquired the agency right of Intas Pharmaceuticals Limited for Rs.13 Million which was amortised over 03 Years.

During the financial year 2019/2020, E. B. Creasy & Co. PLC paid an amount of Rs.70 million to Lankem Ceylon PLC for acquisition of Lankem consumer brands which was amortised over 03 Years.

During the financial year 2020/2021, an amount of Rs. 7,804,878/- was paid to Brown & Company PLC to acquire the agency right of Unosource Pharma Ltd by Darley Butler & Co. Ltd and same is amortised over 03 Years.

During the financial year 2008/2009, Darley Butler & Company Limited was paid an amount of Rs. 1,150,000/- to Adamjee Pharma (Private) Limited to acquire the agency right of Navana Pharmaceuticals Limited.

During the financial year 2024/2025, Darley Butler & Company Limited acquired the agency rights of R&D Intertrades (Private) Limited for Rs.25 million which is amortised over 03 Years.

# Notes to the Financial Statements contd.

## Computer Software

The details of the computer software are as follows;

Intangible Asset	Useful Life	Amortisation Method	Type
Software Licence	5 Years	Straight-Line	Acquired
Sales Force Automation System	5 Years	Straight-Line	Acquired
Human Resource Information System	5 Years	Straight-Line	Acquired
E mail Solution	5 Years	Straight-Line	Acquired
Enterprise Resource Planning	5 Years	Straight-Line	Acquired

## 15 INVESTMENTS IN SUBSIDIARIES

	Group Holding	Company Holding	No. of Shares	Cost	Market Value	No. of Shares	Cost	Market Value
<i>As at 31st March,</i>	2025	2025	2025	2025	2025	2024	2024	2024
	%	%		Rs:'000	Rs:'000		Rs:'000	Rs:'000

### 15.1 Company

#### 15.1.1 Quoted Investments

ACME Printing & Packaging PLC	47.02	0.08	80,000	403	312	80,000	403	440
Beruwala Resorts PLC	48.94	0.01	30,000	32	111	30,000	32	42
C M Holdings PLC	65.10	63.49	9,649,850	550,183	1,592,225	9,649,850	550,183	775,848
C.W.Mackie PLC	36.31	0.17	60,500	4,894	6,579	60,500	4,894	5,747
E.B. Creasy & Company PLC	59.85	52.98	134,319,915	35,228	4,445,989	134,319,915	35,228	3,089,358
Lankem Ceylon PLC	63.25	47.45	24,423,233	700,337	2,122,379	28,423,233	815,017	1,932,780
Marawila Resorts PLC	37.10	0.72	2,516,666	9,186	17,113	2,516,666	9,186	8,557
Muller & Phipps (Ceylon) PLC	30.70	0.02	60,030	91	72	60,030	91	66
York Arcade Holdings PLC	49.99	49.27	369,495	4,963	62,168	369,495	4,963	48,404
Agarapatana Plantations PLC	27.14	1.30	6,485,358	27,847	84,958	6,485,358	27,847	47,992
				1,333,164	8,331,906		1,447,844	5,909,234

#### 15.1.2 Unquoted Investments

C.F. Travels Limited	100.00	100.00	1,500,000	15,000	-	1,500,000	15,000	-
Capital Leasing Company Limited	55.83	55.83	473,000	4,733	-	473,000	4,733	-
Colombo Fort Group Services (Private) Limited	100.00	100.00	110,000	10,100	-	110,000	10,100	-
Colombo Fort Holdings Limited	100.00	100.00	3,500,000	35,000	-	3,500,000	35,000	-
Colombo Fort Hotels Limited	73.37	26.26	73,059,569	686,760	-	73,059,569	686,760	-
Colombo Fort Properties Limited	100.00	99.70	1,000	10	-	1,000	10	-
Consolidated Tea Plantations Limited	79.55	44.67	38,443,882	1,181,084	-	37,751,575	1,118,085	-
Transways (Private) Limited	100.00	30.00	14,998	150	-	14,998	150	-
				1,932,837	-		1,869,838	-

Total Cost				3,266,001			3,317,682	
Less: Provision for Impairment in Value of Investments (Note 15.2)				(16,985)			(262,956)	
Carrying Value of Investment in Subsidiaries				3,249,016			3,054,726	

	No. of Shares 2025	Cost 2025 Rs.'000	Market Value 2025 Rs.'000	No. of Shares 2024	Cost 2024 Rs.'000	Market Value 2024 Rs.'000
<b>15.1.3 Preference Shares</b>						
Transways (Private) Limited	103,110	1,031	-	103,110	1,031	-
Voyages Ceylon (Private) Limited	1,500,000	15,000	-	1,500,000	15,000	-
York Hotel Management Services Limited	650,000	6,500	-	650,000	6,500	-
York Tours Limited	318,000	3,180	-	318,000	3,180	-
<b>Total</b>		<b>25,711</b>			<b>25,711</b>	
Less: Provision for impairment in Value of Investments		(25,711)			(25,711)	
<b>Carrying Value</b>		<b>-</b>			<b>-</b>	

### 15.2 Provision for Impairment in Value of Investments

As at 31st March,	2025 Rs.'000	2024 Rs.'000
At the beginning of the year	262,956	262,956
Impairment Provision/(Reversal)	(245,971)	-
<b>At the end of the year (Note 15.2.1)</b>	<b>16,985</b>	<b>262,956</b>

#### 15.2.1 Provision for Impairment in Value of Investments

	2025 Rs.'000	2024 Rs.'000
<b>Quoted Investments</b>		
Muller & Phipps (Ceylon) PLC	19	55
Beruwala Resorts PLC	-	14
Marawila Resorts PLC	-	5,512
ACME Printing & Packaging PLC	91	-
	<b>110</b>	<b>5,581</b>
<b>Unquoted Investments</b>		
C.F. Travels Limited	15,000	15,000
Capital Leasing Company Limited	1,615	1,615
Colombo Fort Properties Limited	10	10
Consolidated Tea Plantations Limited	-	240,500
Colombo Fort Group Services (Private) Limited	100	100
Transways (Private) Limited	150	150
	<b>16,875</b>	<b>257,375</b>
	<b>16,985</b>	<b>262,956</b>

# Notes to the Financial Statements contd.

## 15.3 Calculation of Recoverable Values

As explained above, the recoverable values of these subsidiaries were determined with reference to their Net Assets / Market Values as follows.

Subsidiary	Unobservable input
Beruwala Resorts PLC	Market Value per Share
C M Holdings PLC	Market Value per Share
E.B. Creasy & Company PLC	Market Value per Share
Lankem Ceylon PLC	Market Value per Share
Marawila Resorts PLC	Market Value per Share
Muller & Phipps (Ceylon) PLC	Market Value per Share
York Arcade Holdings PLC	Market Value per Share
Agarapatana Plantations PLC	Market Value per Share
C.F. Travels Limited	Net Assets per Share
Capital Leasing Company Limited	Net Assets per Share
Colombo Fort Group Services (Pvt) Ltd	Net Assets per Share
Colombo Fort Holdings Limited	Net Assets per Share
Colombo Fort Hotels Limited	Net Assets per Share
Colombo Fort Properties Limited	Net Assets per Share
Consolidated Tea Plantations Ltd	Net Assets per Share
Transways (Private) Limited	Net Assets per Share

The Company makes an assessment for the impairment in value of Investments annually. Accordingly the recoverable value is higher than the carrying value and an additional impairment was not required as at 31st March 2025.

## 15.4 Disposal of NCI

During the year the Company has disposed 4,000,000 Lankem Ceylon PLC shares and the impact of the gain is given below:

As at 31st March,	2025 Rs:'000
Consideration received from NCI	336,979
Carrying amount of NCI Disposed	(204,881)
A Increase in equity attributable to owners of the Company	132,098

## 15.5 Group Companies Investment in Subsidiaries

Investor As at 31st March,	Investee	% Holding		No. of Shares	
		2025	2024	2025	2024
E. B. Creasy & Company PLC	Lankem Ceylon PLC	0.75%	18.26%	388,567	9,399,646
	Laxapana PLC	68.27%	68.27%	45,212,378	45,212,378
	Darly Butler & Co. Limited	100.00%	100.00%	9,999,964	9,999,964
	Candy Delights Limited	100.00%	100.00%	1,384,448	1,384,448
	Filmpak Limited	100.00%	100.00%	150,000	150,000
	Group Three Associates Limited	99.83%	99.83%	1,198	1,198
	E.B.Creasy Ceylon (Private) Limited	100.00%	100.00%	143,581	143,581
	Corporate Systems Limited	99.93%	99.93%	10,000	10,000
	E B Creasy Logistic Limited	99.99%	99.99%	49,994	49,994
	Imperial Hotels Limited	0.14%	0.14%	19,825	19,825
	Muller & Phipps (Ceylon) PLC	51.26%	51.26%	145,061,773	145,061,773
	Lanka Special Steel Limited	100.00%	100.00%	31,442,686	2,138,657
	Ceyflex Rubber Limited	100.00%	100.00%	7,993,183	7,993,183
	ACME Printing & Packaging PLC	51.11%	52.61%	48,553,804	49,979,223
	Agarapatana Plantations PLC	0.00%	5.31%	-	26,541,327
	Consolidated Tea Plantations Limited	3.59%	1.53%	3,090,927	1,281,157
	Colombo Fort Hotel Limited	0.46%	0.00%	1,275,200	-

Investor As at 31st March,	Investee	% Holding		No. of Shares	
		2025	2024	2025	2024
Darley Butler & Company Limited	Lankem Ceylon PLC	18.57%	1.04%	9,558,375	536,614
	Laxapana PLC	0.00%	0.00%	6	6
	Agarapatana Plantations PLC	0.00%	0.66%	-	3,280,152
	Marawila Resorts PLC	0.00%	0.00%	188	188
	York Arcade Holdings PLC	0.60%	0.60%	4,500	4,500
	Kotagala Plantations PLC	0.00%	3.10%	-	10,487,299
	C.W. Mackie PLC	0.00%	0.01%	-	2,350
	Consolidated Tea Plantations Limited	3.90%	4.00%	3,356,099	3,356,099
Candy Delights Limited	Lankem Ceylon PLC	0.05%	0.05%	23,337	23,337
	York Arcade Holdings PLC	0.33%	0.33%	2,500	2,500
E.B.Creasy Ceylon (Private) Limited	Consolidated Tea Plantations Limited	0.00%	0.00%	1	1
	Sigiriya Village Hotels PLC	0.69%	0.69%	62,162	62,162
	Marawila Resorts PLC	0.04%	0.04%	156,000	156,000
	Colombo Fort Hotels Limited	3.36%	3.36%	9,344,800	9,344,800
	Beruwala Resorts PLC	0.00%	0.00%	30,000	30,000
	C M Holdings PLC	0.63%	0.63%	95,640	95,640
	Lankem Ceylon PLC	0.00%	0.00%	536	536
	York Arcade Holdings PLC	0.27%	0.27%	2,000	2,000
Muller & Phipps (Ceylon) PLC	Muller & Phipps (Health Care) Limited	100.00%	100.00%	272,033,218	272,033,218
Muller & Phipps (Health Care) Limited	Colombo Fort Hotels Limited	0.00%	0.46%	-	1,275,200
	Beruwala Resorts PLC	0.00%	0.00%	30,000	30,000
Lankem Ceylon PLC	Lankem Development PLC	2.07%	2.07%	2,480,626	2,480,626
	Marawila Resorts PLC	4.68%	4.68%	16,478,829	16,478,829
	Colombo Fort Hotels Limited	52.93%	52.93%	147,270,913	147,270,913
	Consolidated Tea Plantations Limited	33.39%	36.38%	28,733,221	28,733,221
	Lankem Tea and Rubber Plantations (Private) Limited	1.00%	1.00%	8,342	8,342
	Lankem Plantation Services Limited	60.00%	60.00%	179,993	179,993
	Lankem Exports Limited	99.97%	99.97%	9,997	9,997
	Lankem Paints Limited	100.00%	100.00%	1,999,996	1,999,996
	Lankem Consumer Products Limited	100.00%	100.00%	1,999,996	1,999,996
	Lankem Chemicals Limited	100.00%	100.00%	1,999,995	1,999,995
	Lankem Research Limited	100.00%	100.00%	250,002	250,002
	SunAgro LifeScience Limited	100.00%	100.00%	426,000	625,995
	SunAgro Farms Limited	100.00%	100.00%	1,199,996	1,999,996
	Associated Farms Limited	100.00%	100.00%	55,398	55,398
	C.W. Mackie PLC	54.25%	54.25%	19,523,252	19,523,252
	Lankem Technology Services Limited	100.00%	100.00%	4,999,995	4,999,995
	C M Holdings PLC	2.18%	2.18%	331,547	331,547
	J.F. Packaging Limited	100.00%	100.00%	120,406,800	1,204,068
	Natures Link (Private) Limited	100.00%	100.00%	5,000,000	5,000,000
	Agarapatana Plantations PLC	0.35%	0.35%	1,760,204	1,760,204
ACME Printing & Packaging PLC	25.10%	25.10%	23,846,742	23,846,742	
Lankem Minerals Limited	100.00%	100.00%	70,012,499	124,999	
Consolidated Tea Plantations Limited	Lankem Tea and Rubber Plantations (Private) Limited	98.98%	98.98%	826,088	826,088
	Kotagala Plantations PLC	54.30%	54.30%	183,823,231	183,823,231
	Lankem Developments PLC	47.57%	49.80%	57,088,502	59,762,295
	Union Commodities (Private) Limited	92.05%	70.00%	27,783,694	5,600,000
Lankem Tea and Rubber Plantations (Private) Limited	Colombo Fort Hotels Limited	6.08%	6.08%	16,927,739	16,927,739
	Kotagala Plantations PLC	1.64%	1.64%	5,550,000	5,550,000
	Agarapatana Plantations PLC	1.46%	1.46%	7,295,345	7,295,345

## Notes to the Financial Statements contd.

Investor <i>As at 31st March,</i>	Investee	% Holding		No. of Shares	
		2025	2024	2025	2024
Lankem Developments PLC	Agarapatana Plantations PLC	56.25%	56.25%	281,228,778	281,228,778
	Colombo Fort Hotels Limited	0.80%	0.80%	2,231,462	2,231,462
Colombo Fort Hotels Limited	Beruwala Resorts PLC	66.25%	66.99%	464,138,216	469,276,958
	Imperial Hotels Limited	34.08%	34.08%	4,921,506	4,921,506
	Marawila Resorts PLC	39.51%	39.51%	139,062,165	139,062,165
	Sigiriya Village Hotels PLC	51.00%	51.00%	4,590,274	4,590,274
	Galle Fort Hotel (Private) Limited	100.00%	100.00%	11,186,372	11,186,372
	Sherwood Holidays Limited	100.00%	100.00%	7,791,920	7,791,920
	BOT Hotel Services Limited	31.32%	31.32%	18,008,162	18,008,162
Sigiriya Village Hotels PLC	Marawila Resorts PLC	4.83%	4.83%	17,000,000	17,000,000
	Beruwala Resorts PLC	0.57%	12.13%	3,998,070	85,000,000
	Colombo Fort Hotels Limited	0.01%	0.01%	24,000	24,000
	Imperial Hotels Limited	31.16%	31.16%	4,500,000	4,500,000
Marawila Resorts PLC	Beruwala Resorts PLC	0.00%	0.00%	30,000	30,000
	Colombo Fort Hotels Limited	0.31%	0.31%	866,258	866,258
Beruwala Resorts PLC	B.O.T. Hotel Services (Private) Limited	68.68%	68.68%	39,491,798	39,491,798
	Voyages Ceylon (Private) Limited	18.20%	18.20%	111,250	111,250
York Hotel Management Services Limited	Colombo Fort Hotels Limited	0.01%	0.01%	24,000	24,000
Agarapatana Plantations PLC	Beruwala Resorts PLC	0.19%	0.19%	1,300,000	1,300,000
	Union Commodities (Private) Limited	15.00%	15.00%	1,200,000	1,200,000
	Waverly Power (Private) Limited	100.00%	100.00%	7,800,000	7,800,000
Kotagala Plantations PLC	Agarapatana Plantations PLC	0.00%	4.15%	-	20,756,712
	Imperial Hotels Limited	31.16%	31.16%	4,500,000	4,500,000
	Union Commodities (Private) Limited	3.98%	15.00%	1,199,999	1,199,999
	Rubber & Allied Products (Colombo) Limited	100.00%	99.85%	1,505,991	1,505,991
C.W. Mackie PLC	Ceymac Rubber Company Limited	98.72%	98.72%	3,148,551	3,148,551
	Ceytra (Private) Limited	84.07%	62.82%	1,884,600	1,884,600
	Sunquick Lanka Properties (Pvt) Ltd	51.00%	51.00%	3,070,000	3,070,000
	Kelani Valley Canneries Limited	92.84%	92.84%	52,045,272	52,045,272
C M Holdings PLC	Colonial Motors (Ceylon) Limited	100.00%	100.00%	44,307,485	44,307,485
	E. B. Creasy & Company PLC	3.94%	3.94%	10,000,000	10,000,000
	York Arcade Holdings PLC	0.00%	0.00%	28	28
	Union Investments (Private) Limited.	100.00%	100.00%	4,999,999	4,999,999
	Colombo Fort Hotels Limited	6.83%	6.83%	19,014,351	19,014,351
	Marawila Resorts PLC	0.47%	0.47%	1,666,666	1,666,666
	Lankem Ceylon PLC	5.28%	5.28%	2,716,767	2,716,767
	Beruwala Resorts PLC	0.01%	0.01%	45,000	45,000
	Guardian Asset Management Limited	75.00%	75.00%	1,199,995	1,199,995
	Agarapatana Plantations PLC	1.18%	1.18%	5,886,888	5,886,888
Consolidated Tea Plantations Limited	7.46%	5.96%	6,416,061	5,000,000	
Union Investments (Private) Limited	E. B. Creasy & Company PLC	6.61%	6.61%	16,770,000	16,770,000
	York Arcade Holdings PLC	0.00%	0.00%	35	35
	Guardian Asset Management Limited	18.75%	18.75%	300,000	300,000
	Lankem Ceylon PLC	0.43%	0.43%	222,800	222,800
	Lankem Developments PLC	2.00%	2.00%	2,400,000	2,400,000
	Agarapatana Plantations PLC	0.78%	0.78%	3,875,400	3,875,400
	C.W. Mackie PLC	2.81%	2.81%	1,010,000	1,010,000
	Marawila Resorts PLC	2.84%	2.84%	10,000,000	10,000,000
	Sigiriya Village Hotels PLC	13.27%	13.27%	1,194,518	1,194,518
	Colombo Fort Hotels Limited	2.16%	2.16%	6,004,591	6,004,591
Guardian Asset Management Limited	Kotagala Plantation PLC	0.00%	0.00%	1,252	1,252
	Muller & Phipps (Ceylon) PLC	0.00%	0.00%	-	500
	Laxapana PLC	0.00%	0.00%	600	600

Investor As at 31st March,	Investee	% Holding		No. of Shares	
		2025	2024	2025	2024
Guardian Asset Management Contd.	E. B. Creasy & Company PLC	0.00%	0.00%	7,200	7,200
	Colombo Investment Trust PLC	0.00%	0.00%	149	149
	Colombo Fort Investments PLC	0.00%	0.00%	106	106
	Lankem Developments PLC	0.00%	0.00%	296	296
	Lankem Ceylon PLC	0.78%	0.78%	400,300	400,300
	C M Holdings PLC	0.00%	0.00%	185	185
	Marawila Resorts PLC	0.00%	0.00%	1,066	1,066
	Agarapatana Plantations PLC	0.00%	0.00%	10,000	10,000
	C.W Mackie PLC	0.00%	0.00%	100	-
York Arcade Holdings PLC	C M Holdings PLC	0.47%	0.47%	71,707	71,707
	Imperial Hotels Limited	3.46%	3.46%	500,000	500,000
C.F Travels Limited	York Tours Limited	100.00%	100.00%	51,200	51,200
	American Lloyd Travels Limited	96.54%	96.54%	1,013,706	1,013,706
	Union Travels Limited	85.99%	85.99%	42,993	42,993
	Voyages Ceylon (Private) Limited	74.43%	74.43%	454,930	454,930
Colombo Fort Holdings Limited	York Hotel Management Services Limited	100.00%	100.00%	60,000	60,000
	Union Group (Private) Limited	87.90%	87.90%	54,500	54,500
	Transways (Private) Limited	70.00%	70.00%	35,000	35,000
Union Group (Private) Limited	Lankem Ceylon PLC	0.01%	0.01%	7,000	7,000
J.F. Packaging Limited	JF Ventures Limited	100.00%	100.00%	139,800,000	139,800,000
	Kiffs (Private) Limited	0.00%	0.00%	1	1
	Alliance Five (Private) Limited	0.00%	0.00%	1	1
JF Ventures Limited	Ceylon Tapes (Private) Limited	100.00%	100.00%	1,259,360	1,259,360
	Kiffs (Private) Limited	100.00%	100.00%	823,194	823,194
	Alliance Five (Private) Limited	100.00%	100.00%	1,636,434	1,636,434
Ceylon Tapes (Private) Limited	Consolidated Tea Plantations Limited	6.99%	7.17%	6,018,518	6,018,518
Wavely Power (Private) Limited	Agarapatana Plantations PLC	0.50%	0.50%	2,500,100	2,500,100
	Colombo Fort Hotels Limited	0.79%	0.79%	2,186,624	2,186,624
Colombo Fort Group Services (Private) Limited	Agarapatana Plantations PLC	0.32%	0.32%	1,582,452	1,582,452
Laxapana PLC	Sterling Steels (Private) Limited	100.00%	100.00%	10,635,000	10,635,000
Union Commodities (Private) Limited	Union Holding (Private) Limited	75.00%	75.00%	3	3
	Union commodities Teas (Private) Limited	99.99%	99.99%	9,999	9,999
	Teacom (Private) Limited	66.67%	66.67%	2	2
	Union Commodities Export (Private) Limited	66.67%	66.67%	2	2
	Union Clearing & Forwarding (Private) Limited	50.00%	50.00%	1	1
	ACME Printing & Packaging PLC	0.62%	0.00%	584,754	-
	Lankem Development PLC	0.04%	0.04%	43,011	43,011
Union Clearing & Forwarding (Private) Limited	Teacom (Private) Limited	33.33%	33.33%	1	1
Teacom (Private) Limited	Union Clearing & Forwarding (Private) Limited	50.00%	50.00%	1	1
	Union Commodities Export (Private) Limited	33.33%	33.33%	1	1
Union Commodities Export (Private) Limited	Union Commodities Teas (Private) Limited	0.00%	0.00%	1	1
	Union Holding (Private) Limited	25.00%	25.00%	3	3
ACME Printing & Packaging PLC	ACME Packaging Solutions (Private) Limited	100.00%	100.00%	6,757,874	6,757,874

# Notes to the Financial Statements contd.

## 15.6 Subsidiary Companies of the Group

The details of Subsidiaries in which The Colombo Fort Land & Building PLC held an indirect interest, are set out below:

Indirect Subsidiaries	Effective Holdings (%)	
	2025	2024
ACME Printing and Packaging PLC	47.02	49.34
Agarapatana Plantations PLC	27.14	32.52
Alliance Five (Private) Limited	63.25	70.59
American Lloyd Travels Limited	96.54	96.54
Associated Farms Limited	63.25	70.59
B.O.T. Hotel Services (Private) Limited	56.59	63.10
C.W. Mackie PLC	36.31	40.31
Ceylon Tapes limited	63.25	70.59
Ceyflex Rubber Limited	59.85	59.93
Corporate Systems Limited	59.81	59.89
Candy Delights Limited	59.85	59.93
Darley Butler & Company Limited	59.85	59.93
E. B. Creasy Logistics Limited	59.84	59.93
Filmpack Limited	59.85	59.93
Group Three Associates (Private) Limited	59.75	59.93
E.B.Creasy Ceylon (Private) Limited	59.85	59.93
Kiffs (Private) Limited	63.25	70.59
J.F.Packaging Limited	63.25	70.59
J F Ventures Limited	63.25	70.59
Kotagala Plantations PLC	44.50	41.38
Lanka Special Steels Limited	59.85	59.93
Lankem Chemicals Limited	63.25	70.59
Lankem Consumer Products Limited	63.25	70.59
Lankem Developments PLC	40.48	39.61
Lankem Exports (Private) Limited	63.23	70.59
Lankem Minerals Limited	63.25	70.59
Lankem Paints Limited	63.25	70.59
Lankem Plantation Services Limited	37.95	42.35
Lankem Research Limited	63.25	70.59
Lankem Tea & Rubber Plantations (Private) Limited	79.37	73.91
Laxapana PLC	40.86	40.92
Natures Link (Private) Limited	63.25	70.59
SunAgro Farms Limited	63.25	70.59
SunAgro LifeScience Limited	63.25	70.59
Sterling Steels (Private) Limited	40.86	40.92
Sigiriya Village Hotels PLC	46.47	48.38
Union Commodities (Private) Limited	76.07	62.86
Union Group (Private) Limited	87.90	87.90
Union Travels Limited	85.99	85.99
Voyages Ceylan (Private) Limited	83.33	74.43
Wavely Power (Private) Limited	27.14	32.52
York Hotel Management Services Limited	99.99	99.99
Imperial Hotels Limited	55.16	54.25
York Tours Limited	99.99	99.99

## 16 INVESTMENT IN EQUITY ACCOUNTED INVESTEEES

### 16.1 Investments in Associates

<i>As at 31st March,</i>	2025 Rs.'000	2024 Rs.'000
<b>GROUP</b>		
Balance as at 1st April	758,917	658,240
Share of Profit or Loss	41,220	14,664
Share of Other Comprehensive Income	558,417	88,673
Share of Results of Equity Accounted Investees (Net of Tax) for the Year	599,637	103,337
Dividend Paid during the Year	-	(2,660)
<b>Carrying Value of Investments in Equity Accounted Investees</b>	<b>1,358,554</b>	<b>758,917</b>

a. The group hold Colombo Fort Investments PLC (CFIL), Colombo Investment Trust PLC (CITL) and Capital Investments Limited (CIL) as investment in associate companies.

#### b. Summarised Financial Information of Equity Accounted Investees

<i>As at 31st March,</i>	GROUP					
	CFIL	CITL	CIL	CFIL	CITL	CIL
	2025			2024		
Holding %	13.26%	8.52%	46.67%	13.26%	8.52%	46.67%

<i>As at 31st March,</i>	CFIL	CITL	CIL	Total	CFIL	CITL	CIL	Total
	2025 (Rs.'000)				2024 (Rs.'000)			
<b>Assets &amp; Liabilities</b>								
Total Assets	3,337,553	3,209,604	1,414,934	7,962,091	2,056,023	1,860,150	744,732	4,660,905
Total Liabilities	(2,492)	(2,102)	(12,637)	(17,231)	(794)	(612)	(12,666)	(14,072)
<b>Net Assets</b>	<b>3,335,061</b>	<b>3,207,502</b>	<b>1,402,297</b>	<b>7,944,860</b>	<b>2,055,229</b>	<b>1,859,538</b>	<b>732,066</b>	<b>4,646,833</b>

#### Summary of the Statement of Profit or Loss

<i>For the year ended 31st March,</i>	CFIL	CITL	CIL	Total	CFIL	CITL	CIL	Total
	2025 (Rs.'000)				2024 (Rs.'000)			
Revenue	88,649	50,809	1,390	140,848	70,276	49,792	9,238	129,306
Cost of Investment Disposed	(40,473)	(18,500)	-	(58,973)	-	(132)	-	(132)
FV through Profit or Loss	118,406	206,985	-	325,391	(15,484)	52	-	(15,432)
Other Operating Income	-	2	-	2	375	9	-	384
	166,582	239,296	1,390	407,268	55,167	49,721	9,238	114,126
Administrative Expenses	(6,639)	(7,309)	(415)	(14,363)	(5,501)	(5,682)	(389)	(11,572)
Profit From Operations	159,943	231,987	975	392,905	49,666	44,039	8,849	102,554
Net Finance Income / (Cost)	-	-	294	294	1,138	269	189	1,596
Profit before Tax	159,943	231,987	1,269	393,199	50,804	44,308	9,038	104,150
Income Tax Expenses	(2,535)	-	-	(2,535)	(318)	(260)	-	(578)
<b>Net Profit for the year</b>	<b>157,408</b>	<b>231,987</b>	<b>1,269</b>	<b>390,664</b>	<b>50,486</b>	<b>44,048</b>	<b>9,038</b>	<b>103,572</b>

Other Comprehensive income								
for the period ,Net of Tax	1,140,341	1,115,977	668,963	2,925,281	214,421	203,177	92,015	509,613
<b>Total Comprehensive Income</b>								
for the period	1,297,749	1,347,964	670,232	3,315,945	264,907	247,225	101,053	613,185
Share of Profit for the								
Parent Company,	20,871	19,757	592	41,220	6,694	3,751	4,218	14,664

## Notes to the Financial Statements contd.

- c. Market value of quoted investments as at 31st March, 2025 was Rs.199 million ( Rs.136 million- 31st March, 2024) for the Group and Company. The Director's valuation of unquoted associate investment amounted to Rs.654 million as at 31st March, 2025 (Rs.297 million - 31st March, 2024) for the Group and Company as well.
- d. The Colombo Fort Land and Building PLC has neither contingent liabilities nor capital commitments in respect of its associates.

	Holding	No. of	Cost	Market	No. of	Cost	Market
	%	Shares	As at	Value	Shares	As at	Value
<i>As at 31st March,</i>	2025	2025	2025	As at	2024	2024	As at
			Rs.'000	Rs.'000		Rs.'000	Rs.'000

### COMPANY

#### Quoted Investments

Colombo Fort Investments PLC	13.26	1,165,077	41,350	126,993	1,165,077	41,350	75,730
Colombo Investment Trust PLC	8.52	604,380	19,736	72,223	604,380	19,736	59,834
			61,086	199,216		61,086	135,564

#### Unquoted Investments.

Capital Investments Limited	46.67	3,499,930	35,349	-	3,499,930	35,349	-
			35,349	-		35,349	-
Cost of Investments in Equity Accounted Investees			96,435			96,435	

### 16.2 Investment in Joint Venture

<i>As at 31st March,</i>	Holding	2025	Holding	2024
	%	Rs.'000	%	Rs.'000
	2025		2024	
Sunquick Lanka (Private) Limited	49%	460,474	49%	293,163
		460,474		293,163

#### C.W. Mackie PLC (CWM)

The Group has a 49% interest in Sunquick Lanka (Private) Limited, a joint venture formed for the purpose of manufacturing, processing and marketing Co-Ro A/S, Denmark products in the form of concentrates and ready-to-drink (RTD) products marketed under 'Sunquick' brand.

