ABANS ELECTRICALS PLC

ANNUAL REPORT 2025/26

ONE

LEGACY
VISION
ABANS

Abans

Better way to life

VISION

Attract and retain customers for life.

MISSION

Always there to serve you better.

ONE LEGACY VISION ABANS

Every legacy begins with a single hand that dares to dream, create and shape the future.

Nearly six decades ago, Mrs. Aban Pestonjee extended that hand with a simple belief - to create a better way of life for Sri Lankan families. What started as a modest venture has since evolved into one of the nation's most trusted and diversified business groups.

Yet no legacy is built by one individual alone. It is strengthened through generations of people who innovate, create, serve, and lead. The four hands on this year's cover symbolize these collective contributions, each unique in purpose but united by a shared commitment to progress.

Together, they form a constellation - a network of businesses, partnerships, ideas, and people that define Abans. Like stars in the night sky, each shines independently, but their true strength lies in their connection. Across retail, finance, engineering, manufacturing, logistics, hospitality, real estate, mobility, environmental services, and digital transformation, these connections create an ecosystem where collaboration generates value far greater than any single entity could achieve alone.

This is the spirit of **One Legacy, One Vision, One Abans** — honouring our heritage, embracing a shared future, and moving forward as one united organization to build a lasting legacy for generations to come.

CONTENT

FINANCIAL HIGHLIGHTS

		2026	2025	Change%
Operating Results				
Revenue	LKR '000	7,730,081	6,707,214	15.25
Gross Profit	LKR '000	1,877,442	1,605,269	16.95
Operating Profit	LKR '000	823,395	735,859	11.90
Profit before Taxation	LKR '000	861,737	714,914	20.54
Profit after Taxation	LKR '000	592,583	500,159	18.48
Gross Dividend Paid	LKR '000	76,658	51,106	50.00
Interest Coverage	No of Times	39.47	13.90	183.96
Gross Profit Margin	%	24.29	23.93	1.48
Operating Profit Margin	%	10.65	10.97	(2.91)
Net Profit Margin	%	7.67	7.46	2.80
Financial Position				
Total Assets	LKR '000	5,965,430	5,005,272	19.18
Total Debt (D)	LKR '000	130,965	132,349	(1.05)
Current Assets	LKR '000	4,331,235	3,539,030	22.38
Current Liabilities	LKR '000	2,287,597	1,991,023	14.90
Shareholders' Fund (E)	LKR '000	3,352,061	2,710,294	23.68
Gearing (D/D+E)	%	3.76	4.66	(19.24)
Current Ratio	No of Times	1.89	1.78	6.52
Return on Assets (ROA)	%	9.93	9.99	(0.59)
Return on Capital Employed (ROCE)	%	17.66	19.55	(9.66)
Shareholder Information				
Return on Equity (ROE)	%	17.68	18.45	(4.20)
Earnings per Share (EPS)	LKR	115.95	97.87	18.48
Dividend per Share - Paid (DPS)	LKR	15.00	10.00	50.00
Market Capitalization	LKR '000	5,774,933	1,976,509	192.18
Market Price as at 31st March	LKR	1,130.00	386.75	192.18
Price Earnings Ratio	No of Times	9.75	3.95	146.61
No of Shares	Nos.	5,110,560	5,110,560	-
Net Assets per Share	LKR	655.91	530.33	23.68
Dividend payout ratio	%	12.94	10.22	26.60

Revenue
LKR 7.7 Bn
2024/2025
LKR 6.7 Bn

PBT
LKR 861.7 Mn
2024/2025
LKR 714.9 Mn

Net Profit Margin
7.7%
2024/2025
7.5%

ROCE
17.7%
2024/2025
19.6%

ROA
10.0%
2024/2025
10.0%

EPS
LKR 116.0
2024/2025
LKR 97.9

FINANCIAL CALENDAR

1st Quarter Results 2025/2026	13th August 2025
2nd Quarter Results 2025/2026	13th November 2025
3rd Quarter Results 2025/2026	11th February 2026
4th Quarter Results 2025/2026	29th May 2026
Annual Report 2025/2026	31st August 2026
43rd Annual General Meeting	25th September 2025
44th Annual General Meeting	25th September 2026

CHAIRPERSON'S STATEMENT

I am proud to report that your Company achieved the highest profitability for the third consecutive year marking another significant milestone in its history. This performance reflects the successful execution of several strategic initiatives undertaken over the past few years, including the enhancement of digital capabilities through technology-driven process improvements, the transformation of the after-sales service model through greater centralisation and operational realignment, and the commitment and agility of our team.

On behalf of the Board of Directors, it is my pleasure to present the Annual Report and the Audited financial statements of Abans Electricals PLC for the financial year 2025/26, at the 44th Annual General Meeting of the Company. I am proud to report that your Company achieved the highest profitability for the third consecutive year marking another significant milestone in its history. This performance reflects the successful execution of several strategic initiatives undertaken over the past few years, including the enhancement of digital capabilities through technology-driven process improvements, the transformation of the after-sales service model through greater centralisation and operational realignment, and the commitment and agility of our team. In particular, prudent management of costs and working capital, as well as the Company's ability to identify and respond promptly to market changes, contributed significantly to profitability during the year.

Operating Environment

Sri Lanka's economy achieved a 5% GDP growth for the second consecutive year in 2025 and continued to stabilise and strengthen. This development was underpinned by the political and policy stability that prevailed throughout the year, creating a conducive environment for economic activity and investments. During the year, inflation and interest rates showed some variation but remained stable, encouraging business activity and consumer spending. Improved remittance inflows also supported higher household spending, although growing consumer awareness of energy efficiency increasingly influenced purchasing decisions. Across all demographics, digital adoption, internet penetration and social media usage continued to increase.

Sustained improvements in household incomes revived the demand for household appliances, particularly washing machines, while the extreme weather conditions experienced during the year, increased the demand for air-conditioning systems. The Company's manufacturing division responded to this recovery in retail demand by increasing the production of washing machines and injection-moulded components.

The Company also continued the restructuring of its service operations to strengthen service delivery capabilities and enhance service quality. Reflecting the effectiveness of these initiatives, the service division expanded business volumes significantly year-on-year, while also reporting strong improvements in customer satisfaction ratings. As retail demand continues to grow, I believe a stronger after-sales operation within Abans Electricals will benefit the entire Abans retail network and further strengthen the Abans brand by enhancing consumer confidence and satisfaction.

While the retail economy strengthened during the year, the solar segment, which had already been slowing, faced further obstacles. Despite rising electricity costs creating a strong imperative for solar adoption, changes to renewable energy industry regulations and tariff structures led to a sharp contraction in demand. In response, the Company has commenced diversifying its supply chain and marketing focus towards growing demand for hybrid and off-grid solutions, as well as electric vehicle (EV) chargers.

Although Cyclone Ditwah and resultant floods and landslides in late November 2025 caused both staff and operational disruptions, the Company was able to navigate these challenges with no significant impact to its assets, financial position, or overall business continuity. However, the Company immediately extended support to employees affected by the disaster. The Abans Electricals team also voluntarily visited customers in flood-affected areas to prevent potential electrical hazards associated with solar energy systems and provided complimentary repairs and services for damaged air-conditioners and other home appliances.

This operating environment was further influenced by geopolitical developments. Persistent geopolitical tensions, particularly in the Middle East, even prior to the outbreak of armed conflict in Iran, in March 2026, caused volatility in raw material prices, as well as uncertainty in supply chains and shipping costs. While the continued depreciation of the Sri Lankan rupee put pressure on operating costs due to reliance on imported inputs, uncertainty in global commodity markets worsened the situation. Hence, although the operating environment within the country remained stable, Abans Electricals experienced elevated operational and financial risks.

Financial Performance

Abans Electricals achieved its highest-ever revenue to date, increasing its top line from LKR 6.71 Bn in the previous financial year to LKR 7.73 Bn in the current financial year.