The Group's interest in Sunquick Lanka (Private) Limited is accounted for using the equity method in the Company and Consolidated Financial Statements. Summarised financial information of the joint venture and reconciliation with the carrying amount of the investment in the Financial Statements are set out below:

<i>As at 31st March,</i>	2025	2024
	Rs.'000	Rs.'000

#### Summary of the Statement of Profit or Loss

Revenue	3,512,878	3,268,852
Operating Expenses	(3,341,149)	(3,263,005)
Other Operating income	17,114	10,288
Finance Income	12,100	115,249
Finance Cost	(1,614)	-
Income tax	145,220	(17,959)
Other Comprehensive Income / (Loss)	(3,098)	(3,754)
Total comprehensive income	341,451	109,671
Share Profit / (Loss) recognised for the year	168,829	1,002
Share of Loss recognised in other comprehensive income / (expense)	(1,518)	(1,839)

## 16.2 Investment in Joint Venture Contd.

As at 31st March,	2025	2024
	Rs.'000	Rs.'000

### Summarised Statement of Financial Position

Non-Current Assets	755,538	908,808
Current Assets	2,066,811	1,859,674
Non-Current Liabilities	213,775	725,889
Current Liabilities	1,668,831	1,444,302
Equity	939,743	598,291
Carrying amount of the investments	460,474	293,163

### Equity Reconciliation

Carrying Value as at 1st April	293,163	-
Investment made during the year	-	294,000
Share of profit for the year	168,829	55,579
Other Comprehensive expense for the year	(1,518)	(1,839)
Unrecognised share of loss in prior year	-	(54,576)
Carrying Value as at 31st March	460,474	293,163

## 17 OTHER FINANCIAL ASSETS - NON CURRENT

	Notes	GROUP		Notes	COMPANY	
		Fair Value	Fair Value		Fair Value	Fair Value
As at 31st March,		2025	2024		2025	2024
		Rs.'000	Rs.'000		Rs.'000	Rs.'000
Quoted Investments - Financial Assets at FVOCI	17.1.1	371,376	200,353	17.2.1	5,244	4,238
Unquoted Investments - Financial Assets at FVOCI	17.1.2	803,915	705,401		-	-
Unit Trusts - Financial Assets at FVOCI	17.1.3	-	4,744		-	-
		1,175,291	910,498		5,244	4,238

### 17.1 Group

#### 17.1.1 Quoted Investments

	No. of Shares	GROUP			No. of Shares	Cost	Fair Value
		Cost	Fair Value	Fair Value			
As at 31st March,	2025	2025	2025	2024	2024	2024	
		Rs.'000	Rs.'000		Rs.'000	Rs.'000	
Automobiles & Components							
Kelani Tyres PLC	360	2	29	360	2	25	
Total		2	29		2	25	

# Notes to the Financial Statements contd.

## 17.1.1 Quoted Investments Contd.

	GROUP					
	No. of Shares 2025	Cost 2025 Rs:'000	Fair Value 2025 Rs:'000	No. of Shares 2024	Cost 2024 Rs:'000	Fair Value 2024 Rs:'000
<i>As at 31st March,</i>						
<b>Banks</b>						
Commercial Bank of Ceylon PLC-Voting	27,936	2,356	4,121	22,852	1,922	2,233
DFCC Bank PLC	18,854	802	1,999	18,148	802	1,414
Hatton National Bank PLC-Voting	10	-	3	10	-	2
Housing Development Finance Corporation Bank of Sri Lanka	100	4	4	100	4	3
National Development Bank PLC	7,940	555	850	7,466	554	507
Nations Trust Bank PLC	14,808	344	2,813	14,600	336	1,570
Pan Asia Banking Corporation PLC	3,000	24	107	3,000	24	64
Sampath Bank PLC	937	26	115	937	26	75
Seylan Bank PLC-Non-Voting	259	7	14	250	7	10
Seylan Bank PLC-Voting	8	-	1	8	-	-
The Finance Company PLC	100	8	-	100	8	-
Union Bank of Colombo PLC	100	3	1	100	3	1
<b>Total</b>		<b>4,129</b>	<b>10,028</b>		<b>3,686</b>	<b>5,879</b>
<b>Capital Goods</b>						
ACL Cables PLC	1,152	2	141	1,152	2	97
Aitken Spence PLC	555	10	71	555	10	72
Colombo Dockyard PLC	15	-	1	15	-	1
Hayleys PLC	8,590	735	1,177	8,590	735	705
Hemas Holdings PLC	719	10	86	719	10	58
John Keells Holdings PLC	1,920	11	39	192	11	37
Lanka Ashok Leyland PLC	90	1	86	90	1	62
Lanka Tiles PLC	10,760	468	546	10,760	468	556
Lanka Walltiles PLC	10,665	479	539	10,665	479	543
Renuka Holdings PLC- Voting	1,252	18	23	1,252	18	16
Renuka Holdings PLC- Non Voting	-	-	-	175	2	2
Richard Peiris & Company PLC	3,705	2	94	3,705	2	76
Royal Ceramics Lanka PLC	21,450	416	4,420	21,450	416	3,715
Sierra Cables PLC	2,600	8	41	2,600	8	31
The Colombo Fort Land & Building PLC	5,800,333	14,174	336,999	5,800,333	14,174	174,010
Unisyst Engineering PLC	180	3	-	180	3	1
Brown & Company PLC	-	-	-	100	3	11
Lanka Ceramic PLC	-	-	-	7	1	1
<b>Total</b>		<b>16,337</b>	<b>344,263</b>		<b>16,343</b>	<b>179,994</b>
<b>Commercial &amp; Professional Services</b>						
Gestetner of Ceylon PLC	525	8	68	754	16	89
Paragon Ceylon PLC	-	-	-	100	1	6
<b>Total</b>		<b>8</b>	<b>68</b>		<b>17</b>	<b>95</b>

### 17.1.1 Quoted Investments Contd.

As at 31st March,	GROUP					
	No. of Shares	Cost	Fair Value	No. of Shares	Cost	Fair Value
	2025	2025 Rs:'000	2025 Rs:'000	2024	2024 Rs:'000	2024 Rs:'000
<b>Consumer Durabi &amp; Apparel</b>						
Abans Electrical PLC	240	10	93	240	10	38
Dankotuwa Porcelain PLC	-	-	-	166	3	4
Hayleys Fabric PLC	818	7	37	818	7	34
Hayleys Fibre PLC	315	2	15	315	2	16
Ambeon holdings PLC	1,002	2	82	1,002	2	37
Kelsey Developments PLC	337	4	7	337	4	7
Blue Diamond Jewellery Worldwide PLC	-	-	-	22	-	-
<b>Total</b>		<b>25</b>	<b>234</b>		<b>28</b>	<b>136</b>
<b>Consumer Services</b>						
Aitken Spence Hotel Holdings PLC	140	2	11	140	2	9
Amaya Leisure PLC	554	2	16	554	2	11
Asian Hotels & Properties PLC	200	1	11	200	1	12
Browns Beach Hotels PLC	-	-	-	150	-	2
Ceylon Hotels Corporation PLC	534	2	12	534	2	10
Citrus Leisure PLC	-	-	-	53	1	-
Dolphin Hotels PLC	125	1	6	125	1	4
Eden Hotel Lanka PLC	-	-	-	200	2	3
Galadari Hotels (Lanka) PLC	-	-	-	100	-	2
Hotel Sigiriya PLC	52,000	1,294	2,918	52,000	1,294	1,938
Hunas Falls Hotels PLC	67,500	19	1,613	67,500	19	1,816
John Keells Hotels PLC	1,506	5	30	1,506	5	28
Mahaweli Reach Hotels PLC	-	-	-	100	1	1
Palm Garden Hotels PLC	-	-	-	56	3	2
Pegasus Hotels of Ceylon PLC	960	36	33	1,093	37	25
Renuka City Hotel PLC	600	148	286	600	148	216
Royal Palms Beach Hotels PLC	375	11	12	475	12	14
Trans Asia Hotels PLC	400	1	-	400	1	-
Tal Lanka Hotels PLC	-	-	-	100	-	2
The Kingsbury PLC	1,374	3	16	1,374	3	15
The Fortress Resorts PLC	-	-	-	500	5	12
The Lighthouse Hotel PLC	-	-	-	100	1	4
The Nuwara Eliya Hotels Company PLC	12	4	26	12	4	21
Touchwood Investments PLC	-	1	-	-	1	-
<b>Total</b>		<b>1,530</b>	<b>4,990</b>		<b>1,545</b>	<b>4,147</b>

# Notes to the Financial Statements contd.

## 17.1.1 Quoted Investments Contd.

As at 31st March,	GROUP					
	No. of Shares 2025	Cost 2025 Rs:'000	Fair Value 2025 Rs:'000	No. of Shares 2024	Cost 2024 Rs:'000	Fair Value 2024 Rs:'000
<b>Diversified Holdings</b>						
Associated Motor Finance Company PLC	-	-	-	3,036	62	75
Asia Capital PLC	-	-	-	100	-	-
Central Finance Company PLC	10	-	2	10	-	1
Ceylon Guardian Investment Trust PLC	-	-	-	174	2	16
Ceylon Investment PLC	4	-	-	467	2	22
Colombo Fort Investments PLC	106	3	12	106	3	7
Colombo Investment Trust PLC	149	3	18	149	3	15
First Capital Holdings PLC	14,400	11	503	14,400	11	495
Lanka Orix Leasing Company Holding PLC	-	-	-	800	1	318
Lanka Ventures PLC	100	1	4	100	1	3
LB Finance PLC	4,624	3	397	4,624	3	290
Merchant Bank of Sri Lanka & Finance PLC	67	1	-	67	1	-
Nation Lanka Finance PLC	-	-	-	625	5	-
People's Leasing & Finance PLC	13,632	218	244	13,632	218	150
People's Merchant Finance PLC	-	-	-	270	4	1
Selinsing PLC	36	9	-	36	9	-
SMB Leasing PLC	-	-	-	3,610	3	3
The Indo Malay PLC	5	1	-	5	1	-
<b>Total</b>		<b>250</b>	<b>1,180</b>		<b>329</b>	<b>1,396</b>
<b>Energy</b>						
Lanka IOC PLC	800	22	102	800	22	93
<b>Total</b>		<b>22</b>	<b>102</b>		<b>22</b>	<b>93</b>
<b>Food &amp; Staples Retailing</b>						
CT Holdings PLC	223	7	87	223	7	58
Cargills (Ceylon) PLC	343	9	150	343	9	123
Ceylon & Foreign Traders PLC	10,000	5	-	10,000	5	-
Tess Agro PLC	-	-	-	2,053	2	2
<b>Total</b>		<b>21</b>	<b>237</b>		<b>23</b>	<b>183</b>
<b>Food Beverage &amp; Tobacco</b>						
Agalawatte Plantations PLC	-	-	-	100	1	3
Bairaha Farms PLC	-	-	-	110	1	19
Balangoda Plantations PLC	300	3	21	310	5	21
Bogawantalawa Tea Estate PLC	-	-	-	46	-	2
Browns Investments PLC	-	-	-	6,000	19	32
Bukit Darah PLC	-	-	-	10	3	4
Carson Cumberbatch PLC	-	-	-	191	10	49
Ceylon Grain Elevators PLC	-	-	-	10	-	2
Ceylon Tobacco Company PLC	-	-	-	7	-	9
Convenience Foods (Lanka) PLC	-	-	-	90	1	83
Ceylon Beverage Holdings PLC	226	1	590	276	6	423
Ceylon Cold Stores PLC	-	-	-	640	1	34
Dilmah Ceylon Tea Company PLC	-	-	-	80	3	80
Distilleries Company of Sri Lanka PLC	118	1	4	118	1	3

### 17.1.1 Quoted Investments Contd.

As at 31st March,	GROUP					
	No. of Shares	Cost	Fair Value	No. of Shares	Cost	Fair Value
	2025	2025 Rs:'000	2025 Rs:'000	2024	2024 Rs:'000	2024 Rs:'000
<b>Food Beverage &amp; Tobacco Contd.</b>						
Hapugastenne Plantations PLC	100	2	4	300	5	10
Hatton Plantation PLC	7,000	52	194	12,000	52	309
Horana Plantations PLC	100	2	4	120	2	5
Kahawatte Plantations PLC	265	5	6	531	9	9
Keells Food Products PLC	-	-	-	219	11	32
Kegalle Plantations PLC	100	5	14	200	6	24
Kelani Valley Plantations PLC	200	6	16	400	7	30
Lanka Milk Foods (CWE) PLC	1,330	3	58	1,330	3	36
Madulsima Plantations PLC	100	2	1	200	5	2
Malwatte Valley Plantations PLC	1,000	1	59	2,000	2	105
Maskeliya Plantations PLC	900	13	72	2,300	42	73
Melstacorp PLC	-	-	-	400	1	35
Namunukula Plantations PLC	1,100	21	419	1,200	22	424
Renuka Foods PLC	-	-	-	20	-	-
Tea Smallholder Factories PLC	-	-	-	142	3	6
Talawakelle Tea Estates PLC	200	3	28	1,400	15	160
Three Acre Farms PLC	-	-	-	19	-	5
Udapussellawa Plantations PLC	100	3	13	200	4	14
Watawala Plantations PLC	47,376	45	1,326	10,284	45	913
<b>Total</b>		<b>168</b>	<b>2,829</b>		<b>285</b>	<b>2,956</b>
<b>Health Care Equipment &amp; Services</b>						
Asiri Hospital Holdings PLC	2,660	6	69	2,660	6	67
Asiri Surgical Hospital PLC	1,499	4	17	1,499	4	17
Durdans Hospitals PLC-Non-Voting	130	2	14	130	2	13
Durdans Hospitals PLC - Voting	130	8	17	130	8	16
E - Channelling PLC	-	-	-	1,162	2	17
Nawaloka Hospitals PLC	26,666	20	141	26,666	20	104
Singhe Hospital PLC	-	-	-	1,000	3	2
The Lanka Hospital Corporation PLC	100	2	8	100	2	12
<b>Total</b>		<b>42</b>	<b>266</b>		<b>47</b>	<b>248</b>
<b>Insurance</b>						
Amana Takaful PLC	402	9	5	402	9	5
Ceylinco Holdings PLC	22	-	67	22	-	50
HNB Assurance PLC	600	3	47	600	3	36
Janashakthi Insurance Company PLC	1,800	56	132	1,800	56	79
Softlogic Life Insurance PLC	844	1	61	1,000	1	66
<b>Total</b>		<b>69</b>	<b>312</b>		<b>69</b>	<b>236</b>

# Notes to the Financial Statements contd.

## 17.1.1 Quoted Investments Contd.

	GROUP					
	No. of Shares 2025	Cost 2025 Rs.'000	Fair Value 2025 Rs.'000	No. of Shares 2024	Cost 2024 Rs.'000	Fair Value 2024 Rs.'000
<i>As at 31st March,</i>						
<b>Materials</b>						
ACL Plastics PLC	100	3	62	100	3	39
Bogala Graphite Lanka PLC	-	-	-	200	1	10
ChemaneX PLC	177	2	27	177	2	13
Chevron Lubrications Lanka PLC	12,400	452	1,705	12,400	452	1,336
CIC Holdings PLC	16,956	29	1,988	16,956	29	1,196
Dipped Products PLC	860	2	47	860	2	26
Haycarb PLC	8,770	559	720	8,770	559	671
Industrial Asphalts (Ceylon) PLC	45,000	1	18	45,000	1	14
Lanka Aluminium Industries PLC	-	-	-	50	-	1
Lanka Cement PLC	100	-	-	100	-	-
Piramal Glass Ceylon PLC	3,428	6	118	3,428	6	101
Richard Peiris Exports PLC	92	3	35	92	3	40
Samson International PLC	-	-	-	50	1	7
Swisstek (Ceylon) PLC	-	-	-	500	-	10
Tokyo Cement Company (Lanka) PLC-Voting	21,713	30,000	1,716	19,754	30,000	1,118
<b>Total</b>		<b>31,057</b>	<b>6,436</b>		<b>31,059</b>	<b>4,582</b>
<b>Real Estate</b>						
C.T. Land Development PLC	167	1	4	167	1	4
City Housing & Real Estate Co. PLC	-	-	-	-	-	-
Colombo Land & Development Company PLC	1,400	2	31	1,400	2	25
Commercial Development PLC	600	6	81	600	6	68
East West Properties PLC	-	-	-	1,200	6	10
Equity Two PLC	-	-	-	100	1	4
On'ally Holdings PLC	-	-	-	155	-	4
Overseas Realty (Ceylon) PLC	-	-	-	300	2	5
Serendib Land PLC	-	-	-	33	7	43
Standard Capital PLC	-	-	-	400	17	15
<b>Total</b>		<b>9</b>	<b>116</b>		<b>42</b>	<b>178</b>
<b>Retailing</b>						
Diesel & Motors Engineering PLC	-	-	-	6	-	3
Hunters & Company PLC	-	-	-	24	1	14
John Keells PLC	336	2	25	336	2	22
Odel PLC	-	-	-	100	2	1
Singer Sri Lanka PLC	945	4	31	945	4	15
RIL Properties PLC	6,666	53	101	6,666	53	42
Sathosa Motors PLC	66	2	29	66	2	13
The Autodrome PLC	100	2	11	100	2	9
<b>Total</b>		<b>63</b>	<b>197</b>		<b>66</b>	<b>119</b>

### 17.1.1 Quoted Investments Contd.

As at 31st March,	GROUP					
	No. of Shares	Cost	Fair Value	No. of Shares	Cost	Fair Value
	2025	2025 Rs:'000	2025 Rs:'000	2024	2024 Rs:'000	2024 Rs:'000
<b>Telecommunication Services</b>						
Dialog Axiata PLC	100	2	1	100	2	1
Sri Lanka Telecom PLC	200	3	12	200	3	18
<b>Total</b>		<b>5</b>	<b>13</b>		<b>5</b>	<b>19</b>
<b>Utilities</b>						
Panasian Power PLC	1,000	3	7	1,000	3	4
Resus Energy PLC	-	-	-	1,475	24	26
Vallibel Power Erathna PLC	3,000	8	39	3,000	8	22
Vidullanka PLC	2,215	5	30	2,042	2	15
<b>Total</b>		<b>16</b>	<b>76</b>		<b>37</b>	<b>67</b>
<b>Total Quoted Investments</b>		<b>53,753</b>	<b>371,376</b>		<b>53,605</b>	<b>200,353</b>

### 17.1.2 Unquoted Investments

Ceylon Biscuits Limited	5,041,680	30	803,795	5,041,680	30	705,281
Dacreel Ceylon Limited	1	-	-	1	-	-
Far Eastern Exports Limited	10,500	105	72	10,500	105	72
Fortland Finance Limited	31,500	318	-	31,500	318	-
International Manufacturers Company Limited	3,300	23	23	3,300	23	23
Sri Lanka Institute of Nanotechnology (Private) limited	3,810,182	50,000	-	3,810,182	50,000	-
Ingrin Institute of Printing & Graphics	-	-	25	-	-	25
<b>Total</b>		<b>50,476</b>	<b>803,915</b>		<b>50,476</b>	<b>705,401</b>

### 17.1.3 Unit Trusts

Pyramid Unit Trust	-	-	-	87,321	2,447	4,744
<b>Total</b>		<b>-</b>	<b>-</b>		<b>2,447</b>	<b>4,744</b>

The Group designated the Investments shown above as Equity Securities at FVOCI because these Equity Securities represent investments that the Group intended to hold for the long term for strategic purposes.

Sector classification and market value per share are based on the official valuation list published by the Colombo Stock Exchange. The fair value measurement details are disclosed in Note 17.4.

# Notes to the Financial Statements contd.

	COMPANY					
	No. of	Cost	Fair	No. of	Cost	Fair
	Shares		Value	Shares		Value
<i>As at 31st March,</i>	2025	2025	2025	2024	2024	2024
		Rs:'000	Rs:'000		Rs:'000	Rs:'000

## 17.2 Company

### 17.2.1 Quoted Investments

#### Banks, Finance & Insurance

People's Leasing & Finance PLC	13,632	218	244	13,632	218	150
The Finance Company PLC	100	8	-	100	8	-
<b>Total</b>		<b>226</b>	<b>244</b>		<b>226</b>	<b>150</b>

#### Beverages, Food & Tobacco

Ceylon Beverage Holdings PLC	226	1	590	226	1	346
Namunukula Plantations PLC	1,000	15	381	1,000	15	355
<b>Total</b>		<b>16</b>	<b>971</b>		<b>16</b>	<b>701</b>

#### Manufacturing

Royal Ceramic Lanka PLC	108,900	114	4,029	108,900	114	3,387
<b>Total</b>		<b>114</b>	<b>4,029</b>		<b>114</b>	<b>3,387</b>
<b>Total</b>		<b>356</b>	<b>5,244</b>		<b>356</b>	<b>4,238</b>

The fair value measurement details are disclosed in Note 17.5.

Sector classification and market value per share are based on the official valuation list published by the Colombo Stock Exchange.

The Company and the Group have valued their Equity Securities at the price on the last day of trading for the year ended 31st March, 2025.

## 17.3 Other Financial Assets - Current

	Notes	GROUP		COMPANY	
		Fair	Fair	Fair	Fair
		Value	Value	Value	Value
<i>As at 31st March,</i>		2025	2024	2025	2024
<b>Financial assets classified as FVTPL</b>		Rs:'000	Rs:'000	Rs:'000	Rs:'000
Quoted Investments - Financial Assets at FVTPL	17.3.1 / 17.3.3	1,521,063	1,015,318	7,095	3,844
Unit Trusts - Financial Assets at FVTPL	17.3.2	209,831	14,984	-	-
		<b>1,730,894</b>	<b>1,030,302</b>	<b>7,095</b>	<b>3,844</b>

The movement of the financial assets at fair value through profit or loss is as follows;

	GROUP		Company	
	Fair Value 2025 Rs:'000	Fair Value 2024 Rs:'000	Fair Value 2025 Rs:'000	Fair Value 2024 Rs:'000
<i>As at 31st March,</i>				
<b>At the beginning of the year</b>				
Investment in Unit Trust	14,984	13,896	-	-
Equity Investments	1,015,318	858,610	3,844	2,363
	<b>1,030,302</b>	<b>872,506</b>	<b>3,844</b>	<b>2,363</b>
<b>Additions</b>				
Investment in Unit Trust	194,358	248	-	-
Equity Investments	33,264	20,674	748	142
	<b>227,622</b>	<b>20,922</b>	<b>748</b>	<b>142</b>
<b>Disposals</b>				
Equity Investments	(9,609)	(28,337)	-	-
	<b>(9,609)</b>	<b>(28,337)</b>	<b>-</b>	<b>-</b>
<b>Fair value changes</b>				
Investment in Unit Trust	489	840	-	-
Equity Investments	482,089	164,371	2,503	1,339
	<b>482,578</b>	<b>165,211</b>	<b>2,503</b>	<b>1,339</b>
<b>At the end of the year</b>				
Investment in Unit Trust	209,831	14,984	-	-
Equity Investments	1,521,062	1,015,318	7,095	3,844
	<b>1,730,893</b>	<b>1,030,302</b>	<b>7,095</b>	<b>3,844</b>

### 17.3.1 Quoted Investments

	GROUP					
	No. of Shares 2025	Cost 2025 Rs:'000	Fair Value 2025 Rs:'000	No. of Shares 2024	Cost 2024 Rs:'000	Fair Value 2024 Rs:'000
<i>As at 31st March,</i>						
<b>Automobiles &amp; Components</b>						
Kelani Tyres PLC	160	1	13	160	1	11
<b>Total</b>		<b>1</b>	<b>13</b>		<b>1</b>	<b>11</b>
<b>Banks</b>						
Commercial Bank of Ceylon PLC-Non-Voting	177,243	8,272	22,244	144,641	5,988	12,323
Commercial Bank of Ceylon PLC-Voting	1,592,787	77,309	234,936	1,300,655	52,342	127,074
Hatton National Bank PLC- Non-Voting	66,781	3,137	17,046	65,188	2,916	9,794
Hatton National Bank PLC-Voting	371,633	21,834	113,348	364,041	20,596	65,527
Development Finance Corporation of Ceylon PLC	128,032	8,302	13,571	126,355	8,088	9,603
National Development Bank PLC	40,123	2,237	4,293	37,722	2,040	2,565
Nations Trust Bank PLC	188,330	5,982	35,932	185,340	5,615	20,042
Pan Asia Banking Corporation PLC	109,000	1,101	3,870	109,000	1,101	2,322
Sampath Bank PLC	419,389	14,497	51,375	419,389	14,497	33,551
Seylan Bank PLC-Non-Voting	490,792	10,373	26,061	473,448	9,769	17,991
Union Bank of Colombo PLC	55,000	3	567	55,000	3	517
<b>Total</b>		<b>153,047</b>	<b>523,243</b>		<b>122,955</b>	<b>301,309</b>

# Notes to the Financial Statements contd.

## 17.3.1 Quoted Investments Contd.

	GROUP					
	No. of Shares 2025	Cost 2025 Rs:'000	Fair Value 2025 Rs:'000	No. of Shares 2024	Cost 2024 Rs:'000	Fair Value 2024 Rs:'000
<i>As at 31st March,</i>						
<b>Capital Goods</b>						
ACL Cables PLC	144,000	1,485	17,568	144,000	1,485	12,110
Browns & Company PLC	28,900	2,745	4,573	28,900	2,745	3,179
Colombo Dockyard PLC	14,880	842	1,178	14,880	842	723
Hayleys PLC	1,000,160	2,373	137,022	1,000,160	2,373	82,113
Hemas Holdings PLC	21,653	432	2,598	21,653	432	1,741
John Keells Holdings PLC	760,500	6,792	15,362	69,137	5,686	13,413
Kelani Cables PLC	400	7	208	400	7	112
Lanka Tiles PLC	125,000	630	6,338	125,000	630	6,463
Lanka Walltiles PLC	500,000	3,947	25,250	500,000	3,947	25,450
Richard Peiris & Company PLC	4,740	11	120	4,740	11	97
Sierra Cables PLC	824,000	1,515	12,937	824,000	1,515	9,806
Vallibel One PLC	109,012	2,600	6,421	109,012	2,600	5,505
<b>Total</b>		<b>23,379</b>	<b>229,575</b>		<b>22,272</b>	<b>160,712</b>
<b>Consumer Durabi &amp; Apparel</b>						
Dankotuwa Porcelain PLC	42,500	349	982	42,500	349	1,046
Hayleys Fabric PLC	17,180	194	773	17,180	194	706
Hayleys Fibre PLC	1,467	21	68	1,467	21	76
Teejay Lanka PLC	10,000	150	510	10,000	150	376
Hela Apparel PLC	6,000	90	22	6,000	90	37
<b>Total</b>		<b>804</b>	<b>2,355</b>		<b>804</b>	<b>2,241</b>
<b>Consumer Services</b>						
Aitken Spence Hotel Holdings PLC	100,625	1,856	8,060	100,625	1,856	6,661
Amaya Leisure PLC	134,886	2,335	3,804	134,886	2,335	2,698
Asian Hotels & Properties PLC	72,000	989	3,816	72,000	989	4,392
Ceylon Hotels Corporation PLC	10,478	254	236	10,478	254	199
Dolphin Hotels PLC	20,000	275	914	20,000	275	702
Eden Hotel Lanka PLC	350,000	7,006	4,725	350,000	7,006	4,515
Galadari Hotels PLC	7,000	60	118	7,000	60	118
Hikkaduwa Beach Resort PLC	64,270	782	212	33,742	675	159
John Keells Hotels PLC	530,416	8,907	10,714	530,416	8,907	9,866
Palm Garden Hotels PLC	15,164	711	963	15,164	711	623
Pegasus Hotels of Ceylon PLC	22,666	499	782	22,666	499	548
Renuka City Hotel PLC	12,740	897	6,058	12,740	897	4,586
Royal Palms Beach Hotels PLC	15,700	629	518	15,700	629	471
Serendib Hotels PLC-Non-Voting	125,000	671	1,463	125,000	671	1,225
Tal Lanka Hotels PLC	19,500	182	408	19,500	182	351
Tangerine Beach Hotels PLC	11,400	348	798	11,400	348	671
The Fortress Resorts PLC	50	1	1	50	1	1
The Lighthouse Hotel PLC	114,800	1,948	6,670	114,800	1,948	4,093
<b>Total</b>		<b>28,349</b>	<b>50,260</b>		<b>28,243</b>	<b>41,879</b>

### 17.3.1 Quoted Investments Contd.

As at 31st March,	GROUP					
	No. of	Cost	Fair	No. of	Cost	Fair
	Shares	2025	Value	Shares	2024	Value
	Rs:'000	Rs:'000		Rs:'000	Rs:'000	
<b>Diversified Financials</b>						
Alliance Finance Company PLC	80,000	353	14,440	80,000	353	7,232
Central Finance PLC	40,318	821	7,832	40,318	821	4,304
Ceylon Guardian Investments PLC	151,416	1,567	23,205	151,416	1,567	13,491
Ceylon Investment PLC	595,725	2,799	42,654	601,208	2,824	28,437
Galle Face Capital Partners PLC	126,387	8,601	5,826	117,879	8,380	3,360
Lanka ORIX Finance PLC	99,250	620	586	99,250	620	546
Lanka ORIX Leasing Company PLC	355,734	2,917	211,573	355,734	2,917	141,404
Lanka Ventures PLC	396,316	12,894	15,496	339,700	11,405	9,070
LOLC General Insurance PLC	2,300	18	17	2,300	18	14
Merchant Bank of Sri Lanka & Finance PLC	124,879	8,170	724	124,879	8,170	637
People's Merchant Bank PLC	1,500	27	11	1,500	27	7
<b>Total</b>		<b>38,787</b>	<b>322,364</b>		<b>37,102</b>	<b>208,502</b>
<b>Energy</b>						
Lanka IOC PLC	174,600	5,418	22,174	174,600	5,418	20,385
<b>Total</b>		<b>5,418</b>	<b>22,174</b>		<b>5,418</b>	<b>20,385</b>
<b>Food &amp; Staples Retailing</b>						
Cargills (Ceylon) PLC	146,057	4,386	63,681	146,057	4,386	52,581
<b>Total</b>		<b>4,386</b>	<b>63,681</b>		<b>4,386</b>	<b>52,581</b>
<b>Food Beverage &amp; Tobacco</b>						
Bukit Darah PLC	896	250	615	896	250	365
Carson Cumberbatch PLC	664	81	302	664	81	172
Ceylon Cold Stores PLC	93,200	178	7,642	93,200	178	5,023
Ceylon Grain Elevators PLC	30,000	302	5,640	30,000	302	5,115
Dilmah Ceylon Tea Company PLC	1,428	86	1,557	1,428	86	1,421
Ceylon Tobacco Company PLC	3,500	140	4,726	3,500	140	4,299
Hatton Plantations PLC	432,000	-	11,966	432,000	-	11,102
Keells Food Products PLC	3,570	174	603	3,570	174	525
Lanka Milk Foods (CWE) PLC	1,330	4	58	1,330	4	36
Melstacorp PLC	10,000	652	1,270	10,000	652	880
Renuka Agri Foods PLC	44,878	140	153	32,056	108	119
Renuka Foods PLC -Voting	25,433	326	280	25,433	326	356
Sunshine Holdings PLC	8,544	24	184	2,136	24	127
Three Acre Farms PLC	25,000	216	7,494	25,000	216	6,888
Watawala Plantations PLC	1,821,005	495	50,988	364,201	495	32,305
<b>Total</b>		<b>3,068</b>	<b>93,478</b>		<b>3,036</b>	<b>68,733</b>
<b>Health Care Equipment &amp; Services</b>						
Asiri Hospital Holdings PLC	353,000	895	9,107	353,000	895	8,825
Asiri Surgical Hospital PLC	112,500	277	1,294	112,500	277	1,305
Ceylon Hospitals PLC (Durdans)-Voting	15,234	495	1,615	13,330	300	1,356
The Lanka Hospital Corporation PLC	33,000	489	2,478	33,000	489	3,828
<b>Total</b>		<b>2,156</b>	<b>14,494</b>		<b>1,961</b>	<b>15,314</b>