The manufacturing segment, meanwhile, achieved the highest production volumes in the Company's history, and delivered a revenue growth of 44.47% supported by favourable economic conditions and improved consumer confidence that contributed to increased demand for consumer durables.

The services segment reported the largest improvement in financial performance for the year, with revenue increasing by 30.96% year-on-year. This improvement can be attributed to the effectiveness of the Service Division's restructuring, which included implementing a centralised oversight mechanism, as well as extensive human resource administration and systemic changes to improve service quality and customer experience.

However, revenue from the solar segment declined by 23.64% due to industry-wide challenges including downward revisions to feed-in tariff rates, and regulatory and grid-related limitations affecting new solar investments.

As a result, Abans Electricals concluded the financial year 2025/26 by achieving the highest profit in the Company's history with a net profit growth of 18.48% reaching LKR 592.58 Mn from LKR 500.16 Mn in the previous year. While gross profit and operating margins remained relatively stable compared to the previous year, the bottom line was boosted by significant savings in finance costs due to prudent management of cash flows and debtors.

Having reviewed the financial results for the year, the Board of Directors has recommended a dividend of LKR 26.00 per share for the year, subject to the approval of the shareholders at the Annual General Meeting.

IT Infrastructure

A significant strategic milestone during the year was the Company's full transition to a comprehensive Enterprise Resource Planning (ERP) system that has enabled real-time data pertaining to all business activities, which has substantially enhanced decision-making, reporting capabilities, and internal controls across the organisation. Furthermore, it has significantly improved operational visibility and planning capabilities, enabling more effective procurement, inventory management, and pricing decisions.

The Company further accelerated the digitisation of its service processes, replacing many previously manual processes with integrated digital solutions. These enhancements have improved operational oversight and performance monitoring, while providing more effective tracking of customer service standards and satisfaction levels, thereby supporting the ongoing transformation of the service operation.

Governance

As a member of the Abans Group, good governance and regulatory compliance remain fundamental principles that underpin all aspects of our operations. These standards are rigorously upheld through continuous oversight by the Board of Directors, its sub-committees, and senior management. Throughout the year, all business activities were conducted in strict compliance with applicable laws, regulations, and governance requirements. Robust internal control systems were maintained to safeguard shareholder interests, protect corporate assets, and uphold the strength and reputation of the Abans brand.

As part of our ongoing commitment to responsible corporate stewardship, we are also exploring the adoption of recognised sustainability reporting standards. The Company is reviewing existing practices against the requirements of these frameworks to identify areas for enhancement and to facilitate their gradual implementation. While such reporting standards are not currently mandatory, we recognise the growing importance of Environmental, Social, and Governance (ESG) considerations in creating long-term value. Accordingly, we remain committed to progressively strengthening our sustainability practices, minimising our environmental footprint, and embedding sustainability principles into our long-term business strategy.

Challenges and Outlook

Although the Sri Lankan economy has continued to strengthen, both the country and the Company face a challenging period in the financial year 2026/27, due to persistent geopolitical uncertainty. Instability in the Middle East has already contributed to significant cost increases within the Sri Lankan economy through rising energy prices, while also creating disruptions to global supply chains. Should these conditions persist, they are likely to slow down Sri Lanka's growth momentum. Where Abans Electricals is concerned, this could translate into continued volatility in the prices of raw materials required for manufacturing operations, as well as uncertainty in procurement and shipping.

The operating environment also presents several industry-specific challenges. Government decisions to revise tax policies are expected to alter competitive dynamics within the domestic market, potentially affecting the competitiveness of locally manufactured products. Meanwhile, the solar energy sector remains in a state of uncertainty due to capacity constraints and the absence of clear long-term policy direction regarding the purchase and integration of solar-generated electricity into the national grid. Despite these challenges, I remain confident in the Company's ability to sustain growth and strengthen its competitive position.

The progress achieved through the transformation of the service operations has been particularly encouraging. Our objective is to develop a strong after-sales service offering that supports the entire Abans retail network. Therefore, we will continue to expand service operations, and enhance customer convenience through wider geographic coverage, improved responsiveness, and greater digital integration. As the retail sector continues to recover, we expect the services segment to remain a key contributor to future growth.

With regard to manufacturing operations, we will continue to diversify our supplier network and strengthen the supplier base, while also expanding our manufacturing and injection moulding capabilities. The Company has also lined up a new range of washing machines with upgraded features and varied capacities that will be introduced to the market through Abans retail outlets.

In the renewable energy segment, we continue to closely monitor market developments. The Company has already built a strong supply base and commenced the marketing of high-quality hybrid and off-grid solar solutions, in addition to conventional net-metering systems, while also gaining a foothold in the rapidly growing electric vehicle charging sector. Although the long-term fundamentals supporting solar energy remain strong, the high cost of solar installations and policy uncertainty continue to constrain market growth. Given the significant environmental benefits and growing consumer awareness of energy efficiency, we remain hopeful that future policy measures will provide stronger support for the industry.

Across all business segments, we will continue to invest in digitisation and process automation, as well as data analytics to support strategic decision making. While integrating Artificial Intelligence (AI) into our operations, we recognise both its opportunities and inherent risks. Therefore, we remain committed to leveraging technology responsibly. We will also continue investing in our people through initiatives designed to improve productivity, innovation, and long-term competitiveness.

Looking ahead, we remain optimistic regarding the resilience of the Sri Lankan economy, and we believe this resilience will support continued growth in consumer demand. Abans Electricals is therefore positioning itself to capitalise on emerging opportunities, while maintaining the agility and discipline required to navigate a rapidly evolving business environment.

Acknowledgements

As we conclude another remarkable year for Abans Electricals, I would like to take this opportunity to formally acknowledge the support, commitment, and guidance that contributed to these achievements. I extend my sincere appreciation to the outgoing Chief Executive Officer (CEO), Mr. Jagath Jayasundara, for his leadership and valuable contributions to the Company's progress. I also take this opportunity to extend a warm welcome to the new CEO, Mr. Chinthake Kodippilikande, and look forward to working closely with him as we continue to strengthen the Company for greater achievements in the future.

My sincere gratitude goes to the Board of Directors for their invaluable counsel in guiding the Company to its current stage of success. I also wish to express my deepest appreciation to our management team and all employees, whose dedication and hard work were instrumental in delivering this record performance. Our customers are the reason for our existence, and I thank them for their continued trust and confidence in the Abans brand. Their loyalty inspires us to continuously improve our products, services, and customer experience. I am equally grateful to our shareholders, suppliers, dealers and distributors, financial institutions, regulators, and all other stakeholders for their continued support and collaboration. Together, their contributions have strengthened our ability to create sustainable value and pursue new opportunities for growth. As we look ahead, we remain committed to building on this momentum and delivering enhanced value to all our stakeholders in the years to come.

Sincerely,

Aban Pestonjee
Chairperson
31st August 2026

MANAGEMENT DISCUSSION AND ANALYSIS

OPERATING ENVIRONMENT

Global GDP Growth

According to the International Monetary Fund (IMF)'s World Economic Outlook (WEO) report of January 2026, the global economy remained resilient in 2025, despite intensifying geopolitical tensions and elevated policy uncertainty. Against a backdrop of stabilising trade tensions and supportive financial conditions, January 2026 estimated global economic growth at 3.3% in 2025. Growth was supported by strong private sector adaptability and increased technology-led investments, particularly in artificial intelligence (AI).

Global trade sentiments were affected during the first half of 2025 by revisions to the US tariff structure and subsequent policy shifts, heightening uncertainty. However, front-loading of trade, investment, and inventory accumulation in anticipation of potential tariff increases, together with subsequent bilateral trade agreements and downward revisions to previously announced tariff measures, helped sustain global economic performance. Reflecting these developments, world trade volumes expanded by 4.1% in 2025, driven mainly by technology-related exports, which offset weaker momentum in other product categories. Furthermore, the IMF's WEO report in April 2026 estimated global economic growth to decline to 3.1% in 2026 and recover slightly to 3.2% in 2027, following the US-Israel-Iran conflict in March 2026.