# Notes to the Financial Statements contd.

## 17.3.1 Quoted Investments Contd.

	GROUP					
	No. of Shares 2025	Cost 2025 Rs:'000	Fair Value 2025 Rs:'000	No. of Shares 2024	Cost 2024 Rs:'000	Fair Value 2024 Rs:'000
<i>As at 31st March,</i>						
<b>Insurance</b>						
HNB Assurance PLC	300,000	1,308	23,310	300,000	1,308	17,820
Softlogic Life Insurance PLC	84,375	240	6,109	100,000	284	6,610
<b>Total</b>		1,548	29,419		1,592	24,430
<b>Materials</b>						
Bogala Graphite Lanka PLC	11,200	37	609	11,200	37	578
Chemnex PLC	17,700	1,558	2,726	17,700	1,558	1,274
Chevron Lubrications Lanka PLC	47,460	3,482	6,526	47,460	3,482	5,114
Dipped Products PLC	350,240	1,562	19,263	350,240	1,562	10,647
Haycarb PLC	3,450	10	283	3,450	10	264
Lanka Cement PLC	5,000	39	-	5,000	39	-
Richard Peiris Exports PLC	39,600	692	14,850	39,600	692	17,345
Tokyo Cement Company (Lanka) PLC-Voting	155,267	19,807	12,266	155,267	19,807	7,996
Tokyo Cement Company (Lanka) PLC-Non-Voting	501,050	3,379	32,418	501,050	3,379	21,996
Union Chemicals Lanka PLC	100	1	78	100	1	60
<b>Total</b>		30,567	89,019		30,568	65,274
<b>Real Estate</b>						
C.T. Land Development PLC	3,333	14	84	3,333	14	77
Colombo Land & Development Company PLC	522,460	4,783	11,703	522,460	4,783	9,248
East West Properties PLC	48,000	338	629	48,000	338	398
Equity Two PLC	25,200	217	1,005	25,200	217	1,036
Touchwood Investments PLC	600,000	10,602	-	600,000	10,602	-
<b>Total</b>		15,954	13,422		15,954	10,759
<b>Retailing</b>						
John Keells PLC	20,000	383	1,480	20,000	383	1,296
Singer Sri Lanka PLC	1,455,664	3,312	48,328	1,455,664	3,312	23,436
United Motors Lanka PLC	34,881	334	2,972	34,881	334	2,023
Odel PLC	1,500	23	16	1,500	23	20
<b>Total</b>		4,051	52,796		4,051	26,775
<b>Telecommunications Services</b>						
Dialog Axiata PLC	15,000	224	215	15,000	224	176
<b>Total</b>		224	215		224	176
<b>Transportation</b>						
Expolanka Holdings PLC	-	-	-	55,000	13,310	8,278
<b>Total</b>		-	-		13,310	8,278
<b>Utilities</b>						
Panasian Power PLC	29,200	88	201	29,200	88	120
Resus Energy PLC	162,367	3,178	4,303	162,367	3,178	2,858
Vallibel Power Erathna PLC	39,017	86	503	39,017	86	289
Vidullanka PLC	707,254	1,799	9,548	652,053	1,030	4,695
<b>Total</b>		5,151	14,555		4,381	7,962
<b>Total Financial Assets at FVTPL</b>		316,890	1,521,063		296,257	1,015,318

### 17.3.2 Unit Trusts

As at 31st March,	GROUP					
	No. of Shares	Cost	Fair Value	No. of Shares	Cost	Fair Value
	2025	2025	2025	2024	2024	2024
	Rs:'000	Rs:'000	Rs:'000	Rs:'000	Rs:'000	Rs:'000
Bartleet Transcapital (Pvt) Ltd	10,000	200	-	10,000	200	200
Ceybank Unit Trust	318,639	5,037	11,509	318,639	5,037	11,044
National Equity Fund	12,000	120	630	12,000	120	534
NDB Wealth Growth & Income Fund	5,427,794	194,267	195,217	15,826	291	943
NDB Wealth Money Plus Fund	69,126	2,263	2,475	69,126	1,881	2,263
<b>Total Unit Trusts</b>		<b>201,887</b>	<b>209,831</b>		<b>7,529</b>	<b>14,984</b>

### 17.3.3 Quoted Investments

As at 31st March,	COMPANY					
	No. of Shares	Cost	Fair Value	No. of Shares	Cost	Fair Value
	2025	2025	2025	2024	2024	2024
	Rs:'000	Rs:'000	Rs:'000	Rs:'000	Rs:'000	Rs:'000
<b>Banks</b>						
Commercial Bank of Ceylon PLC - Voting	48,099	4,592	7,095	39,345	2,494	3,844
<b>Total</b>		<b>4,592</b>	<b>7,095</b>		<b>2,494</b>	<b>3,844</b>

Sector classification and market value per share are based on the official valuation list published by the Colombo Stock Exchange.

The Company and the Group have valued their Equity Securities at the price on the last day of trading for the year ended 31st March, 2025.

### 17.4 Financial Assets and Liabilities by Fair Value Hierarchy - Group

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

Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.

Level 2: Other techniques for which all inputs with significant effect on the recorded fair values are observable, either directly or indirectly, i.e. as prices or indirectly – i.e. derived from prices. This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The Group held the following financial instruments carried at fair value in the statement of financial position:

As at 31st March	Level 1		Level 2		Level 3	
	2025	2024	2025	2024	2025	2024
	Rs:'000	Rs:'000	Rs:'000	Rs:'000	Rs:'000	Rs:'000
Quoted Investments - Financial Assets at FVOCI	371,376	200,353	-	-	-	-
Quoted Investments - Financial Assets at FVTPL	1,521,063	1,015,318	-	-	-	-
Unquoted Investments - Financial Assets at FVOCI	-	-	-	-	809,315	710,801
Unit Trusts - Financial Assets at FVOCI	-	4,744	-	-	-	-
Unit Trusts - Financial Assets at FVTPL	-	-	209,831	14,984	-	-

# Notes to the Financial Statements contd.

Level	Type	Valuation technique	Significant unobservable inputs	Inter-relation between significant unobservable inputs and fair value measurements
Level 3	Equity securities	Market comparison technique: The valuation model is based on market multiples derived from quoted prices of companies comparable to the investee and the expected revenue and EBITDA of the investee. The estimate is adjusted for the effect of the non-marketability of the equity securities.	Forecast EBITDA margin 15-20% (2024:15-20%)	The estimated fair value would increase (decrease), if the EBITDA margin was higher (lower). Generally, a change in the annual revenue growth rate is accompanied by a directionally similar change in EBITDA margin.

## 17.5 Financial Assets and Liabilities by Fair Value Hierarchy - Company

The Company uses the fair value hierarchy given above for determining and disclosing the fair value of financial instruments.

The Company held the following financial instruments carried at fair value in the statement of financial position:

As at 31st March	Level 1		Level 2		Level 3	
	2025	2024	2025	2024	2025	2024
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Quoted Investments - Financial Assets at FVOCI	5,244	4,238	-	-	-	-
Quoted Investments - Financial Assets at FVTPL	7,095	3,844	-	-	-	-

## 18 DEFERRED TAX ASSETS

As at 31st March,	GROUP		COMPANY	
	2025	2024	2025	2024
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance at the beginning of the Year	516,103	654,855	-	-
Acquisition of Subsidiaries	-	26,165	-	-
Prior Year adjustment	-	(26,582)	-	-
	516,103	654,438	-	-
Recognised in Profit/Loss	(126,971)	(167,499)	-	-
Recognised in Other Comprehensive Income	(45,438)	29,164	-	-
Transfer to/ From Deferred Tax Liabilities (Note 26)	27,126	-	-	-
<b>Balance at the end of the Year</b>	<b>370,820</b>	<b>516,103</b>	<b>-</b>	<b>-</b>

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which deductible temporary differences can be utilised. The computation is based on the effective tax rate of 30% applicable to the Group.

### 18.1 Deferred Tax Composition

As at 31st March,	GROUP	
	2025	2024
	Rs.'000	Rs.'000
Property Plant and Equipment	(63,814)	(83,708)
Revaluation Surplus on Land	(357,390)	(344,818)
Lease Liabilities	77,687	228,646
Right of use Assets	(19,887)	(65,847)
Investment in Equity Securities	13,793	(166,724)
Defined Benefit Obligations	121,316	209,151
Impairment of Debtors	135,014	277,448
Impairment of Inventories	106,331	19,759
Impairment of Financial Assets	-	4,554
Tax loss carried forward	357,770	437,642
<b>Deferred Tax Assets</b>	<b>370,820</b>	<b>516,103</b>

## 18.2 Unrecognised Deferred Tax Assets

Deferred tax assets have not been recognised in respect of following:

As at 31st March,	GROUP			
	2025		2024	
	Temporary Difference Rs.'000	Tax Effect Rs.'000	Temporary Difference Rs.'000	Tax Effect Rs.'000
Lankem Consumer Products Limited	-	-	41,000	12,300
Lankem Chemicals Limited	-	-	5,000	1,000
Lankem Ceylon PLC	-	-	1,646,000	494,000
ACME Printing and Packaging PLC	1,112,643	333,793	938,725	281,618
ACME Packaging Solutions (Private) Limited	610,449	183,135	555,727	166,718
Kelani Valley Canneries Limited	45,740	13,722	56,526	16,958
Ceytra (Private) Limited	110,672	33,202	68,413	20,524
Lankem Minerals Limited	564,328	169,298	-	-
Colonial Motors Ceylon Limited	36,851	11,055	121,463	36,439
Union Commodities (Private) Limited	692,023	207,607	1,891,892	567,568
Kotagala Plantations PLC	566	170	3,527,195	1,058,158
Muller & Phipps (Ceylon) PLC	103,789	31,137	26,473	7,942
Lanka Special Steels Limited	112,194	33,658	137,857	41,357
Lankem Developments PLC	278,118	83,435	366,183	109,855
	<b>3,667,373</b>	<b>1,100,213</b>	<b>9,382,454</b>	<b>2,814,436</b>

No provision has been made for deferred tax in the financial statements of Imperial Hotels Limited as no material temporary differences have arisen during the year which are expected to reverse in the future.

## 19 INVENTORIES

As at 31st March,	GROUP		COMPANY	
	2025	2024	2025	2024
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Raw Materials	5,690,154	4,392,754	-	-
Growing Crop-Nurseries	10,073	9,403	-	-
Consumable Stock	53,627	49,865	-	-
Work- in -Progress	457,481	244,243	-	-
Finished Goods	9,346,441	7,648,669	-	-
Right to recover finish goods	620,755	457,568	-	-
Goods-in-Transit	890,587	1,014,667	-	-
	<b>17,069,118</b>	<b>13,817,169</b>	-	-
Less: Net provision for Obsolete Inventories	<b>(864,066)</b>	<b>(632,992)</b>	-	-
	<b>16,205,052</b>	<b>13,184,177</b>	-	-

### 19.1 Provision for Obsolete Inventories

Balance as at 1st April	632,992	547,339	-	-
Provision for the Year	280,093	85,653	-	-
Inventory Write-off	(49,019)	-	-	-
<b>Balance as at 31st March</b>	<b>864,066</b>	<b>632,992</b>	-	-

Inventories pledged as securities in obtaining loans are disclosed in Note 24.5.

Following the adoption of SLFRS 15, the Group recognises an asset for the right to recover goods expected to be returned in respect of products sold with a right of return.

# Notes to the Financial Statements contd.

## 20 TRADE AND OTHER RECEIVABLES

As at 31st March,	GROUP		COMPANY	
	2025 Rs:'000	2024 Rs:'000	2025 Rs:'000	2024 Rs:'000
Trade Debtors	13,824,823	12,592,108	23,238	24,867
Less: Impairment Loss on Trade Receivables	(844,185)	(852,073)	-	-
	12,980,638	11,740,035	23,238	24,867
Other Receivables	1,784,869	1,377,420	388,332	29,183
Advances, Deposits & Prepayments	1,399,748	1,216,734	2,458	3,474
Staff Loans	226,283	210,133	-	-
Other Tax Recoverable (Note 20.1)	727,041	428,015	-	-
	4,137,941	3,232,302	390,790	32,657
	17,118,579	14,972,337	414,028	57,524

Trade receivables amounting to Rs. 92 million were written off during the financial year 2024/25.

### 20.1 Other Tax Recoverable

WHT Recoverable	53,449	61,304	-	-
VAT Recoverable	663,829	350,353	-	-
Other Tax Recoverable	9,763	16,358	-	-
	727,041	428,015	-	-

### 20.2 Kotagala Plantations PLC

Advances, deposits and prepayments consists of a receivable from Urban Development Authority (UDA) related to Millewa estate amounting to Rs. 134.9 Mn.

Millewa estate was acquired by the Urban Development Authority (UDA) of Sri Lanka on the 26th of October 2017. All assets pertaining to Millewa estate were written off from the financial statements of the Company, since the Company no longer has control of the said estate and assets. Subject to take of Millewa estate by the Government Kotagala Plantations PLC have, lodged a rightful compensation claim amounting to Rs.660 million with UDA. Therefore the assets have been reclassified under other receivable balance due from UDA of Sri Lanka. The liabilities pertaining to Millewa estate as at 26th October 2017 have been retained within the financial statements of the Company, since the Company has an obligation that may arise during the course of business operations.

As at 31st March,	GROUP 2025 Rs:'000
Property Plant and Equipment	10,334
Leasehold Right to Bare Land	5,713
Immovable Leased Assets	48
Bearer Biological Assets	118,807
	134,902

## 21 CASH AND CASH EQUIVALENTS

As at 31st March,	GROUP		COMPANY	
	2025 Rs:'000	2024 Rs:'000	2025 Rs:'000	2024 Rs:'000
<b>Favourable Balance</b>				
Fixed Deposits	988,750	945,352	9,215	22,787
Cash at Bank	2,170,835	1,746,390	7,727	6,151
Cash in Hand	28,785	33,508	12	12
	<b>3,188,370</b>	<b>2,725,250</b>	<b>16,954</b>	<b>28,950</b>
Bank Overdraft	(2,720,971)	(2,570,504)	-	-
<b>Cash &amp; Cash Equivalents as per the Statement of Cash Flows</b>	<b>467,399</b>	<b>154,746</b>	<b>16,954</b>	<b>28,950</b>

### 21.1 Security Details Over Bank Overdraft Facilities

#### GROUP

##### E.B.Creasy & Company PLC

Group's bank overdraft facilities are secured against mortgages over property, shares and stock and book debts.

##### Agarapatana Plantations PLC

Bank overdraft facilities of Agarapatana Plantations Limited, a subsidiary of the Company are secured by pledging the following:

- Primary mortgage over leasehold rights to bare land and building of Glenanore and Haputale Estates including machinery fixed at each of these estates (facility amount Rs. 200 million) from Bank of Ceylon.
- Deposit of original title deeds and plan relating to Dambetenne Estate (facility amount Rs.20 million) from Commercial Bank of Ceylon PLC.

##### Kotagala Plantations PLC

Bank overdraft facilities obtained from Seylan Bank PLC (facility amount Rs.50 million) and Standard Chartered Bank (facility amount Rs.250 Million) of Kotagala Plantations PLC, a subsidiary of the Company, are secured by pledging the following,

- Primary mortgages over leasehold rights of the estate lands and buildings, fixed and floating assets of Yulliefield and Chrystlers Farm Estates.
- Primary mortgages over leasehold rights of the estate lands and buildings of Sorana Estates.

## 22 STATED CAPITAL

	2025		2024	
	Number of Shares	Value of Shares Rs:'000	Number of Shares	Value of Shares Rs:'000
<b>Fully-paid Ordinary Shares</b>				
At the beginning of the Year	240,000,000	927,000	240,000,000	927,000
<b>At the end of the Year</b>	<b>240,000,000</b>	<b>927,000</b>	<b>240,000,000</b>	<b>927,000</b>

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

# Notes to the Financial Statements contd.

## 23 CAPITAL RESERVES

	Property Development Reserve Rs.'000	Capital Redemption Reserve Fund Rs.'000	Total Rs.'000
<b>GROUP</b>			
Balance as at 31.03.2024	15,190	4,868	20,058
<b>Balance as at 31.03.2025</b>	<b>15,190</b>	<b>4,868</b>	<b>20,058</b>
<b>COMPANY</b>			
Balance as at 31.03.2024	10,000	-	10,000
<b>Balance as at 31.03.2025</b>	<b>10,000</b>	<b>-</b>	<b>10,000</b>

### 23.1 Nature and the Purpose of Reserves

#### Capital Reserves

#### 23.1.1 Property Development Reserve

Represents the amount set aside for future development of properties.

#### 23.1.2 Capital Redemption Reserve Fund

The amount set aside out of retained earnings for redemption of preference shares.

#### Other Reserves

#### 23.1.3 Financial Assets at FVOCI

The amount set aside out of retained profits for the changes in the fair value of investments classified as FVOCI.

#### 23.1.4 Foreign Currency Translation Reserve

The Foreign Currency Translation Reserve represents the differences between translated values of assets and liabilities of foreign operations at the exchange rate as at reporting date and historical rate.

#### 23.1.5 Revaluation Reserve

The Revaluation reserve relates to freehold lands which have been revalued by the Group.

#### 23.1.6 General Reserve

General reserve is the reserve set aside for general purposes.

## 24 LOANS & BORROWINGS

As at 31st March,	GROUP		COMPANY	
	2025 Rs:'000	2024 Rs:'000 Restated	2025 Rs:'000	2024 Rs:'000
<b>Payable after One Year</b>				
Lease Obligation - JEDB/SLSPC (Note 24.1.1)	1,224,959	1,052,439	-	-
Lease Obligation - Others (Note 24.2)	891,385	885,378	-	-
Loans - Others (Note 24.3)	8,287,671	8,636,691	101,562	132,812
Debentures (Note 24.4)	17,462	121,886	-	-
	<b>10,421,477</b>	<b>10,696,394</b>	<b>101,562</b>	<b>132,812</b>
<b>Payable within One Year</b>				
Lease Obligation - JEDB/SLSPC (Note 24.1)	11,631	8,608	-	-
Lease Obligation - Others (Note 24.2)	261,072	211,285	-	-
Loans - Others (Note 24.3)	6,620,703	4,882,827	39,063	39,063
Debentures (Note 24.4)	101,915	73,996	-	-
Trust Receipt Loans (Note 24.6)	2,668,956	2,233,112	-	-
Other Short Term Loans	10,899,316	10,490,561	-	-
	<b>20,563,593</b>	<b>17,900,389</b>	<b>39,063</b>	<b>39,063</b>
	<b>30,985,070</b>	<b>28,596,783</b>	<b>140,625</b>	<b>171,875</b>
<b>24.1 Lease Obligation - JEDB/SLSPC</b>				
At the beginning of the year	1,061,047	725,955	-	-
Remeasurement of Right of use Asset	185,299	342,098	-	-
	<b>1,246,346</b>	<b>1,068,053</b>	-	-
Interest Charge for the year	170,179	139,023	-	-
Payments made during the Year	(179,935)	(146,029)	-	-
<b>Net Lease Obligations</b>	<b>1,236,590</b>	<b>1,061,047</b>	-	-
<b>24.1.1 Leasehold Rights can be analysed as follows</b>				
Payable within one year	11,631	8,608	-	-
Payable within two to five years	15,323	15,323	-	-
Payable after five years	1,209,636	1,037,116	-	-
	<b>1,236,590</b>	<b>1,061,047</b>	-	-
<b>Net Lease obligations payable after one year</b>	<b>1,224,959</b>	<b>1,052,439</b>	-	-
<b>24.1.2 Amounts recognised in Profit and Loss</b>				
Interest charged during the year	170,179	139,023	-	-
<b>24.1.3 Amounts recognised in Cash Flow</b>				
Payments made during the year	(179,935)	(146,029)	-	-

### 24.1.4 Kotagala Plantations PLC and Agarapatana Plantations PLC

Net obligation to lessor represents amounts payable to JEDB/SLSPC in relation to the estates leased by Kotagala Plantations PLC and Agarapatana Plantations PLC.

### 24.1.5 Kotagala Plantations PLC

In terms of the amendment of leases, Rs.22.2 million is payable each year as lease rental, commencing from 22.06.1996 till the end of the lease on 21.06.2045. This amount is to be inflated annually by the Gross Domestic Product (GDP) deflator in the form of contingent rent.

# Notes to the Financial Statements contd.

## 24.2 Lease Obligation - Others

As at 31st March,	GROUP		COMPANY	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Balance at the beginning of the Year	1,096,663	974,263	-	-
Acquisition of Subsidiaries	-	40,180	-	-
Remeasurement to Lease Liabilities	19,224	(8,679)	-	-
Balance at the beginning of the Year	1,115,887	1,005,764	-	-
Leases acquired during the Year	202,452	244,335	-	-
Interest expense for the Year	149,205	124,321	-	-
Payments made during the Year	(315,087)	(277,757)	-	-
<b>Balance at the end of the Year</b>	<b>1,152,457</b>	<b>1,096,663</b>	<b>-</b>	<b>-</b>

### 24.2.1 Analysis of Lease Obligations by Year of Repayment

#### Lease Obligations repayable within One Year from Year End

Gross Liability	261,072	211,285	-	-
Less : Interest in Suspense	-	-	-	-
<b>Net Lease Obligations repayable within One Year from Year End</b>	<b>261,072</b>	<b>211,285</b>	<b>-</b>	<b>-</b>

#### Lease Obligations Repayable after One Year

Gross Liability	891,385	885,378	-	-
Less : Interest in Suspense	-	-	-	-
<b>Net Lease Obligations repayable within Two to Five Years</b>	<b>891,385</b>	<b>885,378</b>	<b>-</b>	<b>-</b>

### 24.2.2 Amounts recognised in Profit and Loss

Interest charged during the Year	149,205	124,321	-	-
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### 24.2.3 Amounts recognised in Cash Flow

Interest expense during the Year	149,205	124,321	-	-
Capital repayment made during the Year	165,882	153,436	-	-

As at 31st March,	GROUP		COMPANY	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
		Restated		

## 24.3 Term Loans

Balance at the beginning of the Year	13,519,518	13,769,233	171,875	203,126
Acquisition of Subsidiaries	-	490,392	-	-
Loans obtained during the Year	9,941,303	4,838,673	-	-
Interest charged for the Year	154,295	28,127	-	-
Effect of Exchange Fluctuations	(21,081)	(32,823)	-	-
Payments made during the Year	(8,685,661)	(5,574,084)	(31,250)	(31,251)
<b>Balance at the end of the Year</b>	<b>14,908,374</b>	<b>13,519,518</b>	<b>140,625</b>	<b>171,875</b>
Payable within one Year	(6,620,703)	(4,882,827)	(39,063)	(39,063)
Payable after one Year	8,287,671	8,636,691	101,562	132,812

## 24.4 Debentures

Kotagala Plantations PLC a Subsidiary has issued Rs. 500 Mn rated secured redeemable listed Debentures. The details are as follows;

### 24.4.1 Rated Secured Redeemable Listed Debentures - after the restructure

Debenture Type	Year of Issue	Original Year of Redemption	Restructured Period (Capital Repayment)	Colombo Stock Exchange Listing	Issued Value	Interest Payable Frequency	Interest Rate %	Outstanding Balance as at	
								31.03.2025	31.03.2024
								Rs`000	Rs`000
C	2014	2020	From 2020 to 2025	Unlisted	Rs. 250Mn	Monthly	7.50	101,708	134,039
D1 - D6	2014	2021	From 2021 to 2026	Listed	Rs. 250Mn	Monthly	7.50	83,459	125,093
								185,167	259,132
Debentures held by related Companies of the Group								(65,790)	(63,250)
Debentures Non related Companies								119,377	195,882
Payable after One Year								17,462	121,886
Payable within One Year								101,915	73,996
<b>Total</b>								<b>119,377</b>	<b>195,882</b>

### 24.4.2 Trading at Colombo Stock Exchange

Debenture Type	Highest Value (Rs.)	Lowest Value (Rs.)	Last Traded Value (Rs.)
C	Not traded	Not traded	Not traded
D1 - D6	Not traded	Not traded	Not traded

### 24.4.3 Comparable interest rate on Government Securities

1 Year 8.25%

## 24.5 Assets Pledged as Security Against Interest Bearing Borrowings with Terms and Conditions

	Company/ Lender	Balance as at 31.03.2025 Rs. million	Balance as at 31.03.2024 Rs. million	Interest Rate %	Terms of Repayment	Security Pledged
The Colombo Fort Land & Building PLC	Commercial Bank of Ceylon PLC Term Loan	140.63	171.88	AWPLR + 2.5%	Thirty two equal quarterly installments of Rs.7.8 million each.	Tertiary Mortgage Bond No.371 dated 12.03.2015 for Rs.100 million, Quaternary Mortgage Bond for Rs.87.50 million and Quinary Mortgage Bond for Rs. 31.25 million, over the property at No.53- 1/1, 53-2/1 and 57, Sir Baron Jayathilaka Mawatha, Colombo 01 belonging to the Company.
		140.63	171.88			
E.B. Creasy & Company PLC	Sampath Bank PLC Term Loan I	7.46	12.87	AWPLR + 3%	Each sub loans to be paid in 60 monthly installments.	Loan agreement for respective sub loan amounts and mortgage over respective machinery to be imported and installed at the factory premises at Millewa estate Millewa.

## Notes to the Financial Statements contd.

	Company/ Lender	Balance as at 31.03.2025 Rs. million	Balance as at 31.03.2024 Rs. million	Interest Rate %	Terms of Repayment	Security Pledged
E.B. Creasy & Company PLC Contd.	Commercial Bank of Ceylon PLC Term Loan I	199.87	257.05	AWPLR + 2.5%	In 83 equal monthly installments of Rs.4,765,000/- each and a final installment Rs.4,505,000/-.	Primary Mortgage Bond executed for Rs. 400 million over land called 'Alubogahawatta' and 'Batadombagahawatta', Gonawala.
	Bank of Ceylon PLC Loan I	555.21	715.21	AWPLR + 2%	In monthly installment 1-36 months - Rs.10 million + Interest 36-72 months - Rs. 15 million + Interest 72-84 months - Rs. 20,800,000/- + Interest	Primary Mortgage over property located at No.98, Sri Sanagaraja Mawatha, Colombo 10 owned by E. B. Creasy & Co. PLC.
	Bank of Ceylon PLC Loan II	22.64	85.54	15.5% p.a	36 equal monthly installments of Rs.5,241,594/-.	Primary Mortgage over property located at No.98, Sri Sanagaraja Mawatha, Colombo 10 owned by E. B. Creasy & Co. PLC.
	Bank of Ceylon PLC Loan III	787.26	-	AWPLR+1.5%	60 equal monthly installments of Rs.13,833,333/- + interest	Primary Mortgage over property located at No.98, Sri Sangaraja Mawatha, Colombo 10 owned by E. B. Creasy & Co. PLC.
	Cargills Bank Limited	36.67	56.68	AWPLR + 2.75%	59 equal monthly installments of Rs.1,666,667/- and a final instalment of Rs.1,666,647/-.	Primary Mortgage executed over machineries at "Ninja" mosquito coil production facility at Gonawala for Rs.100 million.
	Peoples' Bank PLC I	83.33	-	AWPLR+1%	60 equal monthly installments of Rs 1,666,666.66/-.	Stocks worth of Rs. 100 million to be assigned to peoples Bank and cash build up of Rs. 50,000/- per month in the investment saving account.
			1,692.44	1,127.35		
Candy Delights Limited	Hatton National Bank PLC Term Loan I	44.44	-	AWPLR+1.25%	To be repaid over a period of 36 years in 35 equal monthly installments of Rs.1,390,000 each and final installment of Rs. 1,350,000 plus interest.	Corporate guarantee of E B Creasy & Co. PLC.
		44.44	-			
Lanka Special Steels Limited	Commercial Bank of Ceylon PLC Term Loan I	68.46	12.23	AWPLR 1.5%	59 equal monthly installments of Rs.1,530,000/- and a final installment of Rs.1,519,145/-.	Primary mortgage bond for Rs.91.8 Million over wire drawing plant with accessories.

	Company/ Lender	Balance as at 31.03.2025 Rs. million	Balance as at 31.03.2024 Rs. million	Interest Rate %	Terms of Repayment	Security Pledged
Lanka Special Steels Limited Contd.	Commercial Bank of Ceylon PLC Term Loan II	<b>188.50</b>	275.50	9.5% p.a	60 equal monthly installments of Rs.7,250,000/- each.	Floating primary mortgage bond for Rs. 27 Million over lease hold right of LINDEL (Lot No: 5,6 &7) and Floating Primary Mortgage Bond for Rs. 483 Million over Machinery of New wire galvanizing plant.
	Commercial Bank of Ceylon PLC Term Loan III	<b>186.67</b>	92.96	AWPLR + 2.5%	60 equal monthly installments of Rs.2,000,000/- each.	
	DFCC Bank PLC	<b>102.50</b>	132.00	AWPLR + 2.25%	60 equal capital installments after a grace period of 12 months from the disbursement date.	Primary mortgage bond for Rs.25 Million over movable machinery, Mortgage bond for Rs.300 Million over stocks and Mortgage bond for Rs.275 Million over stock and book debts.
		<b>546.13</b>	512.69			
Laxpana PLC	Commercial Bank PLC	<b>25.14</b>	36.64	9% p.a.	In 59 equal monthly installment of Rs.3.33 million. (6 years including 1 year of grace).	Primary mortgage bond totalling for Rs.56.4 million over the solar panels and related machinery and equipment installed in the rooftop solar systems.
	DFCC Bank I	-	100.00	15%	60 equal capital installments after a grace period of 12 months from the disbursement date.	Mortgage for Rs.356 million over allotment of land depicted as lots 1A & 2A depicted in plan No.1537 dated 02.10.2022.
	DFCC Bank II	<b>210.01</b>	-	AWPLR + 2.5%	The loan is payable in 60 equal monthly installments.	Mortgage for Rs.356 million over allotment of land depicted as lots 1A & 2A depicted in plan No. 1537 dated 02.10.2022.
		<b>235.15</b>	136.64			
Lankem Ceylon PLC	Sampath Bank PLC Term Loan I	<b>30.11</b>	44.36	AWPLR + 1.25% p.a.	In January 2025, existing loan Rs. 189.888 million was convert to new reschedulement facility payable over 15 monthly installments on 26th of each month as follows, together with interest. 1-3 months - Rs.2.625 million, 4-14 months - Rs.8.130 million and 15th month - Rs.10.458 million.	(a) Term Loan Agreement of Rs.60.11 million. (b) Term Loan Agreement of Rs.189.888 million. (c) Corporate guarantee of E.B. Creasy & Company PLC Rs. 250 million.