Sri Lanka's GDP Growth

Sri Lanka reported a GDP growth of 5% in 2025, with Agriculture, Industry and Services sectors expanding by 1.4%, 7.8% and 3.3% respectively. The moderate recovery in GDP growth in 2025 was supported by improving macroeconomic stability, controlled inflation, and steady interest rates. Although the Sri Lankan rupee slightly depreciated, overall economic conditions remained relatively stable, helping to restore consumer confidence and stimulate investment in both household and business sectors.

The services sector remained the primary driver of economic activity, while the industrial sector experienced strong growth due to improvements in manufacturing and construction. Although the agriculture sector expanded at a slower pace because of adverse weather and higher production costs, resilient performance in selected agricultural activities contributed positively to overall economic growth.

Economic activity toward year end was partially affected by Cyclone Ditwah, which caused disruptions to infrastructure and transport networks across several regions. Overall performance, however, underscored the economy's resilience amid evolving climate-related and external challenges.

Inflation

Headline inflation, which reached positive levels in August 2025 after 11 months of deflation, followed an increasing trend thereafter, while remaining below the target level. This turnaround was mainly supported by the easing of deflationary pressures in the energy and transport category, following the upward revision of electricity tariffs implemented in mid-June 2025, along with statistical base effects. Persisting geopolitical tensions in the Middle East may disrupt global supply chains, leading to shortages of raw materials for local manufacturing, while rising global oil prices are expected to contribute to higher inflation by mid-2026.

Interest Rates

Monetary policy, which was eased significantly from June 2023 through 2024 by a total of around 7.75 pps, was eased further by reducing the overnight Policy Rate (OPR) by 0.25 pps in 2025. Consequently, the overall market interest rates continued to adjust downwards in 2025, although a modest uptick was observed towards the latter part of the year due to temporary increases in short-term interest rates. Further, a broad-based expansion in credit across key sectors of the economy was observed in 2025, reflecting the ongoing recovery in economic activity.

Exchange Rate

The Sri Lankan rupee depreciated against the USD by 5.6% in 2025 and against other major currencies, such as the Euro, the Pound sterling, the Chinese yuan, the Japanese yen, the Indian rupee, and the Australian dollar. This depreciation was largely driven by the widening trade deficit, as a sharp increase in import expenditure—particularly following the relaxation of import restrictions on motor vehicles—outpaced export earnings, leading to higher demand for foreign exchange. Nevertheless, lower fuel prices, improved remittance inflows, and stable earnings from tourism helped cushion the impact of increased motor vehicle imports, contributing to the stabilisation of the exchange rate.

Energy Prices

Oil prices remained low during 2025 due to tepid global demand growth and strong supply conditions, easing cost pressures across economies. Prices of energy commodities were expected to decline further by around 7% in 2026. However, the closure of the Strait of Hormuz in March 2026 halted approximately 20% of global oil and liquefied natural gas (LNG) shipments and caused Brent crude prices to surge past $115 per barrel in late March, while European gas benchmarks nearly doubled. The IMF's April 2026 World Economic Outlook projects a 19% rise in global energy commodity prices, driven by significant oil and natural gas price surges under various conflict scenarios. Under the baseline, oil is expected to average $82 per barrel, while adverse and severe scenarios could push prices to $100–$110, resulting in elevated inflationary pressures.

In Sri Lanka, the prices of Petrol and Auto Diesel were subjected to several downward revisions in 2025, except for the price increases in July 2025 of LKR 12 and LKR 15, respectively. However, fuel prices in Sri Lanka experienced significant increases between December 2025 and March 31, 2026, with prices going up twice in March, due to global oil market volatility and currency depreciation.

Economic Outlook and Prospects

Following the commencement of the war with Iran in late March 2026, Sri Lanka faced a "system shock" characterised by a roughly 33% to 35% surge in fuel prices and critical disruptions to primary foreign exchange earners of remittances, tea exports, and tourism. Headline inflation also accelerated to 5.4% in April 2026, following the conflict. Within this context, the World Bank in its latest South Asia Economic Update in April 2026 stated that Sri Lanka's economic growth is expected to slow to 3.6% in 2026. However, Sri Lanka's economy grew 5.1% in the first quarter of 2026, up from 4.8% in the December 2025 quarter, indicating a strong recovery from the impact of Cyclone Ditwah in November 2025. The Central Bank, meanwhile, has retained the 4%–5% GDP growth target for 2026, but expects inflation to increase gradually over the coming months, towards the target of 5%.

Looking ahead, Sri Lanka's economic recovery is expected to continue, supported by ongoing structural reforms and progress under the IMF-supported programme. Export earnings, tourism, and workers' remittances are expected to remain key drivers of foreign exchange, while monetary and fiscal policies are likely to remain focused on maintaining macroeconomic stability. However, risks arising from geopolitical tensions, higher energy prices, climate-related disruptions, and weaker global demand could weigh on growth. Overall, Sri Lanka's medium-term economic outlook remains cautiously positive.

FINANCIAL CAPITAL

Abans Electricals continuously monitors evolving market and economic conditions to anticipate changes in the operating environment. During the current financial year, we responded proactively to market signals by aligning our financial resources to optimise risk-adjusted returns, while maintaining operational resilience and financial stability.

Our financial management strategy during the financial year 2025/26 focused on debtor management, aimed at improving cash flow, strengthening working capital, and reducing reliance on overdraft facilities. Cash inflows from debt collections were strategically deployed to reduce overdraft balances and retire a significant portion of higher-cost borrowings, resulting in a substantial reduction in finance costs during the year. In addition, surplus liquidity was actively managed through short-term interest-bearing investments, generating additional interest income while preserving adequate liquidity to support operational and working capital requirements.

Overview of Financial Performance

Abans Electricals delivered a strong financial performance during the year, with the top line growing by LKR 1.02 Bn year-on-year, driven by volume growth across the manufacturing and services sectors, while the profitability was enhanced through disciplined cash flow management and operational efficiency measures. As a result, the operating profit increased by 11.90% and the after-tax profit increased by 18.48%, year-on-year.

In line with the improved financial performance, the Board has proposed a final dividend of LKR 26.00 per share for the financial year 2025/26, amounting to a total dividend distribution of LKR 132.87 Mn to shareholders. In addition, our shareholders also benefited from capital appreciation during the year, with the Abans Electricals share price increasing by 192.18%, to LKR 1,130.00 per share, by end March 2026, from LKR 386.75 one year ago.

Revenue

Total revenue for the year increased by 15.25% year-on-year, from LKR 6.71 Bn to LKR 7.73 Bn. Manufacturing operations remained the primary contributor, representing the largest share of 38.26% of consolidated revenue, followed by services operations contributing 37.68%, while solar operations accounted for the remaining 24.07%.

Total revenue from manufacturing operations increased by 44.47%, from LKR 2,047.03 Mn to LKR 2,957.30 Mn, supported by increased sales volumes and a stable macroeconomic landscape. Demand for washing machines accelerated during the year, with a significant surge from December onwards. In response, we increased production output and enhanced manufacturing efficiency to meet the increased market demand. This resulted in the highest-ever manufacturing output achieved to date for washing machines, the Company's primary manufactured product. In addition, refinement to the dealer pricing strategy improved market competitiveness and facilitated expansion in key market segments. It is noteworthy that our manufacturing output growth was achieved with no additional capital investments.

The revenue from service operations surged during the year, by 30.96%, from LKR 2,223.97 Mn to LKR 2,912.44 Mn supported by the centralisation and operational realignment of the after-sales service model. Growth was further driven by higher demand for cooling appliances due to rising temperatures, resulting in increased air conditioner installations, routine maintenance services, breakdown repairs, and sales of spare parts and installation materials. The service division further expanded its scope to undertake repair services for smaller appliances sold through Abans, shifting from a centralised repair model to customer service centres island-wide, enabling faster service and greater customer convenience.

Total revenue from the solar segment declined during the year by 23.64%, from LKR 2,436.22 Mn to LKR 1,860.34 Mn, primarily due to capacity constraints, reduced approvals for new rooftop solar installations, lower feed-in tariffs lowering the attractiveness of smaller-scale solar investments, and grid integration issues arising from increased solar generation, resulting in periodic reductions in solar output to maintain system stability.

However, demand patterns began shifting towards battery-backed solutions, with increasing interest in hybrid and off-grid systems. We responded to this market shift immediately by offering hybrid and off-grid solar solutions with battery backups for both domestic and commercial applications, while continuing to supply net-metering installations where available. In addition, we aggressively promoted solar service agreements to provide maintenance and support services beyond the initial one-year installation warranty period, thereby strengthening recurring revenue streams and long-term customer engagement. To further strengthen our presence in the evolving energy solutions market, we also introduced fast EV chargers, offering both grid-connected and solar-powered solutions for commercial and residential customers, targeting the growing electric vehicle market. Demand for this new product is expected to grow in the coming years.

Cost Management

Amid rising operational costs, intensified competition, and pricing pressures, we continued to focus on cost optimization and operational efficiency. Manufacturing processes were further strengthened through workflow improvements, enhanced resource utilization, proactive equipment maintenance, and waste reduction initiatives to support sustainable cost management. These initiatives contributed towards improved cost efficiency, with cost of sales increasing at a lower rate of 14.71%, compared to the 15.25% growth in revenue, resulting in a 16.95% increase in gross profit during the year.

Administrative expenses increased during the year, mainly due to investments in the expansion and restructuring of the service arm. This included additional recruitments, wage revisions, and enhanced incentive schemes to retain talent, together with investments in system enhancements, workplace improvements, and customer service centre upgrades to strengthen operations and service delivery.

However, interest costs declined by 59.60% from LKR 55.44 Mn in the previous year to LKR 22.40 Mn supported by stable interest rates, favourable macroeconomic conditions, and disciplined fund management.

We responded to the increasing trend in costs driven in part by geopolitical uncertainties that emerged later in the year, by implementing several cost-optimisation initiatives. This included diversifying our supplier base, improving sourcing strategies, and continuously negotiating better prices, bulk purchasing arrangements, and supplier discounts. Energy-related costs were contained through the use of in-house solar power systems and optimisation of production schedules and improved logistics operations.

In addition, warehousing capacity was expanded to support increased inventory levels, enabling the Company to mitigate price volatility, manage supply chain uncertainties and minimise stock-out risks.

Profitability

The gross profit for the year increased by 16.95% from LKR 1,605.27 Mn to LKR 1,877.44 Mn reflecting the growth in revenue and effective cost management. Consequently the gross profit margin increased slightly from 23.93%, to 24.29% during the year.

The operating profit margin, however, recorded a marginal decrease from 10.97%, to 10.65%. However, the Profit Before Tax increased by 20.54%, to LKR 861.74 Mn. The decrease in finance costs by 59.60% to LKR 22.40 Mn, together with an increase in finance income by 76.08% to LKR 60.74 Mn, further supported the growth in net profit, reflecting disciplined treasury management and effective utilisation of funds. The Profit after Tax increased by 18.48% to LKR 592.58 Mn, from LKR 500.16 Mn.

During the year, the highest year-on-year gain, was from the service segment reflecting the range of operational improvements carried out during the year. The manufacturing segment remained the largest contributor to the Company's overall profitability.

Tax Expenditure

The income tax expense for the year increased from LKR 214.75 Mn to LKR 269.15 Mn, reflecting the growth in taxable profits during the year. The Company remained subject to the prevailing corporate income tax rate of 30%. For further details on the tax expense, please refer to Note 09 to the financial statements on page 86-87

Total Assets

Total fixed assets of the Company increased from LKR 1,394.53 Mn to LKR 1,523.24 Mn during the year, mainly due to a revaluation surplus of LKR 186.01 Mn resulting from the revaluation of land and buildings. During the year, the Company also disposed of underutilised machinery to another entity within the Abans Group as part of its ongoing asset optimization initiatives.

The Company further invested in upgrading workplaces and customer service centres, which was reflected in additions to buildings, furniture and fixtures, office equipment, and IT infrastructure to enhance digital capabilities and support future business expansion.

Total Liabilities

Total liabilities increased by 13.87% from LKR 2,294.98 Mn, to LKR 2,613.37 Mn, as both current and non-current liabilities increased, by 14.90% to LKR 2,287.60 Mn, and by 7.18% to LKR 325.77 Mn, respectively.

The increase in current liabilities was mainly due to an increase in trade payables, arising from increased purchase volumes from both foreign and local suppliers to meet growing demand, as well as increases in income tax and other tax payable balances and deferred service income, in line with the growth in revenue and profit. The slight increase in non-current liabilities was primarily due to increased lease liabilities resulting from lease rate revisions and the relocation to new premises.

Cash Flow

Our cash flow position strengthened significantly during the year, due to improved inventory control, effective debtor management and enhanced cash flow planning, supported by closer coordination between purchasing and sales functions.

These initiatives supported the generation of strong operating cash flows, with net cash generated from operating activities amounting to LKR 781.46 Mn during the year.

Although cash and cash equivalents decreased by LKR 52.09 Mn compared to the previous year, this was primarily due to increased investments in fixed and short-term deposits, along with capital expenditure and other financing commitments.

The Company maintained a strong liquidity position, supported by prudent cash flow management and improved operational efficiencies, enabling it to meet working capital requirements and support future growth initiatives.

Capital Structure

The Company's financial capital structure comprises equity and debt. During the financial year, total equity increased by 23.68%, from LKR 2,710.29 Mn as at 31 March 2025, to LKR 3,352.06 Mn as at 31 March 2026. This growth was mainly driven by the increase in retained earnings, which rose to LKR 2,567.36 Mn, reflecting the Company's strong profitability and earnings retention during the year.

The Company continued to maintain a prudent approach towards debt management, with total borrowings remaining at a stable level of LKR 130.96 Mn, compared to LKR 132.35 Mn in the previous year. The Company's strengthened equity base, together with effective liquidity management, has supported a resilient balance sheet and provided the financial capacity required to meet operational requirements and pursue future growth opportunities.

Outlook for 2026/27

The financial year 2026/27 commenced against the backdrop start of the Middle East conflict that began in late March 2026. As a result, raw material costs increased significantly during the first quarter of the year, with some inputs experiencing substantial price increases, alongside supply shortages. However, on a positive note, the Company has maintained adequate raw material stocks and strengthened its supplier base through diversification of sourcing channels for selected raw materials and components, to minimise the risk of production disruptions during the financial year 2026/27.

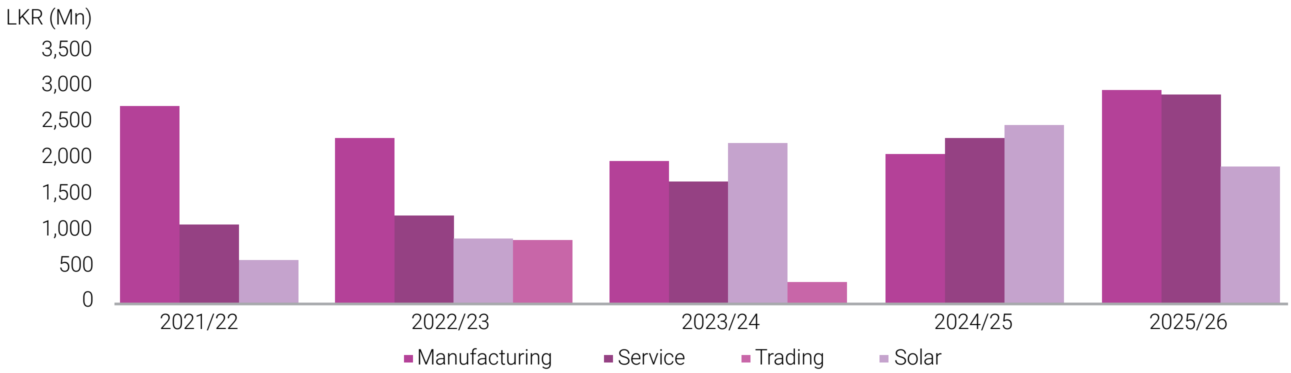
To sustain growth, we plan to invest in enhancing our injection moulding capabilities and enabling increased production capacity to meet rising demand and future business requirements. Our manufacturing unit has lined up new washing machine models with upgraded features and higher capacity options to strengthen our product range and support market competitiveness.