## Notes to the Financial Statements contd.

	Company/ Lender	Balance as at 31.03.2025 Rs. million	Balance as at 31.03.2024 Rs. million	Interest Rate %	Terms of Repayment	Security Pledged
Lankem Ceylon PLC Contd.	Sampath Bank PLC Term Loan II	99.89	142.64	AWPLR + 1.25% p.a.	In January 2025, existing loan Rs. 60.112 million was convert to new reschedulement facility payable over 14 monthly installments on 26th of each month as follows, together with interest. 1-2 months - Rs.0.875 million, 3-13 months - Rs.2.71 million and 14th month - Rs.0.302 million.	
	Commercial Bank of Ceylon PLC Term Loan I	-	2.80	AWPLR + 2.5% p.a.	In 60 monthly instalments of Yr -1 equal installments of Rs. 0.5 million Yr -2 equal installments of Rs. 2 million Yr- 3 equal installments of Rs. 3 million Yr- 4 equal installments of Rs. 5 million Yr -5 equal installments of Rs. 6 million for 11 months and a final installment of Rs. 8 million together with interest payable monthly on reducing balance of capital.	(a) Primary Mortgage for Rs. 200 million over land at Ja-Ela. (b) Secondary Mortgage Bond No. 528 dated 07-04-1998 for Rs.50 million executed over above property. (c) Tertiary Mortgage Bond for Rs. 307 million over above property. (d) Additional Mortgage Bond for Rs.400 million over stocks and assignment of book debts to be executed by the Company. (e) Corporate guarantee of E.B. Creasy & Company PLC Rs. 382 Million
	Commercial Bank of Ceylon PLC Term Loan II	-	11.60	AWPLR + 2.5% p.a.	In 60 monthly instalments of Yr - 1 equal installments of Rs. 0.1 million Yr - 2 equal installments of Rs. 0.4 million Yr - 3 equal installments of Rs. 0.6 million Yr - 4 equal installments of Rs. 1 million Yr - 5 equal installments of Rs. 1.2 million for 11 months and a final installment of Rs. 1.6 million together with interest payable monthly on reducing balance of capital.	

	Company/ Lender	Balance as at 31.03.2025 Rs. million	Balance as at 31.03.2024 Rs. million	Interest Rate %	Terms of Repayment	Security Pledged
Lankem Ceylon PLC Contd.	Commercial Bank of Ceylon PLC Term Loan III	375.00	-	AWPLR + 2.5% p.a.	In 60 monthly installments of Yr - 1 equal installments of Rs. 5 million Yr - 2 equal installments of Rs. 5.5 million Yr - 3 equal installments of Rs. 6.5 million Yr - 4 equal installments of Rs. 7.5 million Yr - 5 equal installments of Rs. 8.75 million and a final installment of Rs. 9.75 million together with interest payable monthly on reducing balance of capital.	(a) Primary Mortgage for Rs. 200 million over land at Ja-Ela. (b) Secondary Mortgage Bond No. 528 dated 07- 04-1998 for Rs.50 million executed over above property. (c) Tertiary Mortgage Bond for Rs. 307 million over above property. (d) Additional Mortgage Bond for Rs.400 million over stocks and assignment of book debts to be executed by the Company. (e) Corporate guarantee of E.B. Creasy & Company PLC Rs. 382 million (f) Corporate guarantee of E.B. Creasy & Company PLC Rs. 215 million.
	Commercial Bank of Ceylon PLC Term Loan IV	55.00	-	AWPLR + 2.5% p.a.		
	Peoples' Bank PLC I	498.00	504.96	AWPLR + 2.5% p.a. during the first year and six months subject to monthly review for next 7 years.	In September 2022, existing loan Rs. 515 million was convert to new reschedulement facility payable over 96 installments inclusive of 12 months capital grace period.	Mortgage over stocks and Book debts and a Corporate Guarantee from SunAgro LifeScience Ltd for Rs.515 million.
	Peoples' Bank PLC II	216.43	216.47	AWPLR + 2.5% p.a.	Payable over 10 quarterly installments.	Stock in Trade & Book debts, Company Indemillionity..
	Peoples' Bank PLC III	73.80	83.20	AWPLR + 2.5% p.a.	Payable over 96 monthly installments.	
	Peoples' Bank PLC IV	43.40	48.60	AWPLR + 2.5% p.a.	Payable over 96 monthly installments.	
	Peoples' Bank PLC V	24.00	30.20	AWPLR + 2.5% p.a.	Payable over 60 monthly installments.	
Peoples' Bank PLC VI	8.90	11.80	AWPLR + 2.5% p.a.	Payable over 60 monthly installments.		

## Notes to the Financial Statements contd.

	Company/ Lender	Balance as at 31.03.2025 Rs. million	Balance as at 31.03.2024 Rs. million	Interest Rate %	Terms of Repayment	Security Pledged
Lankem Ceylon PLC Contd.	National Development Bank	-	86.98	9.85%	In June 2024 existing loan convert to new reschedulment facility payable over 9 installments from April 2024 to December 2024 inclusive of interest.	Mortgage over stocks and Book debts.
	Bank of Ceylon PLC	-	6.63	AWPLR + 1.5% p.a.	In 60 monthly installments inclusive of 12 months grace period.	Assignment over public quoted shares 16,000,000 of C.W. Mackie PLC.
	Nations Trust Bank	245.62	252.38	First year from 13th August 2021 to 13th August 2022 - Fixed rate 7.5% p.a. and then AWPLR + 1.5% p.a.	In June 2022 existing loan was converted to new reschedulement facility. Payable over 62 installments inclusive of interest.	Mortgage over stocks and book debts of Rs. 300 million, Corporate guarantee from SunAgro Lifescience Ltd. For Rs.300 million. Letter of awareness comfort from Colombo Fort Land & Building PLC.
	Peoples Leasing & Finance PLC I	28.01	50.10	AWPLR + 3% p.a.	In February 2023, existing loan was converted to new reschedulement facility. Payable over 36 installments, Rs. 2,872,608/- per month (Installment amount can be varied due to revision of AWPLR).	Corporate guarantee from SunAgro Lifescience Limited for Rs. 65.53 million.
	Peoples Leasing & Finance PLC II	145.75	162.63	16% p.a.	Repayable within 6 years with a grace period of 12 months. 1-1 months -Rs. 3 million 2-19 months - Rs.3 million 20-48 months - Rs.5,325,727/-.	Corporate guarantee from SunAgro Lifescience Limited.
	Pan Asia Banking Corporation PLC	52.27	66.89	01 Month AWPLR + 3.5% p.a. with rebate of 2% p.a. Subject to a floor rate of 19% p.a. with rebate of 2% p.a.	Repayable within 6 years with a grace period of 12 months.	Floating Mortgage Bond for Rs.150 million over Stocks stored at Lankem Paint factory, Horncastle Estate, Kanuwana, Ja- Ela together with an assignment over book debts (Mortgage bond No.313 of 20/11/2008) Pledge over trading shares for Rs 147 Mn held in Slash Account.
	Siyapatha Finance PLC I	-	5.36	0%	Payable over 48 monthly installments.	Corporate Guarantee from J.F.Packaging Ltd for Rs. 14.5 million.
	Siyapatha Finance PLC II	157.44	157.46	AWPLR + 1% p.a.	Payable over 96 monthly installments.	Corporate Guarantee from J.F.Packaging Ltd for Rs. 157.59 million.

	Company/ Lender	Balance as at 31.03.2025 Rs. million	Balance as at 31.03.2024 Rs. million	Interest Rate %	Terms of Repayment	Security Pledged
Lankem Ceylon PLC Contd.	Hatton National Bank PLC	301.00	325.00	AWPLR + 0.5% p.a.	Payable over 72 monthly installments. 1-12 months -Rs. 2 million 12-24 months - Rs.3 million 24- 36 months - Rs.4 million 36-48 months -Rs.5 million 48-60 months - Rs. 6.25 million 61-71 months - Rs. 7 million Last installment - Rs. 5 million.	Secondary floating mortgage for Rs.325 million over commercial property (Free Hold) belonging to union Commodities (Pvt) Ltd at No. 79, Biyagama Road, Talwatte, Kelaniya to the extent of 3A 3R 11.2P including machinery and buildings.
		2,354.62	2,210.06			
Lankem Minerals Limited	Hatton National Bank PLC	521.90	-	AWPLR + 1.5% p.a.	Payable over a period of 72 months inclusive of an initial capital grace period of 12 months & capital - 60 monthly installments of Rs. 10 million each.	<ul style="list-style-type: none"> <li>a) Corporate Guarantee of Lankem Ceylon Plc. For Rs, 1,800 million.</li> <li>b) Corporate Guarantee of Sunagro LifeScience Limited for Rs, 1,800 million.</li> <li>c) Agreement to Mortgage over land, building and machinery including project_ assets at Oyamaduwa Village, Oyamaduwa along with a special Power of Attorney</li> <li>d) Assignment of all project documents, receivables, insurance etc. in favour of the bank by way of additional Mortgage Bond.</li> <li>e) Mortgage over 70,012,500 No of shares of Lankem Minerals Limited along with a special Power of Attorney.</li> </ul>
		521.90	-			
C.W. Mackie PLC	Commercial Bank of Ceylon PLC	100.16	129.11	AWPLR + 1.75% & 9.25 p.a	Repayable over 60 monthly installments.	Mortgage bond over the machinery valued Rs.1.89 million and floating primary mortgage bond over property situated at Mungama, Horana.
	Hatton National Bank	22.41	51.16	AWPLR + 0.75% & 1 p.a	Repayable over 42 monthly installments.	Primary floating mortgage bond over plant and machinery of the new product line at Horana.
		122.57	180.27			

## Notes to the Financial Statements contd.

	Company/ Lender	Balance as at 31.03.2025 Rs. million	Balance as at 31.03.2024 Rs. million	Interest Rate %	Terms of Repayment	Security Pledged
Beruwala Resorts PLC	Cargills Bank PLC Term Loan USD I	197.56	311.70	7.75% p.a		Primary mortgage over land and buildings of BOT Hotel Services Limited situated at Weligama.
	Cargills Bank PLC Term Loan SLR	194.31	123.23	AWPLR + 2%		Corporate guarantee of Colombo Fort Land and Buildings PLC Rs. 25 million.
		391.88	434.93			
Sigiriya Village Hotels PLC	Sampath Bank PLC	144.64	227.58	AWPLR + 1%	Repayable over 35 monthly installments.	Primary Mortgage Bond for Rs.195 million over leasehold right of property at No.01, Hotel Road Sigiriya owned by the Sri Lanka Tourism Development Authority. Also depicted as Lot No. 217B and 217C in survey Plan No.2356 dated 22nd January 1979 made by H. Anil Peris (Licensed Surveyor).
		144.64	227.58			
Marawila Resorts PLC	Commercial Bank of Ceylon PLC Term Loan	84.21	118.49	AWPLR + 1.5%	Total of existing USD term loan outstanding is USD 631,376/- which should be repaid in 60 monthly installments.	Floating Primary Mortgage Bond No. 5484 dated 26.03.2019 for Rs. 120,000,000/- executed over the property situated at "Club Palm Bay". Thalwilawella, Marawila more fully depicted as Lots 03 to 09 in Plan No. 5656 dated 16.10.2016 drawn by Mr. W S S A Fernando (L/S) in extent of A 24: R: 0 P 2.7 owned by Marawila Resorts PLC.
	Commercial Bank of Ceylon PLC Term Loan	189.78	400.40	3 Months USD SOFR + 4.15%	Total of existing USD term loan outstanding is USD 631,376/- which should be repaid in 60 monthly installments.	Floating Primary Mortgage Bond No.5484 dated 26.03.2019 for Rs. 120 million to be obtained over the property situated at "Club Palm Bay". Thalwilawella, Marawila more fully depicted as Lots 03 to 09 in Plan No. 5656 dated 16.10.2016 drawn by Mr. W S S A Fernando (L/S) in extent of A 24: R:0 P 2.7 owned by Marawila Resorts PLC.
	Commercial Bank of Ceylon PLC Term Loan	84.00	-	AWPLR + 1.5% p.a.	Per Monthly Rs.1,500,000/- (60 installments)	
		357.99	518.90			

	Company/ Lender	Balance as at 31.03.2025 Rs. million	Balance as at 31.03.2024 Rs. million	Interest Rate %	Terms of Repayment	Security Pledged
Galle Fort Hotel (Private) Limited	Cargills Bank PLC Term Loan	73.63	95.52	AWPLR + 2%	Repayable over 24 equal monthly installments.	Primary mortgage bond over property for Rs. 35 million and 0.775 million USD, mentioned as Lot X in the plan No. 130 situated at Galle Fort Village.
	Cargills Bank PLC Term Loan	-	5.24	AWPLR + 2%	Repayable over 24 equal monthly installments.	
	Cargills Bank PLC Term Loan	171.83	174.63	7.75% p.a	Repayable over 24 equal monthly installments.	
		245.46	275.39			
Sherwood Holidays Limited	Cargills Bank PLC	5.00	10.00	AWPLR+2%		Double Cab - Vehicle.
		5.00	10.00			
Kotagala Plantations PLC	National Development Bank PLC Term Loan I	18.61	21.95	AWPLR+5% if delayed AWPLR+8%	Payable in 63 equal monthly installments of Rs. 2,030,000/- with a first installment of Rs. 2,110,000/-.	Primary Mortgage over the lease hold right, building & machinery of estates already mortgaged to NDB namely Stonycliff, Vogan, Gikiyanakande & Dalkieth.
	National Development Bank PLC Term Loan II	18.61	21.95	AWPLR+5% if delayed AWPLR+8%		
	National Development Bank PLC Term Loan III	18.61	21.95	AWPLR+5% if delayed AWPLR+8%		
	National Development Bank PLC Term Loan IV	30.37	37.35	LIBOR + 8% if delayed LIBOR+ 11%	Payable in 56 equal monthly installments of \$8,000 with a first installment of \$7,000.	
	National Development Bank PLC Term Loan V	30.37	37.35	LIBOR + 8% if delayed LIBOR+ 11%	Payable in 56 equal monthly installments of \$8,000 with a first installment of \$7,000.	
	National Development Bank PLC Term Loan VI	30.37	37.35	LIBOR + 8% if delayed LIBOR+ 11%	Payable in 56 equal monthly installments of \$7,306 with a first installment of \$7,318.98.	
	Sampath Bank PLC Term Loan	13.50	96.90	AWPLR + 3.5%	Payable in 71 equal monthly installments of Rs.6,950,000/- and final installment of Rs.6,550,000/- with a capital grace period of 12 months.	Primary Mortgage Bond for Rs.500 million over leasehold rights of Drayton and Kelliewatte Estates in Nuwara Eliya together with factory building therein.

## Notes to the Financial Statements contd.

	Company/ Lender	Balance as at 31.03.2025 Rs. million	Balance as at 31.03.2024 Rs. million	Interest Rate %	Terms of Repayment	Security Pledged
Kotagala Plantations PLC Contd.	People's Bank Term Loan	226.65	236.25	8.5%	Repayable within 120 installments. 2nd -3rd Year - Rs.625,000/-per month 4th Year - Rs. 835,000/- per month 5th Year - Rs.1,875,000/- per month 6th Year - Rs.2,083,335/- per month 7th Year - Rs.2,958,000/- per month Last payment - Rs.2,957,980/-.	Primary Mortgage Bonds over Leasehold rights of all those estate plantation and premises of Mayfield Estate situated in the village of dimbula and Ukutile in the Nuwara Eliya Pattu in Kotmale Korale in the district of Nuwara Eliya, Central province.
	Standard Chartered Bank	194.00	242.00	AWPLR	Payable within 60 installments.	Primary Mortgage Bond over leasehold rights of Hedigalle and Eduragala Estates together with factory building therein.
	Forbes & Walker Limited	-	8.00	28% - 19%	Repayable within 3 months.	Tea / Rubber stocks.
	Seylan Bank Term Loan	-	16.00	16%	Repayable within 72 months with following intallements 12 installement of Rs.400,000/- + Interest 12 installement of Rs.600,000/- + Interest 12 installement of Rs.1,000,000/- + Interest 12 installement of Rs.2,250,000/- + Interest 11 installement of Rs.2,500,000/- + Interest and final installement of Rs. 3,500,000/-.	Primary mortgage over leasehold rights of Yuilliefield and Sorana Estates.
	Ceylon Tea Brokers PLC	8.00	-	16%	Payable within 3 months.	Tea stocks.
	Bank of Ceylon	280.00	280.00	AWPLR + 2%	Payable within 12 months.	Primary Mortgage Bond over leasehold rights of Padukka Estate.
	Amana Bank	115.00	230.00	AWPLR + 2%	Payable within 12 months.	Primary Mortgage Bond over leasehold rights of Padukka Estate and Corporate Guarantee of Lankem Ceylon PLC.
			984.09	1,287.03		

	Company/ Lender	Balance as at 31.03.2025 Rs. million	Balance as at 31.03.2024 Rs. million	Interest Rate %	Terms of Repayment	Security Pledged
Agarapatana Plantations PLC	Sampath Bank PLC Term Loan	41.30	124.70	AWPLR + 3.5%	71 installments of Rs. 6,950,000/- and a final installment of Rs.6,550,000/- commencing from 26.04.2019.	Mortgage over leasehold rights over the estate land & factory building of Diyagama West Estate.
	Seylan Bank PLC Term Loan	15.75	26.65	16%	84 equal installments commencing from 30.11.2018.	Mortgage over leasehold rights over the estate land & building, fixed & floating assets of Diyagama East Estate.
	Seylan Merchant Bank PLC I	34.09	47.48	16%	60 monthly installments of Rs. 312,500/- commencing from 30/07/2022.	Original Certificates of registration of the vehicles.
	Seylan Merchant Bank PLC II	29.76	40.61	18%	60 monthly installments commencing from 31.07.2022.	Original Certificates of registration of the vehicles.
	Bank of Ceylon Term Loan I	56.82	102.27	AWPLR + 3.5%	72 monthly installements commencing from 03.05.2020 including six months of grace period.	Tri partite agreement with borrower, bank and the tea broker John Keells PLC.
	Bank of Ceylon Term Loan II	5.73	28.66	6.93%	36 monthly installments commencing from 13/04/2020.	
	Bank of Ceylon Term Loan III	1.12	5.62	6.93%	36 monthly installments commencing from 10/03/2020.	
	Bank of Ceylon Term Loan IV	20.66	27.56	AWPLR + 3%	36 monthly installments commencing from 30/04/2023.	A primary mortgage over leasehold rights of Glenanore and Haputale Estates including machinery fixed each of these Estates.
	Bank of Ceylon Term Loan V	150.00	16.89	AWPLR + 2.5%	within 2 months.	A primary mortgage over leasehold rights of Glenanore and Haputale Estates including machinery fixed each of these Estates.
	Bank of Ceylon Term Loan VI	50.66	180.27	AWPLR + 2.5%	within 4 months.	A mortgage over Solar Panels, Inverters and other related equipment in ten tea factories.
Bank of Ceylon Term Loan VII	200.00	-	AWPLR + 2%	84 monthly installments commencing from 23/07/2025.	A primary mortgage over leasehold rights of Glenanore and Haputale Estates including machinery fixed each of these Estates.	

## Notes to the Financial Statements contd.

	Company/ Lender	Balance as at 31.03.2025 Rs. million	Balance as at 31.03.2024 Rs. million	Interest Rate %	Terms of Repayment	Security Pledged
Agarapatana Plantations PLC Contd.	Commercial Bank of Ceylon PLC Term Loan	34.85	85.88	AWPLR + 3%	48 monthly installments commencing from 21.01.2022.	Duly accepted Letter of Offer supported by Board Resolution. General Terms and conditions relating to Term Loans. Deposit of original title deeds and plan relating of the Dambetenne Estate.
	Amana Bank PLC I	180.00	180.00	10.10%	within 3 months.	
	Amana Bank PLC II	50.00	-	11%	within 4 months.	
	Forbes and Walkers Tea Brokers (Pvt) Ltd	-	50.00	19%	12 weekly installments of Rs.4,166,666/- commencing from 03/04/2024.	
		870.74	916.57			
Waverley Power (Private) Limited	Sampath Bank PLC I	-	8.26	AWPLR + 2%	96 monthly installments.	a) Loan agreement for Rs.25 million. b) Primary mortgage bond for Rs.25 million over the entirety of shares issued by the company, supported by an irrevocable Power of Attorney.
	Sampath Bank PLC II	29.76	46.08	AWPLR + 2%	96 monthly installments commencing one month after the date of first disbursement.	Loan agreement for Rs. 100 million. Shares of Company held by Aagarapatana Plantations PLC.
	Sampath Bank PLC III	-	8.26	AWPLR + 2%	12 monthly installments commencing from date of grant.	Loan agreement for Rs.25 million.
		29.76	62.60			
Union Commodities (Private) Limited	Commercial Bank of Ceylon PLC	1,123.32	1,106.25	SOFA+4.5%%	Each loan to be repaid within a maximum period of 90 days or at the time of receipt of Export proceeds whichever is earlier.	Primary concurrent Mortgage bond over book debts of the Company and the stocks. The sales contract for each order to be submitted within one week from the disbursement of the Pre- shipment loan.

	Company/ Lender	Balance as at 31.03.2025 Rs. million	Balance as at 31.03.2024 Rs. million	Interest Rate %	Terms of Repayment	Security Pledged
Union Commodities (Private) Limited Contd.	DFCC Bank PLC	525.88	538.18	SOFA + 4.5%	Each loan to be settled within a period of 90 days form the date of disbursement of or at the time of negotiation /purchase of relative export documents, whichever is earlier.	Primary concurrent Mortgage bond for Rs.100 million and book debts of the company with an insurance policy over stocks assigned in favour of the bank and existing demand Promissory note from Union Commodities (Private) Limited to the value of Rs.195 million.
	Hatton National Bank PLC Term Loan I	1,474.92	1,602.60	6%	To be repaid in 71 months ending March 2030.	Registered Primary Floating Mortgage Bond for USD 6.7 million over commercial property including immovable property at Biyagama Road Thalwatte, Kelaniya. Including Buildings and every thing standing thereon.
	National Development Bank PLC I	141.79	146.08	AWPLR + 2%	Maximum 90 days from which date make it consistent with other disclosures.	Primary Concurrent pari pasu mortgage bond over stock and book debts.
	Bank of Ceylon PLC	153.27	186.57	3 months LIBOR + 4%	Each loan to be repaid within 4 months.	Hypothecation over stocks lying at Biyagama Road,Talwatte,Kelaniya and book debts.
	Amana Bank PLC	-	45.61	Term Investment Rate + 1.75%	Each loan to be repaid within 6 months.	Lien over third part term investment account of Darly Butler & Company Limited for Rs.556 million together with a third party set off letter & Board Resolution.
		3,419.18	3,625.29			
JF Packaging Limited	Sampath Bank PLC Term Loan I	22.98	56.25	AWPLR + 1%	Repayable over 5 years in 60 monthly installments 1 year Rs.322,500/-, 2 year Rs.1,000,000/-, 3 year Rs.1,750,000/-, 4 year Rs.2,250,000/-, 5 year Rs.3,000,000/-.	Corporate guarantee of Lankem Ceylon PLC for Rs.98,870,000/- & mortgage over shares of Alliance Five (Pvt) Ltd.
	Sampath Bank PLC Term Loan II	6.04	14.74	AWPLR + 1%	Repayable over 5 years in 60 monthly insallments 1 year Rs.125,000/-, 2 year Rs.250,000/-, 3 year Rs.450,000/-, 4 year Rs.575,000/-, 5 year Rs.738,800/-.	Mortgage over Dry laminating machine and related equipment.
	Sampath Bank PLC Term Loan III	0.38	0.90	AWPLR + 1%	Repayable over 5 years in 60 monthly insallments of Rs.47,500/-.	

## Notes to the Financial Statements contd.

	Company/ Lender	Balance as at 31.03.2025 Rs. million	Balance as at 31.03.2024 Rs. million	Interest Rate %	Terms of Repayment	Security Pledged
JF Packaging Limited Contd.	Bank of Ceylon Term Loan I	51.57	74.42	AWPLR + 1.5%	Repayable over 6 years in 72 monthly installments, 01-12 month - Rs.500,000/-, 13-24 month -Rs.750,000 /-, 25-36 month- Rs.1,702,000/-, 37-48 month-Rs.2,119,000/-, 49-60 month-Rs.2,536,000/- , 61-72 month- Rs.2,607,000/-.	Primary mortgage of land, building and machinery situated at No. 306, Minuwangoda Road, Kotugoda.
	Bank of Ceylon Term Loan II	27.64	52.48	AWPLR + 1.5%	Repayable over 5 years in 60 monthly installments, 01-12 month - Rs.500,000/-, 13-24 month - Rs.750,000 /-, 25-36 month - Rs.1,000,000/- , 37-48 month - Rs.1,333,000/-, 49-60 month - Rs.1,415,000/-.	
	Bank of Ceylon Term Loan III	44.72	82.14	AWPLR + 2%	Repayable over 6 years in 72 monthly installments, 01-12 month - Rs.500,000/-, 13-24 month - Rs.750,000 /-, 25-36 month- Rs.1,000,000/-, 37-48 month - Rs.1,828,000/-, 49-60 month - Rs.1,995,000/- , 61-72 month - Rs.2,397,000/- .	
	Bank of Ceylon Term Loan IV	161.86	219.55	AWPLR + 2%	Repayable over 5 years in equal monthly capital of Rs.4,927,975/-.	Mortgage over stocks and book debts held at factory premises at No.306, Minuwangoda Road, Kotugoda.
	Bank of Ceylon Term Loan V	152.77	211.90	AWPLR + 1%	Repayable over 6 years in 72 monthly installments, 1 year Rs.500,000/-, 2 year Rs.1,000,000 /- , 3 year Rs.3,283,000/-, 4 year Rs.4,283,000/-, 5 year Rs.5,033,000/-, 6 year Rs.5,599,000/-.	
	Nations Trust Bank PLC	91.28	107.20	AWPLR + 1.25%	Repayable over 5 years in monthly installments; 01-12 month - Rs.1,500,000/- , 13-24 month -Rs.2,000,000 /-, 25-36 month-Rs.2,500,000/-, 37-48 month-Rs.3,000,000/-, 49-60 month- Rs.2,342,639/-.	Mortgage over stocks and book debts held at factory premises at No:306, Minuwangoda Road, Kotugoda.  Corporate guarantee from Lankem Ceylon PLC for Rs.107.69 million.

	Company/ Lender	Balance as at 31.03.2025 Rs. million	Balance as at 31.03.2024 Rs. million	Interest Rate %	Terms of Repayment	Security Pledged
JF Packaging Limited Contd.	Siyapatha Finance PLC	29.82	53.76	AWPLR + 2%	Repayable over 31 monthly installments; 01- 12 month - Rs.2,250,000/- , 13-25 month -Rs.2,500,000 /-, 25-30 month-Rs.3,000,000/-, 31 month-Rs.3,165,914/-.	Corporate guarantee from Ceylon Tapes (Pvt) Ltd and a loan agreement for Rs.60,041,261/-.
		589.04	873.35			
SunAgro LifeScience Limited	Commercial Bank of Ceylon PLC	-	78.75	AWPLR + 2% p.a.	Repayable within 4 months.	Corporate guarantee from Lankem Ceylon PLC amounting to Rs.100 million.
	Peoples Leasing & Finance PLC - Long Term Loan	90.88	110.49	10% p.a.	Repayable over a period of 60 months commencing form 01st May 2022 01-60 month - Rs .3,743,624/-,	Corporate Guarantee from Lankem Ceylon PLC amounting to Rs.176,195,001.72/-.
	Siyapatha Finance PLC	-	1.91	AWPLR + 2.5% p.a.	In September 2022, existing loan was converted to new reschedulement facility. Repayable over 19 monthly installments; 01- 18 month - Rs.1,650,000/- , Final Payment -Rs.1,570,830.50 /-.	(a) Lankem Ceylon PLC for Rs.24,779,083.70/- corporate guarantee. (b) A loan agreement for Rs.24,779,083.70 (c) Negative pledge over movable and immovable assets owned by the Company.
	Hatton National Bank PLC I	178.14	205.29	AWPLR + 1.75% p.a	To be repaid over a period of five years follows together with interest after an initial grace period of 12 months. 0-12 months - Grace Period, 13-36 months 6.25 million per month 27-48 months 7.8 million per month and 48-60 months 10.94 million per month.	Corporate Guarantee from Lankem Ceylon PLC amounting to Rs.375 million.
	Hatton National Bank PLC - Trust Receipt Loan	-	114.17	1.5% for first 90 days and thereafter 0.15% for each additional month.	Repayable within 4 months.	Lankem Ceylon PLC for Rs. 120 million corporate guarantee.
		269.02	510.61			

## Notes to the Financial Statements contd.

	Company/ Lender	Balance as at 31.03.2025 Rs. million	Balance as at 31.03.2024 Rs. million	Interest Rate %	Terms of Repayment	Security Pledged
Ceylon Tapes Limited	Hatton National Bank PLC	325.00	325.00	AWPLR +0.5%	Repayable over 7 years in 84 monthly installments 01-12 months - interest only 13-24 months Rs. 900,000 /-, 25-36 months Rs.3,400,000/-, 37-48 months Rs 3,900,000/- , 49-60 months Rs.5,900,000/-, 61-72 months Rs.6,500,000/- , 78-78 months Rs.7,050,000/-, 79-83 months Rs. 8 060,000/-, 84 month Rs 7,140,000/-.	Commercial Property owned by Union Commodity (Put) Ltd, No. 79, Biyagama Road, Talwatte, Kelanya.
		325.00	325.00			
ACME Printing and Packaging PLC	Seylan Bank PLC	20.83	-	AWPLR + 2%	Repayable in 36 monthly installements commencing from October 2024.	Monthly transfer of Rs.0.15 million to savings account.
	NDB Bank PLC I	39.10	52.90	AWPLR + 2%	Repayable in 54 equal monthly installements commencing from May 2023.	Primary Mortgage Bond over stocks and book debt of the borrowers and monthly transfer of Rs. 0.1 million to savings accounts.
	NDB Bank PLC II	31.48	42.22	AWPLR + 2%	Repayable in 53 equal monthly installements commencing from May 2023.	
	NDB Bank PLC III	-	15.56	AWPLR + 2%	Repayable in 17 equal monthly installements commencing from May 2023.	
	Softlogic Finance PLC	39.20	29.46	AWPLR + 2%	Repayable in 60 monthly installements commencing from May 2023.	
		130.61	140.13			
ACME Packaging Solutions (Private) Limited	Sampath Bank PLC I	36.25	36.25	AWPLR + 2.5%	Repayable in 60 equal monthly installments commencing from December 2018.	Primary mortgage bond for Rs. 90 million over leasehold property inclusive of machineries installed therein situated at Pannala and monthly transfer of Rs. 0.1 million to savings account.
	Sampath Bank PLC II	6.64	7.00	AWPLR + 2.5%	Repayable in 60 equal monthly installments commencing from December 2018.	Primary mortgage bond for Rs. 90 million over leasehold property inclusive of machineries installed therein situated at Pannala.