Service revenue is expected to continue growing during the year, supported by the expansion of the Company's service operations through the centralisation of selected after-sales service activities, an expanded geographic footprint, and a strengthened technician base.

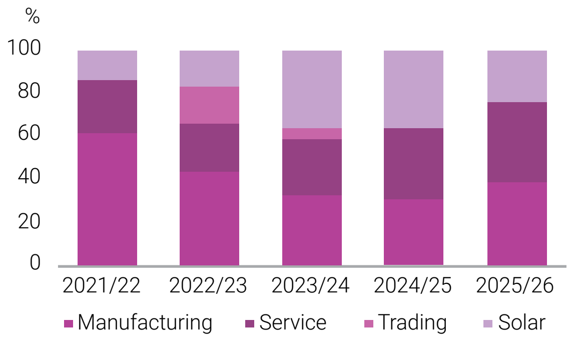
Although demand for net-metering solar systems is expected to remain subdued, the Company is well positioned to capitalise on the growing demand for off-grid solar solutions and EV charging infrastructure, having already established a presence in these emerging segments. In addition, the planned launch of a payment application for EV chargers is expected to enhance revenue collection and support the continued growth of the business. We believe the Abans brand name and first-mover advantages will provide a competitive edge in these new market segments.

Therefore, we remain cautiously optimistic of sustaining revenue and profit growth during the 2026/27 financial year.