	Company/ Lender	Balance as at 31.03.2025 Rs. million	Balance as at 31.03.2024 Rs. million	Interest Rate %	Terms of Repayment	Security Pledged
ACME Packaging Solutions (Private) Limited Contd.	NDB Bank PLC I	20.59	32.70	AWPLR + 2%	Repayable in 53 equal monthly installements commencing from May 2023.	Primary Mortgage Bond over stocks and book debt of the borrowers and monthly transfer of Rs. 0.1 million to savings accounts.
	NDB Bank PLC II	-	6.47	AWPLR + 2%	Repayable in 17 equal monthly installements commencing from May 2023.	Primary Mortgage Bond over stocks and book debt of the borrowers and monthly transfer of Rs. 0.1 million to savings accounts.
	Softlogic Finance PLC	126.81	96.88	AWPLR + 2%	Repayable in 60 monthly installements commencing from May 2023.	
		190.29	179.31			
Colonial Motors (Ceylon) Limited	Commercial Bank of Ceylon PLC	22.32	26.59	15%		Floating Primary Mortgage Bond No.3639 - No.41/35,Nagahamulla Road,Thalangama South and more fully depicted as Lot A in plan No.1706A dated 30.09.2004 drawn by Mr. M A H Bandara (L/S) in extent of 133.0 Perches owned by M/s. Colonial Motors (Ceylon) Limited. Floating Primary Mortgage Bond No.CTY/ VM/14/05 dated 25/02/2015 for Rs.66.0 Mn. obtained over the Stocks of "Mazda" brand Vehicles and spare parts (Mazda/Tata/Land Rover) and/or other movable assets. Floating Secondary Mortgage Bond No.CTY/15/04 dated 20.08.2015 for LKR.20.0 Mn over stocks obtained.
		22.32	26.59			

#### 24.6 Trust Receipt Loans

As at 31st March,	GROUP	
	2025 Rs.'000	2024 Rs.'000
E. B. Creasy & Company PLC	481,304	341,321
Lankem Ceylon PLC	2,047,804	1,588,560
SunAgro LifeScience Limited	-	166,755
Candy Delights Limited	85,887	-
Muller & Phipps (Health Care) Limited	18,539	27,918
Laxapana PLC	35,422	108,558
	2,668,956	2,233,112

# Notes to the Financial Statements contd.

## ▪ E.B. Creasy & Company PLC

Trust receipt loans are secured by existing mortgage bonds to banks over the property situated at No. 98, Sri Sangaraja Mawatha, Colombo 10, share investments and stocks in trade and assignment of book debts.

## ▪ Laxapana PLC

Trust receipt loans are secured by existing mortgage bonds to banks over the property situated at Panagoda, Homagama and stocks in trade and assignment of book debts.

## ▪ Candy Delights Limited

Trust receipt loans are secured by a floating charge on imported inventories at Unit Three, Industrial Estate, Ekala, Ja-Ela and book debts.

## ▪ Muller & Phipps (Health Care) Limited

Trust receipt loans are secured by existing mortgage bonds to banks over pharmaceutical stocks in trade and assignment of book debts.

### Muller & Phipps (Health Care) Limited

Company/ Lender	Facility	Interest	Balances as at 31.3.2025 Rs.'000	Balances as at 31.3.2024 Rs.'000	Terms of Repayment	Security Pledged
Hatton National Bank PLC	Revolving Trust Receipt Loan of Rs.225 Mn	Market rates either fixed or floating	18,539	27,918	Each loan should be repaid in a maximum period of 180 days.	Primary Floating Mortgage bond for Rs.450 Mn over stock of pharmaceuticals and an assignment of book debts.
			18,539	27,918		

\* The portion of the long-term loan repayable within one year from the reporting date is shown as Current Liabilities.

## 25. DEFERRED INCOME - CAPITAL GRANTS

As at 31st March,	GROUP		COMPANY	
	2025 Rs:'000	2024 Rs:'000	2025 Rs:'000	2024 Rs:'000
Balance at the beginning of the Year	513,066	504,140	-	-
Additions during the Year	13,830	48,669	-	-
Amortised during the Year	(33,419)	(39,743)	-	-
<b>Balance at the end of the Year (Note 25.1)</b>	<b>493,477</b>	<b>513,066</b>	<b>-</b>	<b>-</b>

### 25.1 Balance at the end of the Year

Kotagala Plantations PLC	302,878	308,944	-	-
Agarapatana Plantations PLC	164,694	174,149	-	-
C.W. Mackie PLC	22,677	26,485	-	-
E B Creasy & Company PLC	3,228	3,488	-	-
	<b>493,477</b>	<b>513,066</b>	<b>-</b>	<b>-</b>

### 25.2 The Group's utilisation of funds received is as below:

#### Kotagala Plantations PLC

##### i) Asian Development Bank - Plantation Reform Project (ADB-PRP)

The funds received are utilised for construction of Staff Quarters, Water Projects, Latrines, Farm Roads and purchase of Forestry Equipment.

##### ii) Plantation Development Support Program (PDSP)

The funds received are utilised for construction of Dispensaries, Staff Quarters, Water Projects and upgrading Creches.

##### iii) Plantation Human Development Trust (PHDT)

The funds received are utilised for construction of Worker Housing, Water Projects and purchase of an Ambulance.

#### iv) Others

##### a) Ministry of Livestock Development and Estate Infrastructure

The funds received are utilised for construction of Community Centres, Agency Post Offices and upgrading Farm Roads and Creches.

##### b) Sri Lanka Tea Board

Funds received are utilised for the construction of the CTC Tea Factory at Mount Vernon Estate.

##### c) Rubber Development Department

Funds received are utilised for replanting.

The amounts spent are capitalised under the relevant classification of Property, Plant & Equipment and the corresponding grant component is reflected under deferred grants and subsidies and amortised over useful life span of the asset.

#### Agarapatana Plantations PLC

Agarapatana Plantations PLC has received funding from the Plantation Housing and Social Welfare Trust, Asian Development Bank and Plantation Reform Project for the development of worker welfare facilities such as re-roofing of line rooms, latrines, water supply and sanitation etc. The funds received from Sri Lanka Tea Board are utilized for Tea replanting. The amounts spent are included under the relevant classification of Property, Plant and Equipment and Bearer Biological Assets and the grant component is reflected under Deferred Grants and Subsidies.

#### C. W. Mackie PLC (CWM)

CWM has been awarded a government grant from Ministry of Plantation Industries, amounted to Rs. 45.6 million for the acquisition of peanut processing line and automated packing machines during in 2024. The government grant is recognised as deferred income and is being amortised over the useful life of the machinery.

#### Kelani Valley Canneries Limited

Kelani Valley Canneries Limited (KVC) has been awarded a government grant in December 2016 from Industrial Development Board of Ceylon, amounted to Rs.0.5 million for the acquisition of fully automated jam cup filling machine at a total cost of Rs. 1.3 million. During the year 2019/20, the Company has acquired an Automated Filling Machine at a total cost of Rs. 2.2 million under a government grant scheme which was aimed at facilitating Micro Small and Medium Enterprises (MSME) engaged in food based products by supporting them with funds needed to acquire new technology or purchase modern machinery to enhance the quality or productivity of their production. Out of the approved grant, the Company has received Rs.1.54 million during the previous years. The government grant is recognised as deferred income and is being amortised over the useful life of the machinery.

In accordance with the term of the grant KVC has started the production with above machineries and shall not dispose, assign, pledge, mortgage, gift, or let rent the machinery for a period of five years from the date of purchase.

#### E B Creasy and Company PLC

E. B. Creasy & Co, PLC received a grant of Rs.5.2 million during the year ended 31st March 2018 in relation to setting up of a roof top solar power project on net metering basis under ADB funded clean energy and network efficiency improvement projects which is amortised over 20 years.

## 26 DEFERRED TAX LIABILITIES

As at 31st March,	GROUP		COMPANY	
	2025	2024	2025	2024
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance at the beginning of the Year	5,117,946	4,651,740	212,055	211,115
Prior Year Adjustment	-	115,704	-	-
Origination/(Reversal) of Temporary Differences Recognised in Profit / (Loss) for the Year	469,874	565,003	(8,993)	940
Origination/(Reversal) of Temporary Differences Recognised in the Statement of Other Comprehensive Income	256,318	(214,501)	-	-
Transfer to/ From Deferred Tax Liabilities (Note 18)	27,126	-	-	-
<b>Balance at the end of the Year</b>	<b>5,871,264</b>	<b>5,117,946</b>	<b>203,062</b>	<b>212,055</b>

# Notes to the Financial Statements contd.

Deferred tax liabilities are recognised for all taxable temporary differences arising between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. These are measured using the effective tax rate of 30% applicable to the Group.

As at 31st March,	GROUP	
	2025 Rs.'000	2024 Rs.'000
<b>26.1 Deferred Tax Composition</b>		
Property Plant and Equipment	5,274,249	4,879,106
Investment in Equity Securities	314,104	174,152
Revaluation Surplus on Land	2,628,228	1,874,085
Right to use Assets	142,653	397,406
Lease Liability	(184,661)	(418,605)
Defined Benefit Obligations	(1,392,317)	(1,030,998)
Impairment of Inventory	(50,503)	(11,133)
Impairment of Debtors	(264,118)	(167,938)
Impairment of Financial Assets	(127,154)	(59,843)
Tax loss carried forward	(469,218)	(518,286)
	<b>5,871,264</b>	<b>5,117,946</b>

As at 31st March,	COMPANY	
	2025 Rs.'000	2024 Rs.'000
<b>26.2 Deferred Tax Composition</b>		
Property Plant and Equipment	717	517
Revaluation Surplus on Land	228,975	226,939
Impairment of Amount due from related parties	(3,358)	(2,517)
Tax loss carried forward	(23,272)	(12,884)
	<b>203,062</b>	<b>212,055</b>

## 27 EMPLOYEE BENEFITS

As at 31st March,	GROUP		COMPANY	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Fair Value of Plan Assets (Note 27.1)	123,322	110,720	-	-
Present Value of the Funded Obligations (Note 27.2)	557,619	445,979	-	-
Present Value of the Unfunded Obligations (Note 27.4)	4,819,326	3,884,934	-	-
<b>Total Present Value of Retirement Benefit Obligations</b>	<b>5,376,945</b>	<b>4,330,913</b>	<b>-</b>	<b>-</b>

### 27.1 Fair Value of Plan Assets

#### Movements in Fair Value of Plan Assets

	2025	2024		
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance at the beginning of the Year	110,720	100,863	-	-
Contribution paid to the Plan Assets	25,662	24,469	-	-
Expected Return on Plan Assets	10,248	14,029	-	-
Benefits Paid by the Plan	(18,591)	(24,165)	-	-
Actuarial Losses	(4,717)	(4,476)	-	-
<b>Balance at the end of the Year</b>	<b>123,322</b>	<b>110,720</b>	<b>-</b>	<b>-</b>

As at 31st March,	GROUP		COMPANY	
	2025 Rs:'000	2024 Rs:'000	2025 Rs:'000	2024 Rs:'000
<b>27.1.1.</b> Amount recognized in the statement of profit or loss	10,248	14,029	-	-
Amount recognized in other comprehensive income	4,717	4,476	-	-
<b>27.1.2. Plan Assets Consist of the following:</b>				
Treasury Bills	54,056	52,436	-	-
Balance with Group Companies	23,637	22,392	-	-
Cash	17,497	11,401	-	-
Other Investments	28,132	24,491	-	-
	123,322	110,720	-	-

The plan assets are invested entirely in short term Treasury Bills issued by the Government of Sri Lanka in order to mitigate any potential financial risks.

## 27.2 Present Value of the Funded Obligations

### Movement in Present Value of Funded Obligations

Balance at the beginning of the Year	445,979	295,550	-	-
Provision for the Year (Note 27.2.1)	92,114	84,669	-	-
	538,093	380,219	-	-
Benefits paid by the Plan	(43,339)	(36,625)	-	-
Actuarial Losses (Note 27.2.1)	62,865	102,385	-	-
<b>Balance at the end of the Year</b>	<b>557,619</b>	<b>445,979</b>	<b>-</b>	<b>-</b>

### 27.2.1 Expenses Recognised in the Statement of Comprehensive Income

Current Service Cost	38,596	27,555	-	-
Interest Cost	53,518	57,114	-	-
	92,114	84,669	-	-
Provision for the Year	92,114	84,669	-	-
Net Actuarial Losses	62,865	102,385	-	-
	154,979	187,054	-	-

## 27.3 Present Value of Net Obligations

Fair Value of Plan Assets	123,322	110,720	-	-
Present Value of Funded Obligations	(557,619)	(445,979)	-	-
<b>Present Value of Net Funded Obligations</b>	<b>(434,297)</b>	<b>(335,259)</b>	<b>-</b>	<b>-</b>

## 27.4 Present Value of the Unfunded Obligation

### Movement in Present Value of Unfunded Obligation

Balance at the beginning of the Year	3,884,934	2,981,425	-	-
Acquisition of Subsidiaries	-	20,566	-	-
Provision for the year	760,350	726,561	-	-
	4,645,284	3,728,552	-	-
Benefits paid by the Plan	(966,793)	(460,496)	-	-
Actuarial Losses	1,140,835	616,878	-	-
<b>Balance at the end of the Year</b>	<b>4,819,326</b>	<b>3,884,934</b>	<b>-</b>	<b>-</b>

### 27.4.1 Expenses Recognised in the Statement of Comprehensive Income

Current Service Cost	308,413	172,268	-	-
Interest Cost	451,937	554,293	-	-
Provision for the Year	760,350	726,561	-	-
Net Actuarial Losses	1,140,835	616,878	-	-
	1,901,185	1,343,439	-	-

# Notes to the Financial Statements contd.

As at 31st March,	GROUP		COMPANY	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000

## 27.4.2 Present Value of the Funded Obligations

### Amount recognized in the statement of profit or loss

Current service cost	38,596	27,555	-	-
Interest cost	53,518	57,114	-	-
	92,114	84,669	-	-

### Amount recognized in other comprehensive income

Remeasurement of Retirement Benefit Obligations recognised in OCI	62,865	102,385	-	-
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## 27.4.3 Present Value of the Unfunded Obligation

### Amount recognized in the statement of profit or loss

Current service cost	308,413	172,268	-	-
Interest cost	451,937	554,293	-	-
	760,350	726,561	-	-

### Amount recognized in other comprehensive income

Remeasurement of Retirement Benefit Obligations recognised in OCI	1,140,835	616,878	-	-
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#### i) Agarapatana Plantations PLC

According to the valuation done based on the full actuarial valuation carried out by a professionally qualified actuary firm M/s. Actuarial and Management Consultants (Pvt) Ltd as at 31st March 2025, the liability is Rs.2,210 million. If the Company had provided for gratuity for all employees on the basis of 14 days wages for workers and a half month salary for staff for each completed year of service for the year ended 31st March 2025, the liability would have been Rs. 2,239 million (2024 - Rs. 1,969 million) Hence, there is a contingent liability of Rs.29 million which would crystallise only if the Company ceases to be a going concern

#### ii) Kotagala Plantations PLC

The actuarial valuation had been carried out by M/S Actuarial & Management Consultants (Pvt) Ltd. According to the valuation the gratuity liability on employees of the Company as at 31st March 2025 is Rs.1,107 million (2024 - Rs.821 million).

#### iii) Marawila Resorts PLC

The actuarial valuations have been carried out by professionally qualified actuaries Messers. Piyal S Goonetilleke and Associates for retiring gratuity of staff as at 31st March 2025. The actuarial present value of the accrued benefits as at 31st March 2025 is Rs. 19.28 million (2024 - Rs.16.60 million). This item is grouped under Retirement Benefit Obligation in the Statement of Financial Position. The liability is not externally funded.

#### iv) Sigiriya Village Hotels PLC

Actuarial Valuation has been carried out as at 31st March , 2025 by Mr. Piyal Goonatilleka, Fellow of the Society of actuaries (USA).The valuation method used by the actuary was "Projected Unit Credit Method". The actuarial present value of the accrued benefits as at 31st March 2025 is Rs.21.60 million (2024 - Rs.17.39 million). This item is grouped under Retirement Benefit Obligation in the Statement of Financial Position. The liability is not externally funded.

#### v) Beruwala Resorts PLC

An actuarial valuation carried out by Messrs. Piyal S. Goonetilleke and Associates as at 31st March 2025 is Rs.15.09 million (2024 - Rs.14.26 million).This item is grouped under Retirement Benefit Obligation in the Statement of Financial Position. The liability is not externally funded.

#### vi) C.W. Mackie PLC

The contributions of the Company and its subsidiaries (Ceymac Rubber Company Limited and Ceytra (Private) Limited) to the defined benefit plan are determined by a formula stated in the Indenture establishing the CWM Group Staff Non-Contributory Gratuity Fund.

As required by the Sri Lanka Accounting Standard 19 (LKAS 19), "Employee Benefits" the Fund was actuarially valued by Mr. Piyal S. Goonetilleke, Fellow of the Society of Actuaries (USA), Member of American Academy of Actuaries ,Consulting Actuary of Messrs. Piyal S.Goonetilleke and

Associates, as at 31 March 2025 and the appropriate adjustments have been effected in the Financial Statements.

The liability as at 31st March, 2025 of the C.W. Mackie group was Rs.229.13 million (2024 - Rs.197.67 million).

**vii) J.F. Packaging Limited**

The retirement benefit obligations as at 31st March 2025 is based on actuarial valuation carried out by Messrs. Actuarial and Management Consultants (Private) Limited. As per which liability as at 31st March 2025 was Rs.27.87 million (2024 - Rs.21.77 million).

**viii) Lankem Ceylon PLC**

An actuarial valuation has been carried out as at 31st March 2025 by Messrs. Actuarial and Management Consultants (Private) Limited. as required by the Sri Lanka Accounting Standard 19 'Employee Benefits'.

Plan Assets of the Company are held by an approved external gratuity fund where it invests in insurance scheme amounting to Rs.6.67 Million as at the date of Statement of Financial Position. The valuation method used by the actuary is the 'Project Unit Credit Method', the method recommended by Sri Lanka Accounting Standard 19 'Employee Benefits'.

**ix) C M Holdings PLC - Group**

Defined Benefit Obligation of Colonial Motors (Ceylon) Limited is determined through an actuarial valuation carried out internally for the year ended 31 March 2025.

**x) E.B. Creasy & Company PLC**

An actuarial valuation has been carried out as at 31st March 2025 by M/S Actuarial & Management Consultants (Pvt) Limited (Actuarial Valuer) as required by the Sri Lanka Accounting Standard LKAS 19 - 'Employee Benefits'.

The actuarial present value of the accrued benefit as at 31st March, 2025 is Rs. 717.31 million (2023 - Rs.606.83 million). This item is grouped under retirement benefit obligation in the Statement of Financial Position. The liability is not externally funded.

**xi) Laxapana PLC**

An actuarial valuation has been carried out by Messrs. Actuarial Management and Consultant Private Limited as at 31st March 2025. As per which liability as at 31st March 2025 was Rs.17.39 million (2024 - Rs.8.88 million).

**xii) Darley Butler & Company Limited**

An actuarial valuation has been carried out by Messrs. Actuarial Management and Consultant Private Limited as at 31st March 2025. The Projected Unit Credit method has been used in determining the valuation. As per which liability as at 31st March 2025 was Rs.371.26 million (2024 - Rs.357.96 million).

**xiii) Sterling Steels (Private) Limited**

An actuarial valuation has been carried out as at 31st March 2025 by Messrs. Actuarial Management and Consultant Private Limited. As per which liability as at 31st March 2025 was Rs.39.89 million (2024 - Rs.22.47 million).

**xiv) Union Commodities (Private) Limited**

The Retirement benefit obligations has been carried out by Actuarial and Management Consultants (Private) Limited, a firm of professional actuaries. As per which liability as at 31st March 2025 was Rs.30.50 million (2024 - Rs.28.92 million).

**xv) York Hotel Management Services Limited**

An actuarial valuation has been carried out as at 31st March 2025 Mr. Piyal S. Goonetilleke, a professional actuary, as per which liability as at 31st March 2025 was Rs.10.17 million (2024 - Rs.10.91 million).

**xvi) ACME Printing and Packaging PLC**

An actuarial valuation was carried out by Mr. Poopalanathan (AIA) of Actuarial & Management Consultants (Pvt) Limited as at 31st March 2025. The valuation method used by the Actuary is the "Projected Unit Credit Method", the method recommended by Sri Lanka Accounting Standard 19 "Employee Benefits" (LKAS 19). As per which liability as at 31st March 2025 was Rs.46 million (2024 - Rs.30 million).

Plan asset of the Company are held by an approved external gratuity fund where it invests in an insurance scheme amounting to Rs.20 million as at the reporting date (2024 - Rs.17 million).

## Notes to the Financial Statements contd.

### xvi) Present Value of the Unfunded Obligations

LKAS 19 - 'Employee Benefits' requires to apply Projected Unit Credit Method to make a reliable estimate of the obligation in order to determine the present value of the retirement benefit obligation. The key assumptions made in arriving at the retirement benefit obligation as at 31st March 2025 in respect of following companies are stated below:

Company Name	Expected Salary Increment Rate	Discount Rate	Retirement Age Years	Liability as at 31.03.2025 Rs. Million
ACME Printing and Packaging PLC	10%	10.5%	55	26.59
	Workers - 10% increase p.a and other categories of staff - 25% + 5% once in three years			
Agarapatana Plantations PLC		11.0%	60	2,209.86
Alliance Five (Private) Limited	10%	11.0%	60	8.99
Beruwala Resorts PLC	10%	11.1%	60	15.09
C M Holdings PLC - Group				
Colonial Motors (Ceylon) Limited	8%	11%	60	11.45
C.W. Mackie PLC - Group	10%	11%	60	155.18
Candy Delights Limited	10%	11%	60	35.80
Ceyflex Rubber Limited	10%	11%	60	0.82
Ceylon Tapes (Private) Limited	10%	11%	55	14.75
Darley Butler & Company Limited	10%	11%	60	371.26
E.B. Creasy & Company PLC	10%	10.0%	60	717.31
E.B. Creasy Logistics Limited	10%	11%	60	7.19
Galle Fort Hotel (Private) Limited	7.5%	10.0%	60	5.54
JF Packaging Limited	10%	11%	55	27.87
Kiffs (Private) Limited	10%	11%	55	5.18
Kotagala Plantations PLC - Group	10%	11%	60	1,107.67
Lanka Special Steels Limited	10%	10%	60	37.23
Lankem Ceylon PLC	7%	10%	60	273.06
Lankem Paints Limited	7%	10%	55	15.13
Laxapana PLC	10%	11%	60	17.39
Marawila Resorts PLC	10%	11%	60	19.28
Muller & Phipps (Health Care) Limited	10%	11.1%	60	27.58
Sherwood Holidays Limited	7.5%	10%	55	4.38
Sigiriya Village Hotels PLC	10%	11%	60	21.59
Sterling Steels (Private) Limited	10%	11%	60	39.89
SunAgro Life Science Limited	7%	10.5%	55	2.43
Union Commodities (Private) Limited	8%	10.0%	60	30.50
York Hotel Management Services Limited	10%	11%	60	10.17

As per the LKAS 19 issued by the Institute of Chartered Accountants of Sri Lanka, a long-term treasury bond rate of 11% p.a. (2024 – 12.50%) was used to discount future liabilities taking into consideration the remaining working life of eligible employees for the purpose of valuing employee benefit obligations. Further, the salary increment rate of 10% is considered appropriate to be in line with the Company's targeted salary increments when taking into account the current market conditions and inflation rate.

**xvii)** No provision has been made for Retiring Gratuity in the accounts of The Colombo Fort Land & Building PLC, York Arcade Holdings PLC, Colombo Fort Holdings Limited, Capital Leasing Company Limited, Transways (Private) Limited, Union Group (Private) Limited and C.F. Travels (Private) Limited as these companies do not employ any staff. All operational services such as accountancy, secretarial and personnel are provided by Corporate Managers & Secretaries (Private) Limited to whom a fee is paid.

## 27.5 Sensitivity of Assumptions Employed in Actuarial Valuation

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

The sensitivity of the Total Comprehensive Income and Statement of Financial Position is the effect of the assumed changes in discount rate and salary increment rate on to total Comprehensive Income and employment benefit obligation for the year.

As at 31st March,	2025		2024	
	Increase Rs.'000	Decrease Rs.'000	Increase Rs.'000	Decrease Rs.'000
Group				
Movement by 1%				
Discount Rate	(1,266,206)	1,406,466	(962,948)	1,112,506
Future salary scale	1,484,358	(1,256,050)	1,124,221	(955,892)

## 27.6 The Expected Benefits Payout

As at 31st March,	GROUP	
	2025 Rs.'000	2024 Rs.'000
Within Next 12 Months	863,651	387,297
Between 1-2 years	249,241	56,562
Between 2-5 years	1,332,049	950,164
Beyond 5 years	2,932,004	2,936,890
	5,376,945	4,330,913

## 28 RENT RECEIVED IN ADVANCE

As at 31st March,	GROUP		COMPANY	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Balance at the beginning of the Year	10,365	9,542	10,365	9,542
Received during the Year	39,180	37,812	39,180	37,812
Amount Recognised as Income during the Year	(38,610)	(36,989)	(38,610)	(36,989)
Balance at the end of the Year	10,935	10,365	10,935	10,365
Amount falling due within one Year	10,935	10,365	10,935	10,365
Amount falling due after one Year	-	-	-	-

## 29 TRADE & OTHER PAYABLES

As at 31st March,	GROUP		COMPANY	
	2025 Rs.'000	2024 Restated Rs.'000	2025 Rs.'000	2024 Rs.'000
Trade Payables	6,983,655	6,015,019	-	-
Other Payables	6,038,838	4,641,295	61,572	45,643
Accrued Expenses	2,480,553	2,139,038	42,987	32,309
Bills Payables	186,796	233,457	-	-
Advance Received	202,410	466,459	-	-
Security Deposit	501,067	415,839	9,215	8,082
Unclaimed Dividend	52,895	35,796	944	1,734
	16,446,214	13,946,903	114,718	87,768

# Notes to the Financial Statements contd.

## 30 RELATED PARTY TRANSACTIONS

### 30.1 Amounts due from Related Parties

As at 31st March,	GROUP		COMPANY	
	2025 Rs:'000	2024 Rs:'000	2025 Rs:'000	2024 Rs:'000
<b>Subsidiaries</b>				
Agarapatana Plantations PLC	-	-	-	75
American Lloyd Travels Limited	-	-	-	400
Beruwala Resorts PLC	-	-	-	6,859
C.F.Travels Limited	-	-	339	292
Colombo Fort Hotels Limited	-	-	10,576	23,085
Transways (Private) Limited	-	-	27,238	28,606
Kotagala Plantations PLC	-	-	-	2,082
Lankem Ceylon PLC	-	-	18,277	6,827
Lankem Developments PLC	-	-	140,816	133,237
Sigiriya Village Hotels PLC	-	-	7,000	7,425
Colombo Fort Group Services (Private) Limited	-	-	7,907	1,701
York Hotel Management Servicers Limited	-	-	14,050	13,922
	-	-	226,203	224,511
<b>Less: Transferred to Loan given to Related Parties</b>				
Colombo Fort Hotels Limited	-	-	(7,000)	(20,000)
Lankem Ceylon PLC	-	-	(10,000)	-
Transways (Private) Limited	-	-	(23,000)	(25,000)
Lankem Developments PLC	-	-	(66,930)	(66,930)
	-	-	(106,930)	(111,930)
Less: Provision for impairment - Related Parties (Note 30.1.1)	-	-	(11,193)	(8,390)
	-	-	108,080	104,191
<b>Other Related Parties</b>				
CWM Hotel Holdings Limited	81,939	81,939	-	-
York Conventions (Private) Limited	188	3,700	-	3,512
Far Eastern Exports (Colombo) Limited	415	404	-	-
Property & Investment Holdings (Private) Limited	18,060	18,060	-	-
Others	127,999	733	-	-
	228,601	104,836	-	3,512
Less: Provision for impairment - Related Parties (Note 30.1.1)	(82,000)	(85,639)	-	(3,512)
	146,601	19,197	-	-
<b>Total Amounts due from Related Parties</b>	<b>146,601</b>	<b>19,197</b>	<b>108,080</b>	<b>104,191</b>

### 30.1.1 Provision for impairment - Related Parties

As at 31st March,	GROUP		COMPANY	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
<b>Subsidiaries</b>				
Colombo Fort Hotels Limited	-	-	-	10
Lankem Ceylon PLC	-	-	463	153
Agarapatana Plantations PLC	-	-	-	1
Kotagala Plantations PLC	-	-	-	58
York Hotel Management Services (Private) Limited	-	-	7,447	2,117
Colombo Fort Group Services (Private) Limited	-	-	26	8
Sigiriya Village Hotels PLC	-	-	81	222
Beruwala Resorts PLC	-	-	-	128
Transways (Private) Limited	-	-	1,714	1,952
Lankem Developments PLC	-	-	1,124	3,603
C.F.Travels Limited	-	-	338	131
American Lloyd Travels Limited	-	-	-	7
	-	-	11,193	8,390
<b>Other Related Parties</b>				
CWM Hotel Holdings Ltd	81,812	81,939	-	-
York Conventions (Private) Limited	188	3,700	-	3,512
	82,000	85,639	-	3,512
	82,000	85,639	11,193	11,902

### 30.2 Amounts due to Related Parties

<b>Subsidiaries</b>				
C M Holdings PLC	-	-	8,472	7,962
Capital Leasing Co. Limited	-	-	550	1,175
Colombo Fort Holdings Limited	-	-	39,216	41,765
Creasy Plantation Management Limited	-	-	4,583	4,583
Lankem Plantation Services Limited	-	-	4,583	4,583
Agarapatana Plantations PLC	-	-	5,925	-
York Arcade Holdings PLC	-	-	105,762	101,293
Imperial Hotels Limited	-	-	165,987	154,357
Darley Butler & Co. Limited	-	-	259,592	357,337
	-	-	594,670	673,055
<b>Associates</b>				
Capital Investments Limited	2,933	2,639	2,933	2,639
	2,933	2,639	2,933	2,639
<b>Affiliates</b>				
Corporate Holdings (Private) Limited	3,300	3,300	-	-
Ceylon Tea Brokers PLC	-	103,669	-	-
Financial Trust Limited	121,612	121,287	121,612	121,287
Sunquick Lanka (Private) Limited	625,728	592,942	-	-
Others	-	133	-	-
	750,640	821,331	121,612	121,287
Total Amounts due to Related Parties	753,573	823,970	719,215	796,981