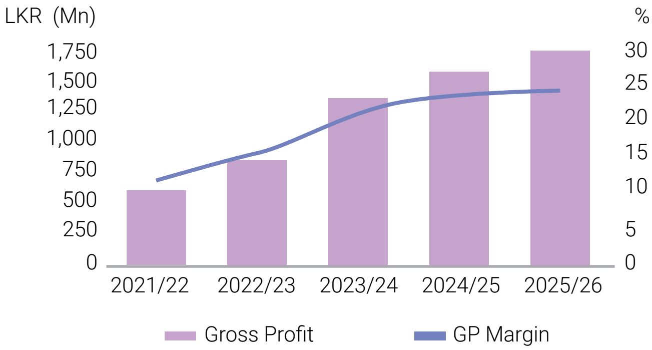
Segmental Revenue



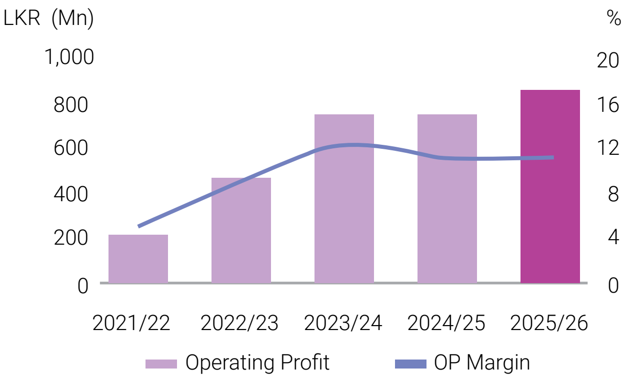
Revenue Composition



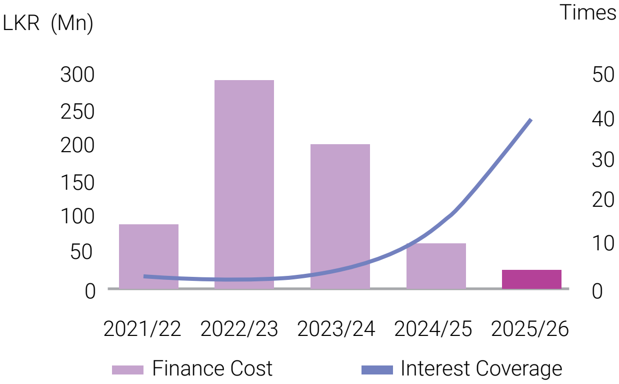
Gross Profit



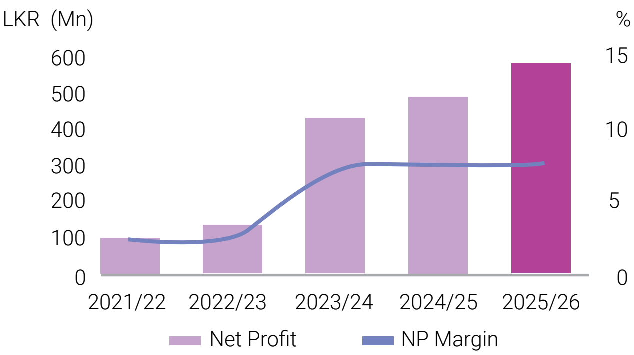
Operating Profit



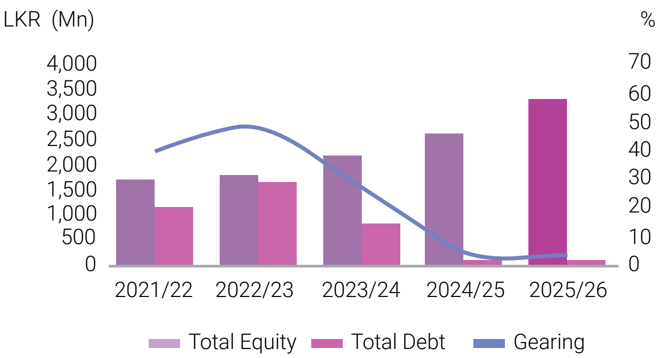
Finance Cost



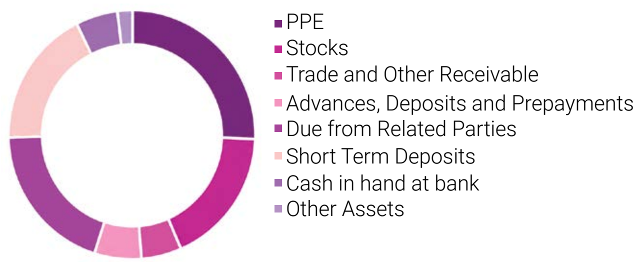
Net Profit



Capital Structure

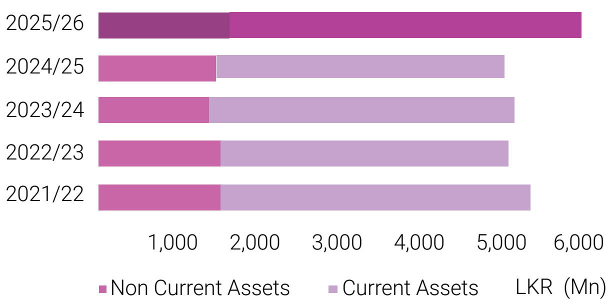


Total Asset Composition

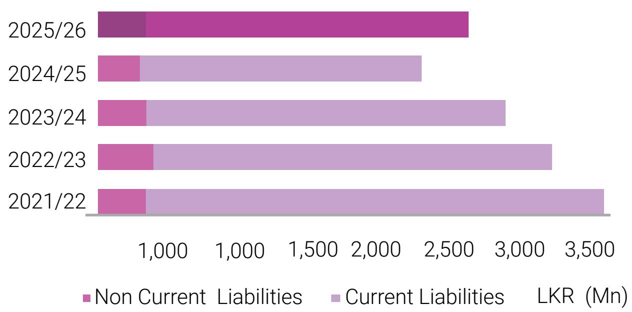


Total Liability Composition

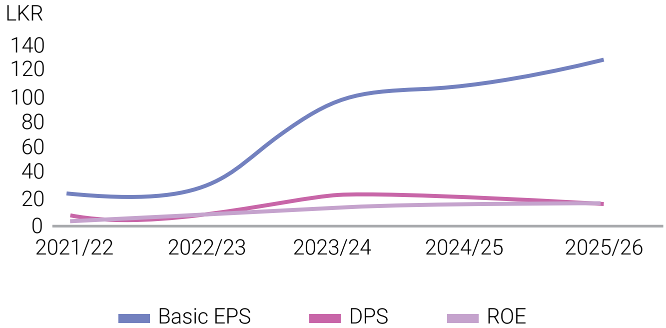
Total Assets



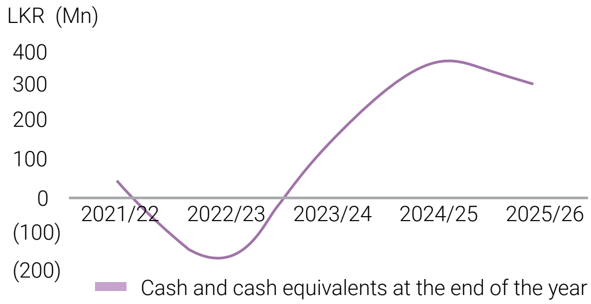
Total Liabilities



EPS/DPS & ROE



Cash Flow



MANUFACTURED CAPITAL

The manufactured asset base of Abans Electricals did not undergo significant changes during the 2025/26 financial year, as the Company focused on deriving value from capital investments made in the preceding year. During 2024/25, substantial investments were made in plant and machinery to expand the manufacturing capacity for plastic components and enhance facilities within the Services Division. The Company has also strengthened its IT infrastructure through targeted investments in computer equipment, including laptops, and implementation of a centralized Enterprise Resource Planning (ERP) system to improve operational agility and support business growth. Accordingly, the primary focus during the year under review was on optimising these investments to drive production expansion and enhance service delivery.

Abans Electricals' injection moulding facility supports both internal manufacturing requirements and the needs of other companies within the Abans Group. The production of plastic components through this facility has already generated cost efficiencies for the Group's retail operations, particularly in the highly competitive white goods market. During the year, production of injection-moulded components and washing machines increased. This includes products supplied to both Abans Group entities as well as external customers.

Currently, Abans Electricals represents a significant share of washing machines sold through the island-wide Abans retail network. In addition to manufacturing finished products and plastic components incorporated into them, the Company supplies plastic components for a range of other appliances manufactured within the Abans Group, further strengthening operational synergies across the Group's manufacturing value chain. Meanwhile, investments in the Company's digital infrastructure have enhanced the Company's operational and planning capabilities, as well as after-sales service capabilities.

During the year, Cyclone Ditwah caused minor damage to the Company's business premises. However, the incident did not have a material impact on business operations, assets, or financial performance, as the damages incurred were fully recoverable through insurance coverage.

Changes to Manufactured Capital

The Company's manufactured capital comprises a diverse range of physical assets and infrastructure, including land and buildings, plant and machinery, inventories of raw materials and finished goods, tools and equipment, and vehicles. These assets play a critical role in supporting operational efficiency, production continuity, and service delivery across the business.

Total value of fixed assets of the Company increased from LKR 1,394.53 Mn to LKR 1,523.24 Mn during the year, mainly due to a revaluation surplus of LKR 186.01 Mn resulting from the revaluation of land and buildings. During the year, the Company also disposed of underutilised machinery to another entity within the Abans Group as part of its ongoing asset optimisation initiatives. The Company further invested in upgrading workplaces and customer service centres, reflected in additions to buildings, furniture and fixtures, office equipment, and IT infrastructure to enhance digital capabilities and support future business expansion.

Significant changes to the Company's manufactured capital during the financial year were limited to the following:

- The Company expanded its warehousing capacity by renting an additional warehouse facility. This expansion was undertaken to accommodate increased inventories of washing machine components and injection moulding raw materials required to support higher production volumes.
- Under the solar energy business, the Company broadened its inventory portfolio by introducing electric vehicle (EV) chargers and increasing stocks of hybrid solar solutions and off-grid solar energy components to support its entry into these emerging market segments and enhance its renewable energy product offering.
- To improve resource efficiency and reduce dependence on piped water supplies for manufacturing operations, the Company installed a groundwater extraction system utilising a tube well and pump.
- During the year, rooftop solar panels were installed across the Company's office premises. These panels were not acquired through capital expenditure but were repurposed from customer returns due to solar panel degradation. The initiative enables the Company to derive value from an otherwise underutilised asset, while contributing to a reduction in grid electricity consumption.

		2024/25
Land & Buildings	LKR **1,123.45** Mn	2024/25 LKR **965.20** Mn
Plant & Machinery	LKR **718.05** Mn	2024/25 LKR **778.87** Mn
Furniture, Fittings, Fixtures & Office Equipment	LKR **229.02** Mn	2024/25 LKR **198.16** Mn
Computers	LKR **103.31** Mn	2024/25 LKR **108.84** Mn
Motor Vehicles	LKR **77.71** Mn	2024/25 LKR **81.31** Mn
Tools	LKR **32.44** Mn	2024/25 LKR **65.66** Mn

Plans for 2026/27

The Company will focus on optimising the existing manufactured asset base in the new financial year, while injecting targeted capital investments into strategic areas to support future growth. In line with prevailing market trends, we anticipate retail demand for white goods to continue its gradual upward trajectory during the year ahead. Accordingly, the Company has planned capital investments in the 2026/27 financial year to expand production capacity, including the procurement of additional injection moulding machines and the scale-up of in-house solar energy systems at the factory premises. Further investment has been allocated to strengthen the capacity of the services division, enhancing its ability to rapidly expand geographic coverage and the customer base. In addition, the Company will invest in the development of digital infrastructure, including improvements to its existing Enterprise Resource Planning (ERP) system, new software solutions and hardware upgrades, aimed at improving operational efficiency, enhancing customer convenience, and supporting the Company's ongoing digital transformation.

HUMAN CAPITAL

As a trusted provider of white goods, renewable energy solutions, and after-sales services, building a robust human capital base remained a key priority during the year under review. While particular emphasis was placed on strengthening the Service Division to support the growth and operational efficiency of Abans' after-sales service network, investments were made across the organisation in talent acquisition and retention, employee training, and fostering a performance-driven culture. These investments enhanced workforce capabilities and operational effectiveness, directly supporting business growth and contributing to improved revenue and profitability during the year. To further enhance after-sales service operations, the Company centralised several previously decentralised activities, improving process standardisation, operational efficiency, accountability, and service delivery standards.

The Company also reinforced a performance-driven culture across all three divisions of manufacturing, services and solar energy, by improving performance monitoring and reward systems that recognise individual contributions and align employee performance with organisational objectives. In addition, the succession planning framework was strengthened to build a robust internal talent pipeline and ensure business continuity.

Compliance at All Times

We remained fully compliant with all applicable labour laws and statutory requirements throughout the reporting period. All mandatory employee-related contributions, including EPF, ETF, and gratuity payments, were made on time, reflecting our commitment to meeting our legal obligations and supporting employee wellbeing. We continued to uphold a zero-tolerance policy on child labour, maintained safe and healthy working conditions across our operations, and ensured that all recruitment practices complied with Sri Lanka's labour laws.

The labour-related legislation with which we comply includes:

- The Wages Board Ordinance
- The Employees' Provident Fund Act
- The Employers' Trust Fund Act
- The Employment of Women, Young Persons and Children's Act
- The Maternity Benefits Ordinance
- The Shop and Office Employees (Regulation of Employment and Remuneration) Act
- The Workmen's Compensation Ordinance

Employee Profile

A range of strategic initiatives were implemented to attract, develop, and retain high-performing employees in order to support business growth. As a result, the Company's total workforce expanded to 800 employees by March 31, 2026. Out of this total workforce, 82% were male, due to a majority of factory employees and service technicians being men.