# Notes to the Financial Statements contd.

## 30.2 Amounts due to Related Parties Contd.

As at 31st March,	GROUP		COMPANY	
	2025 Rs:'000	2024 Rs:'000	2025 Rs:'000	2024 Rs:'000
<b>Amounts due within One Year</b>				
Interest-bearing Borrowings (Note 30.2.1)	21,600	19,000	85,300	126,100
Non-interest-bearing Borrowings	631,973	704,970	162,415	144,381
	<b>653,573</b>	<b>723,970</b>	<b>247,715</b>	<b>270,481</b>
<b>Amounts due after One Year</b>				
Interest-bearing Borrowings (Note 30.2.1)	100,000	100,000	471,500	526,500
	<b>100,000</b>	<b>100,000</b>	<b>471,500</b>	<b>526,500</b>

### 30.2.1 Interest-bearing Borrowings

#### Amounts due within one year

##### Subsidiaries

C M Holdings PLC	-	-	4,500	4,500
Darley Butler & Co. Ltd.	-	-	59,200	100,000
	-	-	63,700	104,500

##### Associates

Capital Investments Limited	2,600	2,600	2,600	2,600
	2,600	2,600	2,600	2,600

##### Other Related Parties

Financial Trust Limited	19,000	19,000	19,000	19,000
	19,000	19,000	19,000	19,000
	21,600	21,600	85,300	126,100

#### Amounts due after one year

##### Subsidiaries

Colombo Fort Holdings Limited	-	-	13,000	16,000
Imperial Hotels Limited	-	-	108,000	108,000
Darley Butler & Co. Limited	-	-	200,000	250,000
York Arcade Holdings PLC	-	-	50,500	52,500
	-	-	371,500	426,500

##### Other Related Parties

Financial Trust Limited	100,000	100,000	100,000	100,000
	100,000	100,000	100,000	100,000
	100,000	100,000	471,500	526,500

### 30.3 Transactions with Related Parties

The Company carries out transactions in the ordinary course of its business with parties who are defined as related parties in Sri Lanka Accounting Standard (LKAS) 24 - 'Related Party Disclosures', the details of which are reported below:

As at 31st March,	GROUP		COMPANY	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
<b>Subsidiaries</b>				
(Receiving)/Rendering of Services	-	-	(4,149)	(4,149)
Loans (Taken)/Given	-	-	(41,000)	(565,000)
Interest (Expenses)/Income	-	-	(51,793)	(23,209)
Dividend (Paid)/Received	-	-	260,605	528,225
Rent (Taken)/Given	-	-	37,748	36,730
Guarantee Commission (Taken)/Given	-	-	665	1,243
(Received)/Payment of Outstanding Balances	-	-	148,649	154,380
Advance (Taken)/Given	-	-	(9,953)	(54,758)
Disposal (Acquisition) of Shares	-	-	-	(1,015,108)
<b>Associates</b>				
Loans (Taken)/Given	-	2,600	-	(25,600)
Interest (Expenses)/Income	(294)	(1,596)	(294)	(1,596)
Dividend (Paid)/Received	52,943	85,858	-	(15,250)
(Received)/Payment of Outstanding Balances	-	500	-	25,557
Transfer (Into) / Out of Current Account	333	189	-	-
Disposal (Acquisition) of Shares	(26,061)	(68,486)	-	24,876
<b>Related Parties</b>				
(Purchases)/Sales of Goods	-	1,369,190	-	-
(Received)/Payment of Rendering of Services	-	(1,390,565)	-	(11)
Dividend (Paid)/Received	-	(6,681)	-	(6,681)
Interest (Expenses)/Income	(13,476)	(1,701)	(13,476)	(1,701)
Loans (Taken)/Given	-	(119,108)	-	(119,108)
(Received)/Payment of Outstanding Balances	13,151	40,498	13,151	49,498
Advances (Taken)/Given	-	(9,000)	-	(9,000)

### 30.4 Terms and Conditions of Transactions with Related Parties

Transactions with related parties are carried out in the ordinary course of the business. Outstanding balances at year end are unsecured and no interest was charged during the year on non-interest bearing balances. Interest on balance transferred to interest-bearing borrowings are charged at AWPLR +2%. The balances will be settled as and when the dues are called upon.

### 30.5 Recurrent and Non-Recurrent Related Party Transactions

During the year there were no Non-Recurrent or Recurrent transactions for the Company, which exceeded the disclosure threshold mentioned in Section 9 of the Colombo Stock Exchange Rules.

### 30.6 Transactions with Key Management Personnel

According to Sri Lanka Accounting Standard LKAS 24 - 'Related Party Disclosures', Key Management Personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity. Accordingly, Key Management Personnel include the members of the Board of Directors (Including Executive and Non Executive Directors) of The Colombo Fort Land & Building PLC and its subsidiary companies.

**(a) Loans to Key Management Personnel**

No loans have been given to Key Management Personnel during the year.

**(b) Key Management Personnel Compensation**

Details of compensation for Executive and Non-Executive Directors are disclosed below:

	GROUP		COMPANY	
	2025 Rs:000	2024 Rs:000	2025 Rs:000	2024 Rs:000
Short-Term Employee Benefits	967,669	600,561	13,312	11,025
Post Employment Benefits Paid to Key Management Personnel	114,128	160,437	-	-

**(c) Key Management Personnel Shareholding of the Company**

The shareholdings of the Directors are disclosed on page 43 of this Annual Report.

**(d) Transactions with Close Family Members**

There were no transactions with close family members during the year.

**30.7 The Directors of the Company are also Directors of the following Companies**

COMPANIES	Mr. S.D.R. Arudpragasam	Mr. C.P.R. Perera	Mr. Anushman Rajaratnam	Mr. A.M. de S. Jayaratne (Deceased 10.07.2025)	Mr. Sanjeev Rajaratnam	Mr. P.M.A. Sirimane Rasiah	Mr. A.R.R. Rajaratnam	Mr. K.G. PUNCHIHEWA (Appointed w.e.f. 20.02.2025)	Mr. S.B. Perera (Appointed w.e.f. 20.02.2025)	Mr. S. Viran Corea (Appointed w.e.f. 28.03.2025)	Mr. I.A. Wickramasinghe (Appointed w.e.f. 28.03.2025)
The Colombo Fort Land and Building PLC	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
ACME Printing & Packaging PLC	✓		✓	✓				✓			
Agarapatana Plantations PLC	✓	✓	✓	✓				✓	✓		
Beruwala Resorts PLC	✓	✓	✓		✓	✓			✓		
C.M Holdings PLC	✓		✓	✓	✓		✓				
C.F Travels Limited					✓		✓				
C.W Mackie PLC	✓	✓	✓	✓	✓				✓		✓
Capital Leasing Company Limited	✓		✓			✓					
Colombo Fort Group Services (Pvt) Limited	✓		✓			✓					
Colombo Fort Holdings Limited	✓				✓						
Colombo Fort Hotels Limited	✓		✓		✓		✓				
Colombo Fort Properties (Private) Limited	✓		✓	✓							
Consolidated Tea Plantations Limited	✓	✓	✓	✓				✓			
Cresy Plantation Management Limited	✓										
Darley Butler & Company Limited	✓			✓	✓	✓	✓				

COMPANIES	Mr. S.D.R. Arudpragasam	Mr. C.P.R. Perera	Mr. Anushman Rajaratnam	Mr. A.M. de S. Jayaratne (Deceased 10.07.2025)	Mr. Sanjeev Rajaratnam	Mr. P.M.A. Sirimane	Mr. A.A.R. Rasiah	Mr. Amrit Rajaratnam	Mr. K.G. PUNCHIHEWA (Appointed w.e.f. 20.02.2025)	Mr. S.B. Perera (Appointed w.e.f. 20.02.2025)	Mr. S. Viran Corea (Appointed w.e.f. 28.03.2025)	Mr. I.A. Wickramasinghe (Appointed w.e.f. 28.03.2025)
E.B. Creasy & Company PLC	Subsidiary	✓		✓	✓	✓	✓		✓	✓		
Imperial Hotels Limited	Subsidiary		✓		✓			✓				
Lankem Ceylon PLC	Subsidiary		✓			✓				✓		
Lankem Developments PLC	Subsidiary		✓			✓			✓	✓		
Lankem Plantation Services Limited	Subsidiary											
Marawila Resorts PLC	Subsidiary		✓		✓		✓	✓		✓		
Muller & Phipps (Ceylon) PLC	Subsidiary				✓		✓		✓	✓		
Sigiriya Village Hotels PLC	Subsidiary		✓		✓		✓	✓		✓		
Transways (Private) Limited	Subsidiary				✓			✓				
Voyages Ceylan (Private) Limited	Subsidiary				✓			✓				
York Arcade Holdings PLC	Subsidiary		✓		✓			✓				
York Hotel Management Services Limited	Subsidiary		✓		✓		✓	✓				
York Tours Limited	Subsidiary				✓			✓				
Capital Investments Limited	Associate											
Colombo Fort Investments PLC	Associate		✓		✓			✓				
Colombo Investment Trust PLC	Associate		✓		✓			✓				
C.W. M. Hotels Holdings Limited	Related Company		✓									
Far Eastern Exports (Colombo) Limited	Related Company		✓					✓				
Financial Trust Limited	Related Company		✓					✓				
Property and Investment Holdings (Private) Limited	Related Company		✓					✓				
Sunquick Lanka (Pvt) Limited	Related Company		✓									
York Conventions (Private) Limited	Related Company		✓					✓				

**Notes:**

Mr. C.P.R. Perera, Deputy Chairman, The Colombo Fort Land & Building PLC, who served as an Independent Non-Executive Director until the close of business on 31.12.2024, continues to serve in the capacity of Deputy Chairman and as a Non-Executive Director of the Company effective 01.01.2025. Mr. Perera resigned from the Board of C.W. Mackie PLC with effect from 30.12.2024 and from the Boards of Agarapatana Plantations PLC, Lankem Developments PLC, Beruwala Resorts PLC, Marawila Resorts PLC and Sigiriya Village Hotels PLC with effect from 31.12.2024.

Mr. A.M. de S. Jayaratne, who served as an Independent Non-Executive Director until the close of business on 31.12.2024 and continued to serve as a Non-Executive Director of the Company effective from 01.01.2025 passed away on 10.07.2025.

# Notes to the Financial Statements contd.

Further Mr. A.M. de S. Jayaratne resigned from the Board of C.W. Mackie PLC with effect from 30.12.2024 and from the Boards of Agarapatana Plantations PLC, Lankem Developments PLC, Colombo Fort Investments PLC, Colombo Investment Trust PLC, C M Holdings PLC, York Arcade Holdings PLC and E.B. Creasy & Company PLC with effect from 31.12.2024.

Messrs. P.M.A. Sirimane and A.R. Rasiah, Directors of The Colombo Fort Land & Building PLC, who served as Independent Non-Executive Directors, until the close of business on 31.12.2024, continue to serve as Non-Executive Directors of the Company effective 01.01.2025.

Mr. P.M.A. Sirimane resigned from the Boards of Agarapatana Plantations PLC, E.B. Creasy & Company PLC, Lankem Ceylon PLC, Lankem Developments PLC, Muller & Phipps (Ceylon) PLC, Colombo Fort Investments PLC and Colombo Investment Trust PLC with effect from 31.12.2024.

Mr. A.R. Rasiah resigned from the Boards of E.B. Creasy & Co. PLC and Muller & Phipps (Ceylon) PLC with effect from 31.12.2024. He also resigned from the Boards of Beruwala Resorts PLC, Marawila Resorts PLC and Sigiriya Village Hotels PLC with effect from 31.12.2024. Mr. A.R. Rasiah was appointed to the Board of York Hotel Management Services Ltd with effect from 07.03.2025.

Mr. Anushman Rajaratnam was appointed to the Board of York Hotel Management Services Limited with effect from 01.08.2024.

Mr. S. Rajaratnam resigned from the Board of C.W. Mackie PLC on 30.12.2024.

Mr. Amrit Rajaratnam was appointed to the Board of C M Holdings PLC on 31.12.2024.

Mr. K.G. Punchihewa was appointed to the Board of The Colombo Fort Land & Building PLC with effect from 20.02.2025. He was appointed to the Boards of Agarapatana Plantations PLC with effect from 01.11.2024 and Lankem Developments PLC and Lankem Ceylon PLC with effect from 31.12.2024. Mr. Punchihewa was appointed to the Boards of E.B. Creasy & Co. PLC and Muller & Phipps (Ceylon) PLC with effect from 01.01.2025. He was also appointed to the Boards of Consolidated Tea Plantations Limited with effect from 03.02.2025 and ACME Printing & Packaging PLC with effect from 05.02.2025.

Mr. S.B. Perera was appointed to the Board of The Colombo Fort Land & Building PLC with effect from 20.02.2025. Mr. Perera was appointed to the Board of C.W. Mackie PLC with effect from 30.12.2024 and to the Boards of Lankem Ceylon PLC, Lankem Developments PLC, Agarapatana Plantations PLC, Beruwala Resorts PLC, Marawila Resorts PLC and Sigiriya Village Hotels PLC with effect from 31.12.2024. He was also appointed to the Boards of E.B. Creasy & Co. PLC and Muller & Phipps (Ceylon) PLC with effect from 01.01.2025. Further, Mr. S.B. Perera was appointed to the Board of Consolidated Tea Plantations Limited with effect from 03.02.2025.

Mr. S.V. Corea was appointed to the Board on 28.03.2025.

Mr. I.A. Wickramasinghe was appointed to the Board on 28.03.2025. He was appointed to the Board of C.W. Mackie PLC with effect from 30.12.2024.

## 31 COMPARATIVE INFORMATION

To facilitate comparison and where relevant, balance pertaining to the previous year have been re-classified, as necessary. However, such reclassifications did not have any effect on the net profit or equity of the comparative year.

## 32 FINANCIAL INSTRUMENTS

### Financial Risk Management

#### Overview

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents qualitative and quantitative information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risks.

## Risk Management Framework

The Board of Directors have overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyses the risk faced by the Group, to set appropriate risk limits and controls, and to monitor risk and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

### 32.1 Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counter party to a financial instrument fails to meet its contractual obligation, and arises principally from the Group's receivables from customers, investment and forward contracts.

Group's credit exposure is closely monitored. Credit given is reviewed worth the predetermine approval procedures and contractual agreement made for every high value transaction.

#### 32.1.1 Exposure to Credit Risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows;

As at 31st March,	GROUP		COMPANY	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Trade and Other Receivables	17,118,579	14,972,337	411,570	54,050
Amount due from Related Companies	146,601	19,197	226,203	228,023
Cash at bank	3,159,585	2,691,742	16,942	28,938
	20,424,765	17,683,276	654,715	311,011

The ageing of amount due from related companies as at the reporting date was as follows;

	GROUP				COMPANY			
	Gross		Gross		Gross		Gross	
	Amount	Impairment	Amount	Impairment	Amount	Impairment	Amount	Impairment
	2025 Rs. '000	2025 Rs. '000	2024 Rs. '000	2024 Rs. '000	2025 Rs. '000	2025 Rs. '000	2024 Rs. '000	2024 Rs. '000
Past due 0-365 days	127,999	-	733	-	26,612	561	46,510	1,849
More than one year	100,602	(82,000)	104,103	(85,639)	199,591	10,632	181,513	10,053
	228,601	(82,000)	104,836	(85,639)	226,203	11,193	228,023	11,902

The ageing of Trade receivables as at the reporting date was as follows;

	GROUP				COMPANY			
	Gross		Gross		Gross		Gross	
	Amount	Impairment	Amount	Impairment	Amount	Impairment	Amount	Impairment
	2025 Rs. '000	2025 Rs. '000	2024 Rs. '000	2024 Rs. '000	2025 Rs. '000	2025 Rs. '000	2024 Rs. '000	2024 Rs. '000
Past due 0-365 days	12,810,669	159,307	11,717,329	189,387	23,238	-	24,867	-
More than one year	1,014,154	684,878	874,779	662,686	-	-	-	-
	13,824,823	844,185	12,592,108	852,073	23,238	-	24,867	-

# Notes to the Financial Statements contd.

## 32.1.2 Investments

Credit risk from invested balances with the financial institutions are managed by the treasury departments available with each entity.. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty depending on its credit rating. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through potential counterparty's failure.

### Cash and cash equivalents

The Group held cash in hand and at bank equivalents of Rs.3,188 at 31 March 2025 (2024 -Rs.2,725 Mn) which represents its maximum credit exposure on these assets.

Respective credit ratings of banks which group cash balances held are as follows;

Hatton National Bank PLC - AA-(lka)  
 Standard Chartered Bank – AAA (lka)  
 Commercial Bank of Ceylon PLC – AA-( lka)  
 Bank of Ceylon –AA-( lka)  
 National Development Bank PLC – A( lka)  
 Pan Asia Banking Corporation PLC – BBB- ( lka)  
 Union Bank of Colombo PLC - BBB- (lka)  
 People's Bank – AA-(lka)  
 Seylan Bank PLC - A+ (lka)  
 Sampath Bank PLC – AA-(lka)  
 Nations Trust Bank PLC – A( lka)  
 DFCC Bank PLC – A(lka)  
 Amana Bank PLC – BBB-(lka)  
 Cargills Bank Limited – A(lka)  
 Habib Bank Limited - AA (lka)  
 Sanasa Development Bank PLC – BB+(lka)

Source - <http://www.fitchratings.lk>

## 32.2 Liquidity Risk

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

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding of netting agreements.

As at 31st March	GROUP							
	2025				2024			
	Carrying Amount Rs.'000	Contractual Cash Flows Rs.'000	Less than 1 year Rs.'000	More than 1 year Rs.'000	Carrying Amount Rs.'000	Contractual Cash Flows Rs.'000	Less than 1 year Rs.'000	More than 1 year Rs.'000
<b>Non- Derivative</b>								
<b>Financial Liabilities</b>								
Loans and Borrowings	30,985,070	34,112,132	21,259,855	12,852,277	28,596,783	30,583,907	18,893,341	11,690,566
Other Liabilities	713,168	713,168	713,168	-	590,127	590,127	590,127	-
Trade & other payables	17,048,290	17,048,290	17,048,290	-	14,537,030	14,537,030	14,537,030	-
Amounts due to								
Related Party	653,573	653,573	653,573	-	723,970	723,970	723,970	-
Bank overdraft	2,720,971	2,720,971	2,720,971	-	2,570,504	2,570,504	2,570,504	-
<b>Total</b>	<b>52,121,072</b>	<b>55,359,226</b>	<b>42,506,949</b>	<b>12,852,277</b>	<b>47,018,414</b>	<b>49,005,538</b>	<b>37,314,972</b>	<b>11,690,566</b>

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

As at 31st March	COMPANY							
	2025				2024			
	Carrying Amount Rs.'000	Contractual Cash Flows Rs.'000	Less than 1 year Rs.'000	More than 1 year Rs.'000	Carrying Amount Rs.'000	Contractual Cash Flows Rs.'000	Less than 1 year Rs.'000	More than 1 year Rs.'000
<b>Non- Derivative Financial Liabilities</b>								
Loans and Borrowings	140,625	173,182	52,254	120,928	171,875	233,566	60,066	173,499
Other Liabilities	45,046	45,046	10,935	34,111	53,724	53,724	10,365	43,359
Trade & other payables	71,731	71,731	71,731	-	55,459	55,459	55,459	-
Amounts due to								
Related Party	614,652	614,652	94,163	520,489	796,981	882,537	882,537	-
<b>Total</b>	<b>872,054</b>	<b>904,611</b>	<b>229,083</b>	<b>675,528</b>	<b>1,078,039</b>	<b>1,225,286</b>	<b>1,008,427</b>	<b>216,858</b>

### 32.3 Fair Values

#### Fair Values Versus Carrying Amounts

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

#### Group

	Note	Investments Classified as Financial Assets FVTOCI Rs.'000	Investments Classified as Financial Assets FVTPL Rs.'000	Financial Assets at Amortised cost Rs.'000	Financial Liabilities at Amortised Cost Rs.'000	Total Carrying Value Rs.'000	Fair Value Rs.'000
31st March, 2025							
Investment in Equity Securities	17.1	1,180,691	-	-	-	1,180,691	1,180,691
Unit trust	17.1	-	-	-	-	-	-
Debentures and Fixed deposits	16	-	-	-	-	-	-
Trade & Other Receivables	20	-	-	17,118,579	-	17,118,579	17,118,579
Amounts due from Related Parties	30.1	-	-	146,601	-	146,601	146,601
Other financial assets	17.3	-	1,730,894	-	-	1,730,894	1,730,894
Cash & Cash Equivalents	21	-	-	3,188,370	-	3,188,370	3,188,370
		<b>1,180,691</b>	<b>1,730,894</b>	<b>20,453,550</b>	<b>-</b>	<b>23,365,135</b>	<b>23,365,135</b>
Trade & Other Payables	29	-	-	-	16,335,122	16,335,122	16,335,122
Amounts due to Related Parties	30.2	-	-	-	653,573	653,573	653,573
Loans and Borrowings	24	-	-	-	31,094,643	31,094,643	31,094,643
Bank Overdraft	21	-	-	-	2,720,971	2,720,971	2,720,971
Other liabilities		-	-	-	1,206,645	1,206,645	1,206,645
		-	-	-	<b>52,010,954</b>	<b>52,010,954</b>	<b>52,010,954</b>

# Notes to the Financial Statements contd.

## Company

Company	Note	Investments	Investments	Financial	Financial	Total	Fair Value
		Classified as Financial Assets FVTOCI	Classified as Financial Assets FVTPL	Assets at Amortised cost	Liabilities at Amortised Cost	Carrying Value	
31st March, 2025		Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Investment in Equity Securities	17.2/17.3	5,244	7,095	-	-	12,339	12,339
Loans Due from Related Parties	30	-	-	106,930	-	106,930	106,930
Trade & Other Receivables	20	-	-	414,028	-	414,028	414,028
Amounts due from Related Parties	30.1	-	-	108,080	-	108,080	108,080
Cash & Cash Equivalents	21	-	-	7,739	-	7,739	7,739
Deposits with Banks	21	-	-	9,215	-	9,215	9,215
		5,244	7,095	645,992	-	658,331	658,331
Bank Loans	24	-	-	-	140,625	140,625	140,625
Bank Overdraft	21	-	-	-	-	-	-
Trade and Other Payables	29	-	-	-	114,718	114,718	114,718
Amounts due to Related Parties	30.2	-	-	-	719,215	719,215	719,215
		-	-	-	974,558	974,558	974,558

### 32.4 Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates etc. will affect the Group's income or the value of its holdings of financial instruments. The objective of the market risk management is to manage and control market risk exposures within acceptable parameters while optimizing the returns.

### 32.5 Currency Risk

The Group is exposed to currency risk on purchases and borrowings that are denominated in a currency other than the functional currency which is Sri Lankan Rupees.

#### Sensitivity Analysis

A strengthening or weakening of Sri Lankan Rupee, as indicated below, against the other currencies at 31st March 2025 would have increased/ (decreased) the equity and profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant.

#### Increase /(Decrease) in Exchange rate

As at 31 March	Effect on Profit before Tax	
	2025	2024
	Rs.'000	Rs.'000
Dollar (USA) + 10%	83,511	(375,095)
Dollar (USA) - 10%	(83,511)	375,095
Dollar (USA) + 15%	(15,333)	(16,520)
Dollar (USA) - 15%	15,333	16,520
Euro + 10%	(5,795)	(5,310)
Euro - 10%	5,795	5,310

The following significant exchange rates were applicable during the year:

	Average Rate	
USD	296.32	300.44
Euro	319.78	325.25
	Reporting Date Spot Rate	
USD	296.35	301.18
Euro	319.86	326.03

### 32.5 Interest Rate Risk

Interest rate risk is the risk that the fair value or 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 the market interest rate relates primarily to Group's long term debt obligations and investments with floating interest rates. The Group utilises various financial instruments to manage exposures to interest rate risks arising due to financial instruments. However, the company does not have material long term floating rate borrowings or deposits as at the reporting date which results a material interest rate risk.

The following table demonstrates the Group sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the profit before tax.

As at 31st March,	Effect on Profit before Tax	
	2025 Rs:'000	2024 Rs:'000
Variable rate instrument (1% decrease)	231,733	325,569
Variable rate instrument (1% Increase)	(231,733)	(325,569)

### 32.6 Capital Management

The Board's policy is to maintain a strong capital base so as to maintain shareholder, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital and level of dividends paid out to ordinary shareholders.

Bank Overdrafts with variable interest rates are used to manage the working capital requirements of the Group. Major projects are financed by funds received from long term borrowings as well as reserves of the Group.

The Group's debt to equity ratio at the end of the reporting period was as follows:

As at 31st March,	GROUP		COMPANY	
	2025 Rs:'000	2024 Rs:'000	2025 Rs:'000	2024 Rs:'000
Total Liabilities	31,094,643	28,596,783	859,840	968,856
Less: Cash and Cash Equivalents	3,188,370	2,725,250	16,942	28,938
Net Debt	27,906,273	25,871,533	842,898	939,918
Total Equity	16,594,072	12,105,134	3,587,986	2,940,290
Net Debt to Equity Ratio	168%	214%	23%	32%

There were no changes in the Group's approach to capital management during the year and the Group is not subject to externally imposed capital requirements.

# Notes to the Financial Statements contd.

## 33 FAIR VALUE OF NONFINANCIAL ASSETS AND LIABILITIES CARRIED AT FAIR VALUE

For financial assets and financial liabilities that have a short term maturity (original maturities less than a year), it is assumed that the carrying amounts approximate their fair values. Further, other borrowed funds with a variable interest rate are also considered to be carried at fair value.

### Assets and liabilities (excluding financial assets and liabilities) measured at fair value - Recurring

Asset / Liability	Valuation technique	Significant unobservable inputs	Sensitivity of the input to the fair value	Level 1	Level 2	Level 3
<b>Biological assets</b>						
Produce on Bearer Biological Assets	<b>Discounted cash flows</b>  The valuation model considers present value of future net cash flows expected to be generated by the plantation from the timber content of managed timber plantation on a tree-per-tree basis .  Expected cash flows are discounted using a risk-adjusted discount rate of 16.3% comprising a risk premium of 3.8%. Trees have been valued as per the current timber prices per cubic meter which is the recent selling price of a cubic meter of the specific species.	<b>Determination of timber content</b>  Species planted in separate blocks as at the reporting date have been identified by a qualified forestry officer of the company and the timber content has been estimated based on the age and current cubic content. the estimated fair value at the time of harvesting each specific species is sensitive to the following variables, - the estimated timber content.  <b>Determination of price of timber</b> Trees have been valued as per the current timber prices per cubic meter which is the recent selling price of a cubic meter of the specific species.	The estimated fair value at the time of harvesting each specific species is sensitive to the following variables,  <ul style="list-style-type: none"> <li>▪ the estimated timber content</li> <li>▪ the estimated timber prices per cubic meter</li> <li>▪ the estimated selling related costs.</li> <li>▪ the estimated maturity age</li> <li>▪ the risk-adjusted discount rate.</li> </ul>			310,190 Mn

### Assets and liabilities for which fair values are disclosed - Recurring

Asset / Liability	Valuation technique	Significant unobservable inputs	Level 1	Level 2	Level 3
<b>Property Plant and Equipment</b>					
- Freehold land and buildings	<b>Market comparable method</b>  This method considers the selling price of a similar property within a reasonably recent period of time in determining the fair value of property being revalued. This involves evaluation of recent active market prices of similar assets, making appropriate adjustments for difference in size, nature and location of the property.	Price per perch /Per Square Feet	-	-	12,939 Mn

Asset / Liability	Valuation technique	Significant unobservable inputs	Level 1	Level 2	Level 3
<b>Investment property</b>					
- Freehold land and buildings	<b>Market comparable method / Income Method</b>				

Asset / Liability	Valuation technique	Significant unobservable inputs	Level 1	Level 2	Level 3
<b>Investment property</b>					
	<p><b>Market comparable method:</b> This method considers the selling price of a similar property within a reasonably recent period of time in determining the fair value of property being revalued. This involves evaluation of recent active market prices of similar assets, making appropriate adjustments for difference in size, nature and location of the property.</p> <p><b>Income Method:</b> The net income generated by the property is used in conjunction with certain factors is used to calculate its fair value.</p>	Price per perch / Per Square Foot and Cash flows from Investment property discounted at an appropriate rate	-	-	8,323 Mn

### 34 GOING CONCERN

#### GROUP

"As at 31 March 2025, the Group's current liabilities exceeded its current assets by Rs. 2,591 Mn (2024 – Rs. 3,647 Mn). This is mainly due to the fact that some of the subsidiaries are operating at the net current liability position.

However, the Board of Directors of the Group are confident that the financial position of the below subsidiaries of the Group will significantly improve during the year 2024/25, as a result of expected better financial performance through implementing comprehensive strategies by that subsidiary companies.

Accordingly, the Board of Directors of the Group has a reasonable confidence level that the Group and below Subsidiaries have adequate resources to continue in operation for at least the next 12 months and that the going concern basis of accounting remains appropriate.

In addition, the Board of Directors of the Group confirms that they do not have any intentions to liquidate below subsidiaries or cease the operations at least 12 months from the date of signing these financial statements."

#### (i) ACME Printing and Packing PLC

ACME Printing and Packaging PLC Group ("subgroup") includes the parent company, Acme Printing and Packaging PLC (ACME PLC) and its fully owned subsidiary ACME Packaging Solutions (Private) Limited (ACME PS) have incurred a net loss of Rs. 406 million (2024: Rs. 611 million) and Rs. 292 million (2024: Rs. 458 million) respectively during the year ended 31st March 2025 and as of that date the Group and the Company's current liabilities exceeded its current assets by Rs. 1,078 million (2024: Rs. 787 million) and Rs. 496 million (2024: Rs. 223 million) respectively and the Groups' and Company's total liabilities exceeded its total assets by Rs. 518 million (2024: Rs. 129 million) and Rs. 36 million, resulting a negative equity.

Further, the Group and the Company have reported accumulated losses amounting to Rs. 2,010 million (2024: Rs. 1,596 million) and Rs. 1,392 million (2024: Rs. 1,093 million) and as of that date, the Company's net assets are less than the half of the stated capital and faces a serious loss of capital situation.

Therefore, these events or conditions indicate that a material uncertainty exists that may cast substantial doubts on the Group's and Company's ability to continue as a going concern and therefore that it may be unable to realize its assets and discharge its liabilities in the normal course of business.

Notwithstanding this, the financial statements have been prepared on a going concern basis by the Management, due to reliance on the business plan and after performing comprehensive review of the Company's affairs including, but not limited to;

- The parent has acquired ACME Group of Companies with a strategic view to enhance the market presence in the packaging industry during the year 2022. Hence, the Board of Directors of the Parent does not have any intention to liquidate the ACME Printing and Packaging PLC or to cease the operations in the near future.
- ACME Group has identified a strategic priority in expanding its customer base within the agricultural industry, recognizing its potential to enhance profitability. In line with this objective, discussions are currently underway with the customers.

## Notes to the Financial Statements contd.

- The Management has initiated the production of biodegradable products and currently in the testing stage.
- The Management has initiated cost reduction strategies including reduction of ink consumption and overtime costs with production planning.
- The Directors of Lankem Ceylon PLC confirm that we undertake to provide financial assistance to the Subsidiary to ensure that it can pay its external debts as and when they fall due and payable for a period of at least 12 months from the date of signing these financial statements.

As a consequence, in view of the above, the Management continue to have a reasonable expectation that the Company has adequate resources to continue in operations for at least the next 12 months that the going concern basis of accounting remains appropriate. Management firmly believe that the Company will be able to continue as a going concern into the foreseeable future and, accordingly, the Financial Statements of the Company have been prepared on a going concern basis without making adjustments that may be required to the recorded assets and the classification of liabilities if the Company is unable to continue as a going concern.

### (ii) Ceyflex Rubber Limited (CRL)

Ceyflex Rubber Limited (CRL), a subsidiary of the Group, has reported a Net Loss of Rs.100 million for the year ended 31st March 2025 (2023/24 – Net Loss of Rs.135 million). As of 31st March 2025, the accumulated loss of CRL stood at Rs. 277 million (2023/24- Rs.177 million), resulting in a decrease in Net Assets to Negative Rs.157 million.

The Directors are of the opinion that CRL will be able to continue as a going concern consequent to the planned strategic initiatives to increase its profitability for the financial year 2025/26. The strategic plans include expanding the existing product range categorizing it to Dental, Medical Disposables and Sports segments adding complementary products. The parent entity undertakes to provide financial assistant to the CRL to ensure that it can pay its debts when they fall due. As such, it is expected that CRL will generate considerable profits for the ensuing financial years to recoup its accumulated losses.

Accordingly, the Directors are satisfied that the CRL has adequate resources to continue its operations in the foreseeable future and the Management is confident that the Company will continue as a going concern.

### (iii) Kotagala Plantations PLC

The Company has recorded a net profit of Rs. 377 million during the year ended 31st March 2025 (2024 - Net loss of Rs.134 million) and Company has accumulated losses of Rs. 61 million (2024 – Rs. 469 million). As at 31st March 2025, net current liability is Rs. 1,222 million (2024 - LKR 1,061 million). The Company has loans and borrowings of Rs.763 million (2024 – Rs. 460 million) due within 12 months from 31st March 2025.

Notwithstanding this, the financial statements have been prepared on a going concern basis after assessing the appropriateness of the use of going concern basis based on comprehensive review of the Company's affairs and sources of funding available to the Company, and strategies to improve performance and the financial position, management believe it will be able to generate profits in future.

The Board of Directors of the Company also confirms that they do not have any intention to liquidate the Company or cease the operations for at least 12 months from the date of signing these financial statements.

Further the management plans to implement the following measures, which notable include,

- Processing the required actions to harvest the consumable biological assets when and where a necessity arise for the working capital.
- Proceeding with the proposed rights issue of Rs. 761 million to address and reduce the net liability position.
- Improving quality and profit in tea sector with automation where possible, investment on palm oil sector with the lifting of restrictions on the new plantation of palm oil.

Based on the strategies explained above and the forecasted cash flow, the management of the Company is confident that the Company would remain operational and generate profits in the future.

Based on the above, the management is of the view that there is no significant doubt about the ability of the Company to continue as a going concern, and accordingly, the Financial Statements have also been prepared on going concern basis of accounting.

### (iv) Lankem Ceylon PLC (LCL)

The LCL Group has incurred a net loss of Rs. 326 Mn for the year ended 31st March 2025 (2024: Loss of Rs. 862 Mn) and reported accumulated losses of Rs. 1,589 Mn as at 31st March 2025. Furthermore, the LCL Group's current liabilities exceed its current assets by Rs. 1,104 Mn (2024: Rs. 462 Mn), while the Company's current liabilities exceed its current assets by Rs. 2,233 Mn (2024: Rs. 1,873 Mn) as at the reporting date.

In addition, the LCL Group reported negative operating cash flows amounting to Rs. 1,240 Mn for the year ended 31st March 2025, compared to negative Rs. 40 Mn in the previous year.

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

1. Lankem Minerals Limited, a fully owned subsidiary of the Group, has embarked on establishing a Fertilizer Plant. The phase 1 of this Project has been set up in Oyamaduwa in the Anuradhapura district. The primary objective of this operation is to cater to the agricultural requirement of the non-perennial crops. The sales and distribution of the fertilizer is to be carried out by Lankem Ceylon PLC and its fully owned subsidiary SunAgro LifeScience Limited through their existing distributor network. The Commercial operations are expected to commence by the first quarter of 2025/26. This is expected to improve the operational results of both Lankem Ceylon PLC and SunAgro LifeScience (Private) Limited.
2. Lankem Ceylon PLC was a significant market player in the fertilizer business several years ago. The Company has re-commenced the fertilizer business during the financial year 2024/25 initially to cater to the Group's plantation companies and to be expanded later to external parties. Focusing on this business, the Company is currently in discussion to construct a new fertilizer blending plant to expand the operations. This is expected to improve the operating results of the Company.
3. The additional cashflows from the new businesses are planned to be utilized to settle part of the Company's non-operational term loans, which in return is expected to reduce the finance costs and improve profitability.
4. The Board of Directors of Lankem Ceylon PLC in accordance with a decision made on 18th June 2025, have resolved to issue Seventeen million One Hundred and Fifty Six Thousand Nine Hundred and Nineteen (17,156,919) Ordinary Shares at a price of Rs.70/- per share by way of a Rights Issue in the proportion of One (01) new Ordinary Share for every Three (3) existing issued Ordinary Shares held, subject to the approval of the shareholders. The proceeds from the Rights Issue will be utilized for the purposes of settling a Related Party due and for part settlement of Bank Loans.

On the aforesaid date the Board also resolved that following the completion of the proposed Rights Issue and on the basis the Rights Issue being fully subscribed, which shall be then 68,627,676 ordinary shares, be subdivided (split) as expressly provided for in Article 12(1)(b) of the Articles of Association of the Company, on the basis of every One (1) Existing issued Ordinary Share being Subdivided into Two (2) issued Ordinary Shares, thereby increasing the number of shares of the Company to 137,255,352 shares. The subdivision shall not result in a change in the proposed Stated Capital of the Company (Post Rights Issue). The Company having made its application, is in the process of obtaining the approval of the Colombo Stock Exchange for the proposed Rights Issue and Subdivision of shares.

Based on these, the Management is confident that the Lankem Ceylon PLC can pay its debts as and when they fall due and payable for a period of at 12 months from the date of signing the financial statements and able to continue as going concern and accordingly, the Financial Statements have also been prepared on the basis of the Company being a going concern.

In addition, the Board of Directors of the Lankem Ceylon PLC confirms that they do not have any intention to liquidate the Company or cease the operations at least 12 months from the date of signing the financial statements.

#### **(v) Union Commodities (Private) Limited (UCL)**

As at 31st March 2025, the accumulated losses of the UCL Group and the company were Rs. 2,905 million and Rs. 2,951 million respectively. Further, the UCL Group and the Company had a net assets deficiency of Rs. 1,248 million and Rs. 1,296 million. Also, the UCL Group and Company's net current liability position as of that date amounted to LKR 927 million and LKR 991 million. respectively. The UCL Group has loans and borrowings of Rs. 2,425 million due within 12 months from 31st March 2025.

Notwithstanding this, the Financial Statements has been prepared on the going concern basis due to reliance on a letter of support, dated 16th July 2025, provided by the Directors of The Colombo Fort Land & Building PLC, the Parent Company. This undertaking is provided for a minimum of 12 months period from the date of signing the Financial Statements for the year ended 31st March 2025.

As a consequence of the above, the Management firmly believe that the Company and the Group will be able to continue as a going concern into the foreseeable future and, accordingly, the financial statements of the Company and the Group have been prepared on a going concern basis without making adjustments that may be required to the recorded assets and the classification of liabilities if the Company and the Group is unable to continue as a going concern.

Further, the Management of the Company does not have any intention to liquidate the UCL Group or the Company and to cease the operations in the near future.

# Notes to the Financial Statements contd.

## 35 EVENTS OCCURRING AFTER THE REPORTING DATE

### 35.1 Company

Subsequent to the reporting period, no circumstances have arisen that would require adjustments to/or disclosure in the financial statements other than disclosed below.

The Directors of The Colombo Fort Land & Building PLC have recommended the payment of a First & Final Dividend of Rs.0.25 per ordinary share which will be declared at the Annual General Meeting to be held on 29th September 2025. In accordance with the Sri Lanka Accounting Standard (LKAS) 10 - "Events Occurring After the Reporting Date", this proposed dividend has not been recognised as a liability as at 31st March, 2025.

### 35.2 Group

#### (i) C.W. Mackie PLC

The Board of Directors of C.W. Mackie PLC recommended a First and Final Dividend of Rs.8.00 per share for the year ended 31st March 2025. The dividend was approved by the shareholders at the Annual General Meeting held on 27th June 2025 and was paid to the shareholders on 18th July 2025. In accordance with the Sri Lanka Accounting Standard (LKAS) 10 - "Events Occurring After the Reporting Date", this dividend has not been recognised as a liability as at 31st March 2025.

#### (ii) Beruwala Resorts PLC

The Board of Directors of Beruwala Resorts PLC recommended a First and Final Dividend of Rs.0.10 per share for the year ended 31st March 2025. The dividend was approved by the shareholders at the Annual General Meeting held on 15th July 2025 and was paid to the shareholders on 4th August 2025. In accordance with the Sri Lanka Accounting Standard (LKAS) 10 - "Events Occurring After the Reporting Date", this dividend has not been recognised as a liability as at 31st March 2025.

#### (iii) Sigiriya Village Hotels PLC

The Board of Directors of Sigiriya Village Hotels PLC recommended a First and Final Dividend of Rs.3.00 per share for the year ended 31st March 2025. The dividend was approved by the shareholders at the Annual General Meeting held on 15th July 2025 and was paid to the shareholders on 4th August 2025. In accordance with the Sri Lanka Accounting Standard (LKAS) 10 - "Events Occurring After the Reporting Date", this dividend has not been recognised as a liability as at 31st March 2025.

#### (iv) Marawila Resorts PLC

The Board of Directors of Marawila Resorts PLC recommended a First and Final Dividend of Rs.0.10 per share for the year ended 31st March 2025. The dividend was approved by the shareholders at the Annual General Meeting held on 21st July 2025 and was paid to the shareholders on 11th August 2025. In accordance with the Sri Lanka Accounting Standard (LKAS) 10 - "Events Occurring After the Reporting Date", this dividend has not been recognised as a liability as at 31st March 2025.

#### (v) Lankem Ceylon PLC

(a) The Board of Directors of Lankem Ceylon PLC (LCLPLC) on 18th June 2025, have resolved to issue Seventeen Million One Hundred and Fifty Six Thousand Nine Hundred and Nineteen (17,156,919) Ordinary Shares at a price of Rs.70/- per share by way of a Rights Issue in the proportion of One (01) new Ordinary Share for every Three (3) existing issued Ordinary Shares held, subject to the approval of the shareholders. The proceeds from the Rights Issue will be utilized for the purposes of settling a Related Party due and for part settlement of Bank Loans.

On the aforesaid date the Board also resolved that following the completion of the proposed Rights Issue and on the basis the Rights Issue being fully subscribed, which shall be then 68,627,676 ordinary shares, be subdivided (split) as expressly provided for in Article 12(1)(b) of the Articles of Association of the Company, on the basis of every One (1) Existing issued Ordinary Share being Subdivided into Two (2) issued Ordinary Shares, thereby increasing the number of shares of the Company to 137,255,352 shares. The subdivision shall not result in a change in the proposed Stated Capital of the Company (Post Rights Issue). The Company having made application, is in the process of obtaining the approval of the Colombo Stock Exchange for the proposed Rights Issue and Subdivision of shares.

(b) On 9th May 2025, Lankem Ceylon PLC acquired 30,025,332 shares of its subsidiary ACME Printing & Packaging PLC (ACME) representing 31.61% of the issued ordinary shares of ACME at a price of Rs.4.50 per share amounting to a total consideration of Rs.135,113,994/- and of the said shares 30,025,318 shares were acquired from its related company E.B. Creasy & Co. PLC. The transaction took place on the Trading Floor of the Colombo Stock Exchange and was carried out in line with the Company's strategic decision to maintain the packaging cluster within the Lankem Ceylon Group.

Consequent to transactions that took place on 21st and 22nd May 2025 the Company disposed of 2,740,670 shares of ACME on the Trading Floor of the Colombo Stock Exchange.

Subsequent to the above transactions, on 18th June 2025, the Colombo Stock Exchange (CSE) inquired from ACME Printing & Packaging PLC, if prior approval has been obtained for the above transactions from the SEC in accordance with CSE Listing Rule 7.5.d.(ii) (A) 9 of

Section 7. By an oversight, prior approval had not been obtained from the SEC, though the relevant disclosures relating thereto were made on the Trading Floor; currently, ACME Printing & Packaging PLC is in the process of resolving this matter with the CSE.

**(vi) C M Holdings PLC**

The Board of Directors of C M Holdings PLC, on 8th July 2025 announced a Subdivision of Shares. Without effecting any increase to the stated capital of the Company, the existing 15,200,000 issued ordinary shares of the Company, is to be subdivided and that such subdivision be effected by subdividing every One (1) existing issued Ordinary Share into Ten (10) issued Ordinary Shares thereby increasing the number of shares of the Company to 152,000,000 shares, subject to approval by the Shareholders.

**(vii) Kotagala Plantations PLC**

The Board of Directors of Kotagala Plantations PLC, on 23rd May, 2025 announced a Rights Issue of Eighty Four Million Six Hundred and Twenty Eight Thousand One Hundred and Twenty Five (84,628,125) Ordinary Shares at a price of Rs.9.00 per share in the proportion of One (01) new Ordinary Share for every Four (04) existing issued Ordinary Shares. The said Rights Issue of Shares is subject to approval by the Shareholders at an Extraordinary General Meeting of the Company scheduled to be held on 16th September, 2025.

**(viii) E.B. Creasy & Co. PLC**

(a) On 25th July 2025, E.B. Creasy & Co. PLC announced a Right Issue of Twenty Five Million Three Hundred and Fifty Four Thousand Five Hundred and Eighty (25,354,580) Ordinary Shares at a price of Rs.60.00 per share in the proportion of one (01) new ordinary share for every Ten (10) existing issued ordinary shares held, subject to approval by the Shareholders.

An application has been made to the Colombo Stock Exchange on the said Rights Issue.

(b) On 30th April 2025, E.B Creasy & Company PLC disposed of 18,525,000 shares representing 19.5% of the issued ordinary shares of ACME Printing and Packaging PLC held in the slash account Amana Bank PLC/ E.B Creasy & Company PLC on the trading floor of the Colombo Stock Exchange in line with the Company's decision to divest non-core investments at Rs.4/- per share for total consideration of Rs.74,100,000 to Amana Bank PLC/ Darley Butler & Company Limited. (Darley Butler & Co Limited is a subsidiary of E.B Creasy & Company PLC).

On 9th May 2025, E.B Creasy & Company PLC disposed of 30,028,804 shares representing 31.61% of the issued ordinary shares of ACME Printing and Packaging PLC held by the Company on the trading floor of the Colombo Stock Exchange in line with the Company's decision to divest non-core investments for total consideration of Rs.135,129,911 and 30,025,318 shares thereof have been sold to Lankem Ceylon PLC (Related Company of E.B. Creasy & Company PLC) at Rs.4.50 per share for a consideration of Rs.135,113,931.

Subsequent to the above transactions, on 18th June 2025, the Colombo Stock Exchange (CSE) inquired from ACME Printing & Packaging PLC, if prior approval has been obtained for the above transactions from the SEC in accordance with CSE Listing Rule 7.5.d.(ii) (A) 9 of Section 7. By an oversight, prior approval had not been obtained from the SEC, though the relevant disclosures relating thereto were made on the Trading Floor; currently, ACME Printing & Packaging PLC is in the process of resolving this matter with the CSE.

**36 CAPITAL AND FINANCIAL COMMITMENTS**

**36.1 Company**

The Company had no material capital/financial commitments as at the date of the Statement of Financial Position.

**36.2 Group**

The Group had no significant capital or financial commitments as at the reporting date other than those disclosed below:

As at 31st March,	2025 Rs. Million	2024 Rs. Million
<b>36.2.1 Agarapatana Plantations PLC</b>		
a) Field Development	125.1	125.1
b) Machinery & Factory Development	307.1	307.1
<b>36.2.2 Beruwala Resorts PLC</b>		
Cargills Bank PLC	391.9	-
<b>36.2.3 Sigiriya Village Hotels PLC</b>		
Sampath Bank PLC	144.6	-

# Notes to the Financial Statements contd.

## 37 CONTINGENT LIABILITIES / ASSETS

There are no material contingent liabilities / assets outstanding as at the date of the Statement of Financial Position, other than those disclosed below:

### 37.1 Company

(i) The Company has issued Corporate Guarantees for the borrowings by the subsidiary companies as indicated below,

As at 31st March,		2025	2024
Financial Institutions/Companies	Name of the Company	Rs.'000	Rs.'000
Commercial Bank of Ceylon PLC	American Lloyd Travels Limited	15,000	15,000
Commercial Bank of Ceylon PLC	York Hotel Management Limited	-	20,000
		15,000	35,000

(ii) A Comfort letter was provided to Union Commodities (Pvt) Limited by the Company.

### (iii) Income Tax Assessments 2011/12, 2012/13 and 2014/15

The Company has lodged appeals against the assessment raised for the above years and is currently contesting under the applicable appellate procedure. Based on the available information and discussions with experts, the contingent liability as at 31st March, 2025 is estimated at Rs. 74 Mn.

## 37.2 Group

### 37.2.1 Contingent Liabilities

(i) E.B.Creasy & Company PLC

Contingent liabilities in relation to guarantees issued by E. B. Creasy & Company PLC to financial institutions on behalf of its Subsidiaries and other Group companies to obtain facilities from Financial Institutions, were as follows:

As at 31st March,		2025	2024
		Rs.'000	Rs.'000
Darley Butler & Company Limited		4,120,000	1,870,000
Muller & Phipps (Health Care) Limited		100,000	100,000
Lankem Ceylon PLC		1,047,000	1,047,000
Candy Delights Limited		500,000	-
		5,767,000	3,017,000

E.B. Creasy & Co. PLC has given guarantee of Rs. 21,359,031 to Sri Lanka Customs which were outstanding as at 31st March 2025.

### (ii) Lanka Special Steels Limited

Lanka Special Steels Limited has given guarantees of Rs. 8,000,000 to Sri Lanka Customs, Rs.2,965,000 (USD 10,000) to Bureau of Indian Standards and Rs. 20,000,000 to Litro Gas Lanka Limited which were outstanding as at 31st March 2025.

### (iii) Lankem Ceylon PLC

Lankem Ceylon PLC has issued Corporate Guarantees for borrowings obtained by the related companies and letters of comfort as indicated below as at 31st March 2025.

As at 31st March,		2025	2024
		Rs.'000	Rs.'000
SunAgro LifeScience Limited		1,564,642	909,421
J.F.Packaging Limited		207,564	207,564
Kotagala Plantations PLC		230,000	230,000
Lankem Minerals Limited		1,800,000	-
		3,802,206	1,346,985

Comfort letters are provided for SunAgro Farms Ltd., Lankem Consumer Products Ltd., Lankem Exports (Pvt) Ltd., Lankem Research Limited, Lankem Technology Services Ltd., Lankem Chemicals Ltd., Lankem Paints Ltd and Nature's Link Limited by Lankem Ceylon PLC.

(iv) **C.W. Mackie PLC**

The following contingent liabilities exist as at the reporting date on account of the letters of comfort and guarantees given by the Company:

<i>As at 31st March,</i>	2025 Rs. Million	2024 Rs. Million
<b>Letters of Comfort and guarantees provided on behalf of the subsidiaries;</b>		
Ceymac Rubber Company Limited	150	150
Ceytra (Private) Limited	8	8
Kelani Valley Canneries Limited	90	115
Sunquick Lanka Properties (Private) Limited	-	-
	<b>248</b>	<b>273</b>
<b>Short term loan facilities;</b>		
Ceymac Rubber Company Limited	140	146
Ceytra (Private) Limited	8	-
Kelani Valley Canneries Limited	192	118
	<b>340</b>	<b>264</b>

These corporate guarantees have been provided for Hatton National Bank PLC and Commercial Bank of Ceylon PLC on behalf of the subsidiary companies Ceymac Rubber Company Limited, Ceytra (Private) Limited and Kelani Valley Canneries Limited for short-term loan facilities, where repayment terms are less than 12 months.

(v) **ACME Printing and Packing PLC**

D.C. Colombo Case No.DSP/0015/08

The Commercial and Industrial Worker's Union filed a case against ACME Printing and Packing PLC to make payment for all arrears in respect of Non-Recurring Cost of Living Gratuity (NRCOLG) allowances due to all members of Commercial and Industrial Worker's Union and thereafter continue to make such payments of the allowance in accordance to the formulas agreed upon in the collective agreement or as a part of the contract of employment.

ACME Printing and Packaging PLC has denied the Commercial and Industrial Worker's Union claim and pleaded inter alia that the said agreement was repudiated and as such, ACME Printing and Packaging PLC is not liable to pay the NRCOLG allowance.

The matter is set for next hearing on 18th July 2025.

The Board of Directors of the Company having consulted the legal council has determined that no provision is required for the below cases outstanding against the Group as at 31st March 2025.

(vi) **Sigiriya Village Hotels PLC**

With regard to the court case No B/453/2016 at Dambulla Magistrate Court the parties are negotiating to arrive at an amicable solution and the land to be regularized under the Sri Lanka Tourism Development Authority.

(vii) **Sunagro Lifescience Limited**

The Company has issued corporate guarantees amounting to Rs.1,060,638,616/- to Nation Trust Bank, People's Bank and People's Leasing and Finance PLC on behalf of Lankem Ceylon PLC.

## **38 LITIGATIONS**

### **Marawila Resorts PLC**

Pending Litigations against Company

Based on the available information, the Management is of the view that there are no material litigation or claims other than those disclosed below that could have material impact on the financial position. Accordingly, no provision has been made for following legal claims in the Financial Statements. The Board of Directors of the Company having consulted the legal counsel have determined that no provision is required for the below case outstanding against the company as at 31 March 2025.

Civil Appeal High Court of Kurunegala – Case No NWP/HCCA/KUR/106/2021/FA

# Notes to the Financial Statements contd.

## 39 NON CONTROLLING INTERESTS IN SUBSIDIARIES

The following table summarises the information relating to subsidiaries that have material non controlling interest (NCI), before any intra-group eliminations.

As at 31st March,	2025			2024		
	Trading Companies	Leisure and Other	Plantation	Trading Companies	Leisure and Other	Plantation
	Rs:'000	Rs:'000	Rs:'000	Rs:'000	Rs:'000	Rs:'000
Revenue	86,305,331	5,901,165	12,404,871	72,121,336	4,255,061	12,208,151
Operating Profit / (Loss)	6,050,070	1,611,715	3,040,196	6,012,310	338,449	1,773,946
Finance Cost	(2,863,212)	(143,839)	(399,718)	(3,580,893)	(185,798)	(534,442)
Income Tax	(1,107,405)	(165,956)	(619,910)	(671,328)	68,793	(748,077)
Profit/ Loss After Tax	2,079,454	1,301,920	2,020,568	1,760,089	221,444	491,427
Total Comprehensive Income	4,155,881	2,444,496	2,400,357	2,022,401	322,474	(115,968)
Profit/ (Loss) allocated to NCI	1,499,814	1,029,876	1,235,276	636,190	245,636	(78,620)
Non Current Assets	20,996,862	4,420,696	10,231,755	19,078,691	3,183,746	9,437,176
Current Assets	35,336,448	3,923,860	4,847,740	29,679,463	3,146,952	4,692,183
Total Assets	56,333,310	8,344,556	15,079,495	48,758,153	6,330,698	14,129,359
Non Current Liabilities	11,312,484	2,569,087	7,977,561	10,253,431	2,467,027	7,974,719
Current Liabilities	37,008,469	4,899,886	5,920,770	31,637,274	4,355,512	5,540,498
Total Liabilities	48,320,953	7,468,973	13,898,331	41,890,705	6,822,539	13,515,217

### Names of Significant Subsidiaries With Material Non Controlling Interest (NCI)

As at 31st March,	Principal Place of Business	NCI Effective Holding	
		2025	2024
<b>Trading Companies</b>			
E. B. Creasy & Company PLC	No. 98, Sri Sangaraja Mawatha, Colombo 10	40.15%	40.07%
Lankem Ceylon PLC	No. 98, Sri Sangaraja Mawatha, Colombo 10	36.75%	29.41%
Colonial Motors Ceylon Limited	297, Union Place, Colombo 02	34.90%	34.11%
C M Holdings PLC	297, Union Place, Colombo 02	34.90%	34.11%
Muller & Phipps (Ceylon) PLC	No. 98, Sri Sangaraja Mawatha, Colombo 10	69.30%	69.26%
Muller & Phipps (Health Care) Limited	No. 98, Sri Sangaraja Mawatha, Colombo 10	69.30%	69.26%
E. B. Creasy Logistics Limited	No. 98, Sri Sangaraja Mawatha, Colombo 10	40.16%	40.07%
Darley Butler & Company Limited	No. 98, Sri Sangaraja Mawatha, Colombo 10	40.15%	40.07%
Candy Delights Limited	No. 98, Sri Sangaraja Mawatha, Colombo 10	40.15%	40.07%
Laxapana PLC	No. 98, Sri Sangaraja Mawatha, Colombo 10	59.14%	59.08%
C. W. Mackie PLC	No.36, D.R.Wijewardena Mawatha, Colombo 10	63.69%	59.69%
Lankem Paints Limited	Nawam Mawatha, Colombo 2	36.75%	29.41%
Lanka Special Steels Limited	No. 53A, Ward Place, Colombo 07	40.15%	40.07%
Ceyflex Rubber Limited	No. 98, Sri Sangaraja Mawatha, Colombo 10	40.15%	40.07%
JF Packaging Limited	No. 306, Minuwangoda road, Kotugoda.	36.75%	29.41%
ACME Printing and Packaging PLC	No. 98, Sri Sangaraja Mawatha, Colombo 10	52.98%	50.66%
Sterling Steels (Private) Limited	No. 26, Sapugaskanda Industrial Estate, Pattiwila Road, Sapugaskanda.	59.14%	59.14%
<b>Leisure and Other</b>			
Sigiriya Village Hotels PLC	Sigiriya	53.53%	51.62%
Marawila Resorts PLC	Thalwilawella, Thoduwawa, Marawila	62.90%	62.92%
York Arcade Holdings PLC	8-5/2, Leyden Bastian Road, York Arcade Building, Colombo 01	50.01%	50.01%
Imperial Hotels Limited	8-2/1, Leyden Bastian Road, York Arcade Building, Colombo 01	44.84%	45.75%
Capital Leasing Company Limited	8-5/2, Leyden Bastian Road, York Arcade Building, Colombo 01	44.17%	44.17%
Beruwala Resorts PLC	Moragalla, Beruwala	51.06%	42.54%
BOT Hotel Services (Private) Limited	8-2/1, Leyden Bastian Road, York Arcade Building, Colombo 01	43.41%	36.90%
Waverly Power (Private) Limited	Agarapatana - Nuwara Eliya District	72.86%	67.48%

#### Names of Significant Subsidiaries With Material Non Controlling Interest (NCI) Contd.

Trading Companies As at 31st March,	Principal Place of Business	NCI Effective Holding	
		2025	2024
<b>Plantation</b>			
Kotagala Plantations PLC	53-1/1, Sir Baron Jayatilaka Mawatha, Colombo 01	55.50%	58.62%
Agarapatana Plantations PLC	53-1/1, Sir Baron Jayatilaka Mawatha, Colombo 01	72.86%	67.48%
Lankem Development PLC	No .98, Sri Sangaraja Mawatha, Colombo 10	59.52%	60.39%

#### 40 CORRECTION OF MATERIAL ERROR IN PRIOR PERIOD - GROUP

##### Kotagala Plantations PLC

##### *Restatement of prior period error- erroneous recognition of Standard Chartered Bank Loan under Interest Bearing Borrowings.*

The Group have erroneously recognized the restructured bank loan of Standard Chartered Bank in the year ended 31st March 2023. As per SLFRS 9 - Financial Instruments, this restructure should have been identified as a significant modification of financial liabilities and the fair value of the bank loan to be record at the restructure date of 31st Oct 2022. As a result, the modification gain of Rs. 458 Mn of the bank loan recorded in the statement of profit or loss and other comprehensive income and carried forward interest balance of Rs. 111 Mn recorded under trade and other payable were charged to the statement of profit or loss and other comprehensive income in prior year financial statements.

This error has now been corrected by restating each of the affected financial statement line items for the prior period.

The following tables summarize the impacts on the Group financial statements.

As at Statement of Financial Position (extract)		GROUP					
		Impact of Correction error					
		31 March 2024 (Rs:'000)			1st April 2023 (Rs:'000)		
		As previously reported	Adjustments	Restated	As previously reported	Adjustments	Restated
Interest Bearing Borrowings	24	11,072,679	(376,285)	10,696,394	12,301,269	(380,752)	11,920,517
<b>Non Current Liabilities</b>		11,072,679	(376,285)	10,696,394	12,301,269	(380,752)	11,920,517
Interest Bearing Borrowings	24	17,937,730	(37,341)	17,900,389	15,114,044	(37,341)	15,076,703
Trade and Other Payables	29	13,839,602	107,301	13,946,903	11,775,199	111,768	11,886,967
<b>Current Liabilities</b>		31,777,332	69,960	31,847,292	26,889,243	74,427	26,963,670
Stated Capital		927,000	-	927,000	927,000	-	927,000
Capital Reserves		20,058	-	20,058	20,058	-	20,058
Reserves		3,758,455	148,761	3,907,216	4,878,948	148,761	5,027,709
Non - Controlling Interest		7,093,296	157,564	7,250,860	5,812,276	157,564	5,969,840
<b>Total Equity</b>		11,798,809	306,325	12,105,135	11,638,282	306,325	11,944,607

There is no material impact from the restatement to the statement of Profit or Loss and other comprehensive income; and statement of cashflows of the Group for the year ended 31st March 2024.