Total Employees by Gender

The total workforce increased from 778 employees in the previous year to 800 employees this year, with male employees increasing from 652 to 661 and female employees increased from 126 to 139

Gender Wise	2025/26	2024/25
Male	661	652
Female	139	126
Total	**800**	**778**

Total Employees by Age

The Company has a large youth cadre with 47% of all employees falling within the 18-to-30-year age bracket. A young team brings energy and new ideas, while experienced staff provide stability and guidance. Together, they support the Company's growth.

Age Wise	2025/26	2024/25
18-30	379	377
31-50	364	356
51+	57	45
Total	**800**	**778**

Employees by Employment Category

The majority of our workforce consists of 610 non-executive employees, who support our day-to-day operations. They are backed by 110 executives, 70 middle management professionals, and 10 senior management leaders, creating a balanced organizational structure that supports effective leadership, efficient operations, and continued business growth.

Category Wise	2025/26	2024/25
Senior Management	10	13
Middle Management	70	78
Executive	110	104
Non-Executive	610	583
Total	**800**	**778**

Recruitment

Talent acquisition and retention efforts were enhanced through the introduction of initiatives such as an employee referral scheme and an employee retention bonus scheme, enabling the Company to attract quality talent while improving employee retention. During the year 296 new employees were recruited out of which 237 were male.

Gender Wise	2025/26	2024/25
Male	237	287
Female	59	66
Total	**296**	**353**

Employee Retention

Recognising that our people are the foundation of our success, we continued to focus on attracting, developing, and retaining skilled talent while fostering long-term career growth. Our employee retention initiatives support both financial wellbeing and workplace engagement through competitive performance-based rewards, career development opportunities, employee welfare programmes, and the provision of a safe, inclusive, and respectful working environment.

The Company maintained a combined employee retention rate of 78% during the year under review, across the manufacturing, solar and service clusters.

Employee retention remained a key focus area during the year, with the Company enhancing incentive schemes and workplace facilities, engaging with service technicians to understand and address their concerns, reorganising operational processes, and implementing targeted initiatives to improve employee motivation and job satisfaction. These efforts were aimed at strengthening employee retention and maintaining a stable and skilled service technician workforce.

Employee Turnover

Gender Wise	2025/26	2024/25
Male	28.5%	22.0%
Female	29.1%	26.5%
Total	**27.7%**	**22.8%**

Training & Development

We remained committed to the continuous training and development of our employees, aligning learning initiatives with both the Company's strategic objectives and individual career development goals.

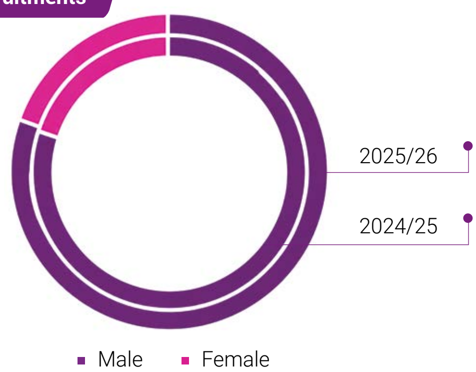
Investment in employee training and developments increased by 60% year-on-year, to LKR 19 Mn during the year under review as a core component of the Company's growth strategy. To enhance operational efficiency and support business growth, we strengthened employee capabilities through structured training programmes, leadership development initiatives, and succession planning efforts designed to prepare employees for future leadership and specialist roles.

Training needs were identified in consultation with line managers and through the succession planning process, enabling targeted technical and soft skills development aligned with business requirements. Technical assessment centres were introduced to enhance service technician competencies, and employees were encouraged and supported to pursue higher education, professional qualifications and specialised technical training to further strengthen the Company's knowledge base and technical capabilities.

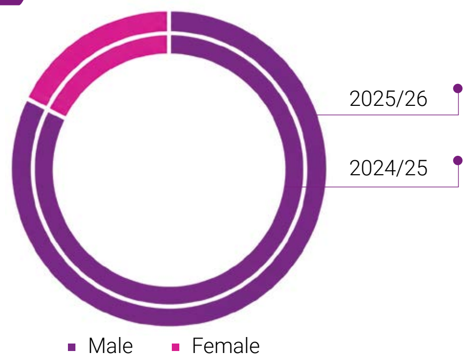
Average Hours of Training per Employee

Gender Wise	Male	Female	Total
Hours	11.3	14.3	11.8

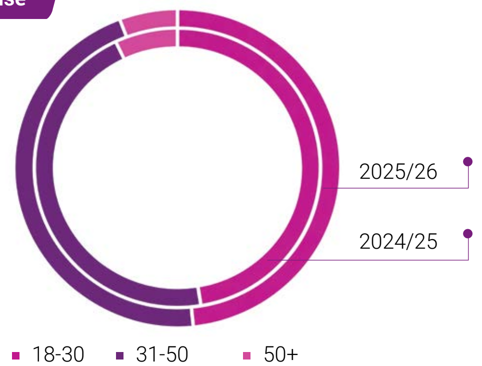
New Recruitments



Gender Wise



Age Range Wise



Category Wise

Performance Evaluations

We believe that continuous feedback and assessment are vital to individual and organisational growth. Accordingly, rigorous performance evaluations were conducted on a quarterly and annual basis across all employee categories, reinforcing the Company's commitment to developing a skilled, motivated, and future-ready workforce capable of supporting its long-term growth objectives.

The evaluation process is based on transparent and clearly communicated Key Performance Indicators (KPIs), providing a structured framework for assessing employee performance. In addition to evaluating performance, the process serves as a valuable tool for identifying training and development needs and fostering constructive dialogue and mutual understanding between managers and their teams.
During the year 586 employees underwent performance evaluations, excluding new recruits who were not yet eligible for assessment. Only employees who have completed one year from the date of joining are eligible for performance evaluations.

Occupational Health and Safety Management System

We remained committed to maintaining a safe and healthy workplace by ensuring compliance with applicable health and safety regulations and continuously enhancing our safety practices. Health and safety policies, procedures, and controls are regularly reviewed and strictly enforced to maintain a safe and healthy working environment for all employees.

During the year, health and safety awareness programmes were conducted for both technical and non-technical staff to strengthen employee awareness and promote safe working practices. The Company also continued to monitor and evaluate key health and safety metrics on an ongoing basis. Findings from internal audits and incident reports were systematically reviewed and used to drive continuous improvements to health and safety processes, helping to enhance workplace safety standards and minimise operational risks.

Employee Benefits

We have established a comprehensive employee benefits framework that extends beyond statutory requirements, reflecting our commitment to enhancing employee wellbeing and workplace satisfaction. In addition to competitive remuneration packages, the Company provides a comprehensive range of benefits and performance-based incentives designed to foster a positive and rewarding work environment and long-term employee retention.

Key components of our employee benefits include:

Incentives

- Performance Based Bonus – All categories
- Production Incentives – Technical staff
- Employee Sales Scheme for Abans Products - All categories
- Travelling Allowance – All categories without having fuel allowance
- Staff Transport – Staff category

Medical Support

- Employee Medical Scheme – All categories
- Health Insurance – All categories
- Employee Life Insurance – All categories

Meals

- Evening Snack – Production Staff
- Night Shift Meal – Production Staff

Welfare

- Death Donation – All Categories
- Sports Club – All Categories
- Uniforms – Production Staff
- Educational Aid Distribution – All Categories
- Welfare Pack Distribution – All Categories
- Savings Accounts Opening for Newborn Babies – All Categories

Grievance Management

We remain committed to promoting fairness, diversity, and equality as key elements of employee satisfaction and engagement. Through our 'Open Door' policy, employees are encouraged to share their concerns and feedback directly with the Head of Human Resources, Divisional Heads, or the Chief Executive Officer, fostering open and transparent communication across the organisation. In addition, a suggestion box has been introduced to provide employees with a confidential channel to submit feedback and grievances.