# Notes to the Financial Statements contd.

## 41 OPERATING SEGMENTS

	Trading of Consumer Products				Trading of Industrial Products				Leisure				Plantations				Others				Total			
	2025		2024		2025		2024		2025		2024		2025		2024		2025		2024		2025		2024	
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	
Revenue	61,948,271	52,027,740	24,357,061	20,093,597	2,794,911	2,119,715	12,404,871	12,208,151	3,240,650	2,268,078	104,745,764	88,717,280												
Inter Segment Eliminations	(14,177,102)	(12,007,866)	(801,862)	(289,255)	(740)	(240)	(1,180)	(2,399)	(876,099)	(522,072)	(15,856,984)	(12,821,832)												
Revenue from External Customers	47,771,169	40,019,874	23,555,199	19,804,342	2,794,171	2,119,475	12,403,691	12,205,752	2,364,551	1,746,006	88,888,780	75,895,448												
Segment Results after Eliminations	4,559,012	2,842,674	484,744	622,873	728,132	298,547	2,394,262	2,027,866	(461,742)	(133,547)	7,704,407	5,760,176												
Gain from Bargain Purchase	-	-	-	101,763	-	-	-	-	-	-	-	101,763												
Finance Expenses	(1,462,069)	(1,949,148)	(1,401,143)	(1,631,745)	(147,785)	(140,036)	(399,719)	(534,442)	(77,935)	(108,088)	(3,488,651)	(4,363,459)												
Share of Results of Associate	-	-	-	-	-	-	-	-	41,220	14,664	41,220	14,664												
Share of Results of Joint Venture	168,829	1,002	-	-	-	-	-	-	-	-	168,829	1,002												
Profit Before Tax	3,265,772	894,527	(916,400)	(907,109)	580,347	158,511	1,994,544	1,493,424	(498,457)	(226,971)	4,425,805	1,412,383												
Taxation	(875,935)	(539,734)	(231,868)	(131,594)	(77,733)	131,233	(619,910)	(748,077)	(79,230)	(63,379)	(1,884,676)	(1,351,552)												
<b>Profit for the Year</b>	<b>2,389,837</b>	<b>354,793</b>	<b>(1,148,268)</b>	<b>(1,038,703)</b>	<b>502,614</b>	<b>289,744</b>	<b>1,374,634</b>	<b>745,347</b>	<b>(577,687)</b>	<b>(290,350)</b>	<b>2,541,129</b>	<b>60,831</b>												
Equity Holders of the Parent	1,560,708	(83,688)	(886,320)	(573,168)	326,315	181,005	659,196	623,039	(626,244)	(269,875)	1,033,654	(122,687)												
Non Controlling Interest	829,129	438,481	(261,948)	(465,534)	176,299	108,738	715,438	122,308	48,557	(20,474)	1,507,475	183,518												
<b>Total</b>	<b>2,389,837</b>	<b>354,793</b>	<b>(1,148,268)</b>	<b>(1,038,703)</b>	<b>502,614</b>	<b>289,744</b>	<b>1,374,634</b>	<b>745,347</b>	<b>(577,687)</b>	<b>(290,350)</b>	<b>2,541,129</b>	<b>60,831</b>												
Depreciation and amortisation	637,538	562,365	381,464	543,673	116,532	104,449	309,557	664,942	39,760	37,652	1,484,851	1,913,081												
Property, Plant & Equipments - Additions	1,509,296	872,573	518,259	964,299	466,408	172,115	1,005,024	947,126	72,913	44,664	3,571,900	3,000,777												
<b>Non-Current Assets</b>	<b>11,309,246</b>	<b>9,729,452</b>	<b>5,393,241</b>	<b>5,242,227</b>	<b>6,564,866</b>	<b>4,990,487</b>	<b>4,699,873</b>	<b>4,493,916</b>	<b>262,789</b>	<b>237,991</b>	<b>28,230,014</b>	<b>24,694,073</b>												
Property, Plant & Equipment	-	-	-	-	-	-	1,200,595	1,077,687	-	-	1,200,595	1,077,687												
Leasehold Properties	622,008	548,903	250,555	290,590	37,124	39,539	-	-	17,415	16,296	927,102	895,328												
Right to use of Assets	1,511,019	1,418,379	223,208	286,925	24,407	181,551	-	-	773,991	798,674	2,532,625	2,685,529												
Investment Properties	-	-	-	-	-	-	-	-	-	-	-	-												
Biological Assets	-	-	-	-	-	-	4,331,037	3,860,564	-	-	4,331,037	3,860,564												
Intangible Assets	41,094	20,677	25,328	18,955	4,277	1,395	-	-	666,073	666,892	736,773	707,919												
Investment in Associates & joint Venture	460,474	293,163	-	-	-	-	-	-	1,358,554	758,917	1,819,028	1,052,080												
Other Long-Term Investments	1,157,128	892,316	4,004	2,657	4,647	3,774	251	5,009	9,261	6,742	1,175,291	910,498												
Retirement Benefit Obligations - Plan Assets	63,431	48,509	59,891	62,210	-	-	-	-	-	-	123,322	110,719												
Deferred Tax Assets	97,875	112,425	238,842	386,326	-	-	-	-	34,103	17,352	370,820	516,103												
	15,262,275	13,063,824	6,915,068	6,289,890	6,635,321	5,216,746	10,231,756	9,437,176	3,122,186	2,502,864	41,446,607	36,510,502												

**41 OPERATING SEGMENTS CONTD.**

	Trading of Consumer Products		Trading of Industrial Products		Leisure		Plantations		Others		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Goodwill	-	-	-	-	-	-	-	-	-	-	669,701	669,701
Income Tax Recoverable	44,596	73,743	31,008	41,397	1,830	2,175	190	1,257	-	-	77,624	118,572
<b>Non-Current Liabilities</b>												
Interest-Bearing Borrowings	3,881,261	3,559,829	3,418,686	3,194,393	936,071	1,361,799	1,930,859	2,387,478	254,601	192,895	10,421,477	10,696,394
Capital Grants	17,968	18,055	7,937	11,918	-	-	467,572	483,093	-	-	493,477	513,066
Deferred Tax Liabilities	1,665,311	1,480,623	383,598	365,637	1,314,819	896,052	2,256,155	2,115,489	251,381	260,145	5,871,264	5,117,946
Retirement Benefit Obligations	1,404,526	1,185,100	533,595	432,435	65,873	59,924	3,321,984	2,612,374	50,967	41,079	5,376,945	4,330,913
Rent Received in Advance	-	-	-	-	-	-	-	-	-	-	-	-
Amounts due to Related Parties	-	-	-	-	-	-	-	-	100,000	100,000	100,000	100,000
	<b>6,969,065</b>	<b>6,243,607</b>	<b>4,343,816</b>	<b>4,004,383</b>	<b>2,316,763</b>	<b>2,317,775</b>	<b>7,976,570</b>	<b>7,598,434</b>	<b>656,949</b>	<b>594,120</b>	<b>22,263,163</b>	<b>20,758,319</b>
<b>Current Liabilities</b>												
Income Tax Payables	479,506	300,796	28,223	57,555	47,807	60,804	14,555	25,514	132,143	135,093	702,233	579,762

# Group Financial Summary

As at 31st March,	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
		Restated	Restated	Restated						Restated
<b>TRADING RESULTS</b>										
Group Revenue	88,888,780	75,895,448	77,080,849	51,556,263	43,231,519	36,230,793	41,689,356	43,293,386	41,016,474	36,860,104
Profit/(Loss) before Tax	4,425,805	1,412,383	6,845,840	403,895	493,199	(3,708,626)	(3,360,071)	(155,716)	(916,447)	(518,466)
Income Tax Expense	(1,884,676)	(1,351,552)	(2,259,819)	(552,195)	(547,871)	2,377	195,450	(152,561)	(161,816)	(161,751)
Profit/(Loss) for the Period	2,541,129	60,831	4,586,021	(148,300)	(54,672)	(3,706,249)	(3,164,621)	(308,277)	(1,078,263)	(680,217)
Other Comprehensive Income	1,179,773	(238,955)	(1,161,924)	2,048,994	674,170	(176,665)	4,884,082	(227,573)	339,965	224,102
<b>Attributable to :</b>										
Equity Holders of the Parent	1,866,929	(37,959)	1,730,126	617,539	(109,995)	(3,100,616)	511,909	(609,384)	(740,430)	(236,610)
Non - Controlling Interest	1,853,973	(140,164)	1,693,971	1,283,155	729,494	(782,298)	1,207,552	73,534	2,132	(219,505)
	3,720,902	(178,123)	3,424,097	1,900,694	619,498	(3,882,914)	1,719,461	(535,850)	(738,298)	(456,115)
<b>CAPITAL EMPLOYED</b>										
Stated Capital	927,000	927,000	927,000	927,000	730,368	730,368	327,000	327,000	327,000	327,000
Capital Reserves	20,058	20,058	20,058	20,058	20,058	20,058	20,058	20,058	20,058	20,058
Revenue Reserves	5,538,015	3,907,216	5,027,709	2,989,679	2,066,618	2,188,359	5,181,961	4,779,872	6,539,747	7,358,967
	6,485,073	4,854,274	5,974,767	3,936,737	2,817,044	2,938,785	5,529,019	5,126,930	6,886,805	7,706,025
Non - Controlling Interest	10,107,082	7,250,860	5,969,840	4,679,799	3,706,309	3,019,296	4,220,461	3,159,291	4,003,925	4,246,250
Total Equity	16,592,155	12,105,134	11,944,607	8,616,536	6,523,353	5,958,081	9,749,480	8,286,221	10,890,730	11,952,275
Total Debt	33,706,041	31,167,287	29,622,902	28,624,023	23,670,675	23,528,089	21,652,546	22,893,299	19,675,316	18,135,808
	50,298,196	43,272,421	41,567,509	37,240,559	30,194,028	29,486,170	31,402,026	31,179,520	30,566,046	30,088,083
<b>ASSETS EMPLOYED</b>										
Property, Plant & Equipment	28,230,014	24,694,074	24,606,208	23,080,802	21,480,579	21,784,218	24,526,759	19,330,577	19,440,906	18,989,573
Other Non-Current Assets	13,216,593	11,816,428	10,618,280	9,970,847	9,483,585	9,464,555	7,147,281	5,699,579	4,761,462	4,485,260
Current Assets	38,506,230	32,084,844	28,564,723	22,678,911	18,871,185	15,300,504	16,999,784	19,512,494	17,493,433	17,012,222
Assets Held for Sale	-	-	-	30,000	60,000	67,365	67,365	60,000	207,956	
Liabilities Net of Debt	(41,097,519)	(35,731,893)	(31,491,232)	(31,384,803)	(27,861,510)	(25,332,555)	(25,292,317)	(24,671,381)	(21,143,353)	(19,478,040)
	38,855,318	32,863,453	32,297,979	24,375,757	22,033,839	21,284,087	23,448,873	19,931,269	20,760,404	21,009,015
<b>CASH FLOW</b>										
<b>Net Cash Generated from/(used in) :</b>										
Operating Activities	546,245	1,433,449	786,743	(1,346,915)	1,527,870	(1,941,991)	1,684,826	(484,935)	726,188	(1,904,014)
Investing Activities	(1,684,046)	(1,793,804)	(2,606,767)	(1,172,152)	(757,357)	(7,214)	(1,179,861)	(2,238,075)	(1,887,804)	(1,400,615)
Financing Activities	1,450,454	1,199,827	1,142,761	4,249,345	61,818	1,537,321	(1,392,370)	2,999,320	1,264,414	2,303,916
<b>INVESTOR'S INDICATORS</b>										
Earnings/(Loss) per Share (Rs.)	4.31	(0.51)	9.87	(1.48)	(2.35)	(12.08)	(12.08)	(2.78)	(4.89)	(1.73)
Net Asset per Share (Rs.)	27.02	20.23	24.89	16.40	15.65	30.72	30.72	28.48	38.26	42.81
Price Earnings Ratio (Times)	13.47	(58.69)	2.64	(8.94)	(5.49)	(0.59)	(1.12)	(6.91)	(3.70)	(11.27)
<b>KEY INDICATORS</b>										
Market Value per Share (Rs.)	58.00	30.00	26.10	13.20	12.90	7.10	13.50	19.20	18.10	19.50
Market Capitalisation (Rs.'000)	13,920,000	7,200,000	6,264,000	3,168,000	2,842,345	2,430,000	2,430,000	3,456,000	3,258,000	3,510,000
Current Ratio (Times)	0.54	0.53	0.48	0.43	0.39	0.40	0.40	0.49	0.51	0.53
Interest Cover	2.27	1.32	1.32	1.12	1.19	0.03	0.03	0.94	0.57	0.67

# Share Information

## DISTRIBUTION OF SHAREHOLDING

No. of Shares Held	As At 31st March 2025			As At 31st March 2024		
	No. of Shareholders	Total Holding	Holding %	No. of Shareholders	Total Holding	Holding %
1 - 1,000	1,271	352,214	0.15	1,380	395,641	0.16
1,001 - 10,000	477	1,780,670	0.74	616	2,433,389	1.02
10,001 - 100,000	142	4,158,826	1.73	185	5,709,681	2.38
100,001 - 1,000,000	29	10,587,371	4.41	45	15,107,031	6.29
Over 1,000,000	15	223,120,919	92.97	17	216,354,258	90.15
	1,934	240,000,000	100.00	2,243	240,000,000	100.00

## ANALYSIS OF ORDINARY SHAREHOLDERS

	As At 31st March 2025			As At 31st March 2024		
	No. of Shareholders	Total Holdings	Holding %	No. of Shareholders	Total Holdings	Holding %
Individuals	1,831	17,295,046	7.21	2,100	21,158,910	8.82
Institutions	103	222,704,954	92.79	143	218,841,090	91.18
	1,934	240,000,000	100.00	2,243	240,000,000	100.00

## PUBLIC HOLDING

The percentage of shares held by the public as at 31st March 2025 was 33.02% (31st March 2024 – 33.08 %)

## PUBLIC SHAREHOLDERS

The number of Public Shareholders as at 31st March 2025 were 1,913 (31st March 2024 – 2,222)

## FLOAT ADJUSTED MARKET CAPITALISATION

The applicable option under Colombo Stock Exchange Rule 7.13.1 (i) (a) on Minimum Public Holding is Option 4 and the Float Adjusted Market Capitalization as at 31st March 2025 was Rs. 4,604,308,800.00 (31st March 2024 -Rs. 2,381,760,000/-)

## MARKET VALUE OF SHARES

	2024/2025 Rs.	2023/2024 Rs.
Highest	69.00	34.50
Lowest	27.00	23.10
Market Value as at the Year end	58.10	30.00

## NET ASSETS PER SHARE

	Rs.
31.03.2025	14.95
31.03.2024	12.25

## Share Information contd.

### TWENTY MAJOR SHAREHOLDERS

	Full Name of the Shareholder	31.03.2025		31.03.2024	
		No. of Shares	Share Percentage	No. of Shares	Share Percentage
1	SAMPATH BANK PLC/SENTHILVERL HOLDINGS (PVT) LTD	46,043,432	19.18%	-	-
2	PROPERTY AND INVESTMENT HOLDINGS (PRIVATE) LIMITED	40,153,059	16.73%	40,153,059	16.73%
3	COLOMBO INVESTMENT TRUST PLC	31,149,717	12.98%	31,149,717	12.98%
4	COLOMBO FORT INVESTMENTS PLC	26,888,895	11.20%	26,888,895	11.20%
5	FINANCIAL TRUST LIMITED	26,742,226	11.14%	26,724,863	11.14%
6	CAPITAL INVESTMENTS LIMITED	23,084,375	9.62%	23,084,375	9.62%
7	CORPORATE HOLDINGS (PVT) LTD A/C NO.02	9,099,080	3.79%	9,099,080	3.79%
8	CORPORATE HOLDINGS (PRIVATE) LIMITED A/C NO.01	5,185,945	2.16%	5,185,945	2.16%
9	UNION INVESTMENTS (PRIVATE) LTD	4,300,000	1.79%	4,300,000	1.79%
10	MR. SANJEEV RAJARATNAM	2,450,000	1.02%	2,450,000	1.02%
11	JACEY TRUST SERVICES (PRIVATE) LIMITED-ACCOUNT NO. 01	1,858,500	0.77%	1,858,500	0.77%
12	MISS ANDAL RADHAKRISHNAN	1,800,000	0.75%	1,800,000	0.75%
13	MISS MEENAMBIGAI PRIYADARSHINI RADHAKRISHNAN	1,800,000	0.75%	1,800,000	0.75%
14	C M HOLDINGS PLC	1,500,000	0.62%	1,500,000	0.62%
15	MR. AMRIT RAJARATNAM	1,065,690	0.44%	1,065,690	0.44%
16	HATTON NATIONAL BANK PLC/SRI DHAMAN RAJENDRAM ARUDPRAGASAM	1,000,000	0.42%	1,000,000	0.42%
17	HATTON NATIONAL BANK PLC/ANUSHMAN RAJARATNAM	967,697	0.40%	902,078	0.38%
18	MRS. JUDITH PATTERNOTT	750,000	0.31%	780,000	0.33%
19	EMPLOYEES TRUST FUND BOARD	700,030	0.29%	700,030	0.29%
20	OAKLEY INVESTMENTS (PRIVATE) LIMITED	616,000	0.26%	616,000	0.26%
		227,154,646	94.65%	181,058,232	75.44%

# Notice of Meeting

Notice is hereby given that the One Hundred and Twenty Sixth Annual General Meeting of The Colombo Fort Land & Building PLC will be held on 29th September 2025 at 10.00 a.m. and conducted as a Virtual Meeting from 8-5/2, Leyden Bastian Road, York Arcade Building, Colombo 1, and the business to be brought before the meeting will be:

1. To receive and consider the Annual Report of the Board of Directors and the Statement of Accounts for the year ended 31st March, 2025 with the Report of the Auditors thereon.
2. To declare a First and Final Dividend of Rs.0.25 per share for the year ended 31st March, 2025, as recommended by the Directors
3. To re-elect Mr. P.M.A. Sirimane who retires by rotation in accordance with Articles 85 and 86 of the Articles of Association, as a Director.
4. To re-elect Mr. Amrit Rajaratnam who retires by rotation in accordance with Articles 85 and 86 of the Articles of Association, as a Director.
5. To re-elect Mr. K.G. Punchihewa who retires in accordance with Article 92 of the Articles of Association, as a Director.
6. To re-elect Mr. S.B. Perera who retires in accordance with Article 92 of the Articles of Association, as a Director.
7. To re-elect Mr. S. Viran Corea, PC, who retires in accordance with Article 92 of the Articles of Association, as a Director.
8. To re-elect Mr. I.A. Wickramasinghe who retires in accordance with Article 92 of the Articles of Association, as a Director.
9. To reappoint Mr. C.P.R. Perera, as a Director. As Mr. C.P.R. Perera is over 70 years of age, Special Notice has been received from a shareholder of the intention to pass a Resolution, which is set out below in relation to his reappointment. (See Note No.04).
10. To reappoint Mr. S.D.R. Arudpragasam as a Director. As Mr. S.D.R. Arudpragasam is over 70 years of age, Special Notice has been received from a shareholder of the intention to pass a resolution which is set out below in relation to his reappointment (see Note No.05).
11. To reappoint Mr. A.R. Rasiah as a Director. As Mr. A.R. Rasiah is over 70 years of age, Special Notice has been received from a shareholder of the intention to pass a resolution which is set out below in relation to his reappointment (see Note No.06).
12. To authorize the Directors to determine contributions to Charities.
13. To reappoint KPMG, Chartered Accountants as Auditors and to authorize the Directors to determine their remuneration.
14. Special Business  
To consider and if though fit to pass the following Special Resolution to amend the Articles of Association of the Company in relation to the minimum number of Independent Directors in compliance with the Listing Rules of the Colombo Stock Exchange:

## Special Resolution

Resolved –

“That the existing Article 75 (2) be deleted and the following be substituted therefor:

**75(2)** Notwithstanding anything to the contrary, so long as the shares of the Company are listed on the Colombo Stock Exchange, the Company shall in compliance with the Listing Rules of such Exchange ensure that, of the total number of Directors on the Board of Directors of the Company at any given time, one third or two (whichever is greater) shall be Independent Directors in accordance with and subject to the criteria therefor in the Listing Rules of the Colombo Stock Exchange;

Any change occurring to this ratio shall be rectified within ninety (90) days from the date of change;

For the purpose of this Article, the term ‘Independent Director’ shall be as defined and set out in the Listing Rules of the Colombo Stock Exchange above referred to.”

By Order of the Board,  
Corporate Managers & Secretaries (Private) Limited  
Managers & Secretaries

Colombo  
27th August 2025

## Notice of Meeting contd.

### Note:

1. A member is entitled to appoint a Proxy to attend and vote in his/her stead and a Proxy need not be a member of the Company. A Form of Proxy is enclosed with this Report. The instrument appointing a Proxy must be completed and deposited at the Registered Office of the Company, not less than forty- eight hours before the time fixed for the meeting.
2. Members are encouraged to vote by Proxy through the appointment of a member of the Board of Directors to represent them and vote on their behalf. Members are advised to complete the Form of Proxy and their voting preferences on the specified resolutions to be taken up at the meeting and submit the same to the Company in accordance with the instructions given on the reverse of the Form of Proxy.
3. Please refer the CSE website and the "Circular to Shareholders" dated 27th August 2025 for further instructions relating to the Annual General Meeting and for joining the Meeting virtually.
4. The Company has received Special Notice from a shareholder of the Company giving notice of the intention to move the following Resolution regarding the reappointment of Mr. C.P.R. Perera as an Ordinary Resolution at the Annual General Meeting of the Company:  
"Resolved –  
That Mr. C.P.R. Perera who is eighty one years of age be and is hereby reappointed a Director of the Company and it is further specially declared that the age limit of 70 years referred to in Section 210 of the Companies Act No.07 of 2007 shall not apply to the said Director, Mr. C.P.R. Perera."
5. Special Notice has been received by the Company from a shareholder giving notice of the intention to move the following Resolution regarding the reappointment of Mr. S.D.R. Arudpragasam as an Ordinary Resolution at the Annual General Meeting of the Company:  
"Resolved –  
That Mr. S.D.R. Arudpragasam who is seventy four years of age be and is hereby reappointed a Director of the Company and it is further specially declared that the age limit of seventy years referred to in Section 210 of the Companies Act No. 7 of 2007 shall not apply to the said Director, Mr. S.D.R. Arudpragasam."
6. Special Notice has been received by the Company from a shareholder giving notice of the intention to move the following Resolution regarding the reappointment of Mr. A.R. Rasiah as an Ordinary Resolution at the Annual General Meeting of the Company:  
"Resolved –  
That Mr. A.R. Rasiah who is seventy nine years of age be and is hereby reappointed a Director of the Company and it is further specially declared that the age limit of seventy years referred to in Section 210 of the Companies Act No. 7 of 2007 shall not apply to the said Director, Mr. A.R. Rasiah."





# Form of Proxy

I/We ..... of .....

being a member/members of THE COLOMBO FORT LAND & BUILDING PLC hereby appoint .....

..... of .....

..... whom failing

- |                                       |                            |
|---------------------------------------|----------------------------|
| 1. Sri Dhaman Rajendram Arudpragasam  | of Colombo or failing him, |
| 2. Chrisantha Priyange Richard Perera | of Colombo or failing him, |
| 3. Anushman Rajaratnam                | of Colombo or failing him, |
| 4. Parakrama Maithri Asoka Sirimane   | of Colombo or failing him, |
| 5. Sanjeev Rajaratnam                 | of Colombo or failing him, |
| 6. Albert Rasakantha Rasiyah          | of Colombo or failing him, |
| 7. Amrit Rajaratnam                   | of Colombo or failing him, |
| 8. Kamal Gardiye Punchihewa           | of Colombo or failing him, |
| 9. Shrihan Blaise Perera              | of Colombo or failing him, |
| 10. Srikumaradas Viran Corea, PC      | of Colombo or failing him, |
| 11. Indrajith Asela Wickramasinghe    | of Colombo                 |

as my/our proxy to represent me/us, to speak and to vote on my/our behalf at the One Hundred and Twenty Sixth Annual General Meeting of the Company to be held on 29th September 2025 at 10.00 a.m. and at any adjournment thereof and at every poll which may be taken in consequence of the aforesaid meeting.

	For	Against
1. To receive and consider the Annual Report of the Board of Directors and the Statement of Accounts for the year ended 31st March 2025 with the Report of the Auditors thereon.	<input type="checkbox"/>	<input type="checkbox"/>
2. To declare a First and Final Dividend of Rs.0.25 per share for the year ended 31st March, 2025 as recommended by the Directors.	<input type="checkbox"/>	<input type="checkbox"/>
3. To re-elect Mr. P.M.A. Sirimane, who retires by rotation in terms of Articles 85 and 86 of the Articles of Association, as a Director.	<input type="checkbox"/>	<input type="checkbox"/>
4. To re-elect Mr. Amrit Rajaratnam who retires by rotation in terms of Articles 85 and 86 of the Articles of Association, as a Director.	<input type="checkbox"/>	<input type="checkbox"/>
5. To re-elect Mr. K.G. Punchihewa who retires in accordance with Article 92 of the Articles of Association, as a Director.	<input type="checkbox"/>	<input type="checkbox"/>
6. To re-elect Mr. S.B. Perera who retires in accordance with Article 92 of the Articles of Association, as a Director.	<input type="checkbox"/>	<input type="checkbox"/>
7. To re-elect Mr. S. Viran Corea, PC who retires in accordance with Article 92 of the Articles of Association, as a Director.	<input type="checkbox"/>	<input type="checkbox"/>
8. To re-elect Mr. I.A. Wickramasinghe who retires in accordance with Article 92 of the Articles of Association, as a Director.	<input type="checkbox"/>	<input type="checkbox"/>
9. To reappoint Mr. C.P.R. Perera as a Director. As Mr. C.P.R. Perera is over 70 years of age, Special Notice has been received from a shareholder of the intention to pass a Resolution, which is set out in the Notice of Meeting.	<input type="checkbox"/>	<input type="checkbox"/>
10. To reappoint Mr. S.D.R. Arudpragasam as a Director. As Mr. S.D.R. Arudpragasam is over 70 years of age, Special Notice has been received from a shareholder of the intention to pass a Resolution, which is set out in the Notice of Meeting.	<input type="checkbox"/>	<input type="checkbox"/>
11. To reappoint Mr. A.R. Rasiyah as a Director. As Mr. A.R. Rasiyah is over 70 years of age, Special Notice has been received from a shareholder of the intention to pass a Resolution, which is set out in the Notice of Meeting.	<input type="checkbox"/>	<input type="checkbox"/>
12. To authorize the Directors to determine contributions to charities.	<input type="checkbox"/>	<input type="checkbox"/>
13. To reappoint KPMG, Chartered Accountants, as Auditors and to authorize the Directors to determine their remuneration.	<input type="checkbox"/>	<input type="checkbox"/>
14. Special Business: To amend the Articles of Association by way of a Special Resolution as set out in the Notice of Meeting.	<input type="checkbox"/>	<input type="checkbox"/>

As witness my/our hand(s) this.....day of ..... 2025

.....  
Signature of Shareholder

#### Note:

- A proxy need not be a member of the Company.
- Please indicate with an X in the space provided how your proxy is to vote. If there is in the view of the proxy holder doubt (by reason of the way in which the instructions contained in the proxy have been completed) as to the way in which the Proxy holder should vote, the Proxy holder shall vote as he thinks fit.
- Instructions as to completion appear on the reverse hereof.

#### **INSTRUCTIONS AS TO COMPLETION OF FORM OF PROXY**

1. To be valid, this Form of Proxy must be deposited at the Registered Office of the Company No. 8-5/2, Leyden Bastian Road, York Arcade Building, Colombo 1, not less than 48 hours before the time appointed for the holding of the meeting.
2. In perfecting the Form of Proxy, please ensure that all details are legible.
3. Please indicate clearly how your Proxy is to vote on the resolution. If no indication is given the Proxy at his discretion may vote as he thinks fit.
4. In the case of Corporate Members, the Form of Proxy must be under seal or under the hand of an Authorized Officer or Attorney.
5. Where the Form of Proxy is signed under a Power of Attorney (POA) which has not been registered with the Company, the original POA together with a photocopy of the same, or a copy certified by a Notary Public must be lodged with the Company along with the Form of Proxy.

# Corporate Information

**S.D.R. Arudpragasam - Chairman**  
FCMA (U.K.)

**C.P.R. Perera - Deputy Chairman**

**Anushman Rajaratnam - Group Managing Director**  
B.Sc. (Hons.), CPA, MBA

**P.M.A. Sirimane**  
FCA, MBA

**S. Rajaratnam**  
B.Sc., CA

**A.R. Rasiah**  
B.Sc. (Cey.), FCA

**Amrit Rajaratnam**  
LLB (Notts.), Barrister -at-Law

**K.G. Punchihewa**  
FCA, CPA (Aus.)  
(Appointed w.e.f. 20.02.2025)

**S.B. Perera**  
FCMA/CGMA(UK), B.Sc. Mech.Eng. (Hons.)  
(Appointed w.e.f. 20.02.2025)

**S. Viran Corea, PC**  
LL.B, LL.M.  
(Appointed w.e.f. 28.03.2025)

**I.A. Wickramasinghe**  
MBA, FCIM (UK)  
(Appointed w.e.f. 28.03.2025)

## **NAME OF THE COMPANY**

The Colombo Fort Land & Building PLC

## **LEGAL FORM**

A Quoted Company with limited liability, incorporated under the provisions of the Joint Stock Companies Ordinance 1861 & 1888 on 30th April, 1895 and re-registered under the Companies Act No. 07 of 2007 on 3rd July, 2008.

## **COMPANY NO.**

PQ172

## **REGISTERED OFFICE**

No. 8-5/2, Leyden Bastian Road, York Arcade Building, Colombo 01.

## **STOCK EXCHANGE LISTING**

The ordinary shares of the Company are listed on the Colombo Stock Exchange of Sri Lanka.

## **BANKERS**

Commercial Bank of Ceylon PLC  
Standard Chartered Bank  
Hatton National Bank PLC  
Indian Bank  
Sampath Bank PLC

## **AUDITORS**

KPMG, Chartered Accountants

## **LEGAL ADVISERS**

Julius & Creasy, Attorneys-at-Law

## **TAX ADVISORS**

KPMG, Chartered Accountants

## **MANAGERS & SECRETARIES**

Corporate Managers & Secretaries (Private) Limited  
No. 8-5/2, Leyden Bastian Road,  
York Arcade Building, Colombo 1.  
Tel: 011 2344485 - 9

Concept & Designed by



**The Colombo Fort Land & Building PLC**

Annual Report 2024/2025