During the year, a structured grievance reporting process was implemented to ensure that all employee concerns are formally recorded, reviewed, and addressed in a timely and transparent manner. To encourage effective utilisation of the process, awareness programmes were conducted to educate employees on grievance reporting procedures and available channels for raising concerns. These initiatives strengthened employee confidence in the grievance-handling mechanism and reinforced the Company's commitment to maintaining a fair, inclusive, and supportive workplace.

Employee Events

We believe that fostering an inclusive and connected workplace culture strengthens collaboration across operational functions and encourages employee engagement through a shared sense of belonging. Employee engagement initiatives were expanded during the year to support smooth integration of new recruits and strengthen collaboration across departments. These programmes were designed to enhance teamwork, strengthen interpersonal relationships, and cultivate a unified one-team culture aligned with the Company's goals and values.

- **January 1st Celebration –** Employees across all levels came together on 1 January 2026 to welcome the New Year with warm wishes and fellowship. The celebration concluded with a traditional pirith chanting ceremony, seeking blessings for the year ahead.
- **Service Appreciation –** The Company celebrated the dedication and loyalty of long-serving employees through a recognition ceremony, honouring those who achieved service milestones of over five years. Awards and gifts were presented to employees reaching 5, 10, 15, 20, 25 years, and beyond, in appreciation of their valuable contributions.
- **Women's Day Celebration –** We marked International Women's Day by celebrating and appreciating our women employees through a special recognition initiative, reflecting our continued commitment to their wellbeing and valuable contributions.
- **Suryamangalya –** Our traditional New Year celebration brought employees together through cultural activities, traditional games, and shared festivities, fostering unity, camaraderie, and joy among staff.
- **AEL Premier League Cricket Tournament –** The tournament brought employees together through sports, encouraging teamwork, collaboration, and a spirit of friendly competition across the organisation.
- **Abans Funfinity –** The Company's annual employee get-together was held during the year, providing an opportunity for employees to relax, reconnect, and enjoy a memorable experience in a friendly and informal setting away from their regular work environment.
- **"Write to Grow" –** Book Donation Programme
- **Children's Day Art Competition**
- **Poson Dansala**

Plans for 2026/27

Our employees will remain a key priority to our continued progress as we pursue business growth and operational excellence in the new financial year. Our focus will be on strengthening our human capital capabilities to support the Company's long-term growth and strategic objectives. We will continue to recruit and train service technicians to expand our island-wide service coverage, while implementing targeted retention initiatives to retain high-calibre employees and foster a stable, high-performing workforce. We will continue to invest in skill development across the Company through the effective utilisation of our Learning Management System (LMS), specialised technical training programmes, and management development initiatives. Leadership development and succession planning initiatives will continue to build a strong internal talent pipeline capable of meeting future business needs. By identifying and nurturing high-potential employees, we aim to ensure leadership continuity, strengthen organisational resilience and create clear pathways for career progression.

NATURAL CAPITAL

Sustainability is embedded within our business strategy and operations through the adoption of environmentally sustainable practices across our value chain, while also promoting more sustainable lifestyles among consumers. During the year, we continued to enhance resource efficiency and optimise production processes, improving operational performance while containing our environmental impact. These initiatives contributed to stronger financial performance and supported our commitment to sustainable business practices.

Our energy efficiency initiatives centred on continuously improving process efficiencies to conserve energy, integrating solar energy, and promoting the adoption of electric vehicles within the workplace. Production efficiency initiatives focused on optimising raw material consumption, enhancing product quality to minimise waste from rejects, and implementing responsible waste management practices. The continued digitisation of manual processes has reduced environmental impacts through lower paper consumption and lower wastage, while the deployment of our ERP system has significantly improved the use of input raw materials and other resources. In addition, we continued to promote solar energy solutions and supported the country's transition to electric mobility by supplying EV charging infrastructure. Collectively, these initiatives supported Sri Lanka's transition towards a more sustainable and energy-efficient economy.

Compliance with Environmental Regulations

As part of our ongoing commitment to sustainable operations, Abans Electricals remained dedicated during the year to monitoring and ensuring compliance with all applicable environmental laws and regulations relevant to the Company. During the year under review, all statutory factory inspections were successfully completed, and all environmental licences were renewed. Accordingly, the Company did not incur any significant penalties or fines, relating to non-compliance with environmental legislation or regulatory requirements during the reporting period.

Resource Conservation

Key environmental impact indicators are continuously monitored to assess the Company's environmental impacts, introduce targeted measures to minimise impacts and to implement corrective action when required. During the current year, the Company continued to invest in conservation initiatives which included installing rooftop solar panels, providing E-bikes to service technicians, obtaining mandatory environmental licenses, purchase of energy-efficient equipment, and recycling damaged items, packing materials, and paper waste to promote responsible resource management and minimise waste generation.

Managing Water Consumption

Faced with the increasing frequency of extreme weather events, we continue to recognise the importance of conserving finite and critical resources, particularly water. The Company has implemented systems to continuously monitor water consumption across its operations and, during the year, strengthened water conservation measures and enhanced wastewater recycling practices in compliance with environmental regulations. These initiatives support responsible water management and help minimise any adverse impacts on water bodies arising from our operations.

During the financial year, the Company installed a groundwater pump to reduce reliance on piped water supplies. While water consumption increased during the year reflecting the sharp increase in production, the Company continued to implement water conservation measures, which include installing water-efficient fixtures to reduce unnecessary water consumption and conducting routine maintenance to prevent water losses from leaks or damages to the piping system. We also continued to foster a culture of responsible water use by encouraging employees to adopt water-saving practices in the workplace.

Water consumption is continually monitored through monthly usage and water bills, enabling us to promptly identify and address changes in consumption patterns. In addition, our wastewater treatment and recycling systems are periodically reviewed to ensure continued compliance with regulatory requirements.

Managing Energy Consumption

We continue to strengthen our energy management practices through ongoing investments in machinery upgrades, preventive maintenance, and the adoption of energy-efficient technologies across our manufacturing facilities. These initiatives have enabled us to improve energy efficiency, optimise consumption, and reduce our reliance on conventional electricity sources. During the year, all new machinery and equipment acquisitions are evaluated against energy efficiency and other operational performance criteria, while our manufacturing facilities continued to be progressively upgraded with energy-efficient lighting and other energy-saving technologies.

As part of our commitment to sustainable energy practices, we have also implemented solar power solutions to meet a significant portion of our operational energy requirements. During the year, we installed roof top solar panels at our office premises by repurposing degraded solar panels that were returned by our customers. The solar energy generation contributed towards reducing our energy bills, while also reducing landfill. In addition, we started supplying electric bikes for our service technicians, replacing petrol-powered motorcycles and provided EV charging facilities at our business premises which has also reduced fossil fuel consumption within our value chain.

We are also committed to enhancing the energy performance of our products by investing in the development and manufacture of energy-efficient appliances, enabling customers to reduce their own energy consumption.

Environmental Conservation

Environmental stewardship remains an integral part of our sustainability approach, as we continue to focus on conserving natural resources and reducing the environmental impacts arising from our operations. During the year, we strengthened our efforts to improve resource efficiency, minimise waste generation, and optimise the use of key resources such as energy, water, raw materials, and other inputs across our operations. We continued to enhance operational efficiencies through the digitalisation of manual processes, which helped reduce paper consumption and wastage. In addition, the deployment of our ERP system further improved the management and utilisation of raw materials and other resources. These initiatives have supported our operational growth while contributing to our ongoing efforts to minimise our environmental footprint.

3R related Activities

Reduce

- Optimised manufacturing processes to improve material usage and reduce waste generation.
- Maintained and upgraded machinery to minimise defective products and production waste.
- Followed efficient production practices, including proper machine settings, accurate material usage, and timely maintenance.
- Reused water from washing machine testing to reduce water consumption.
- Conducted employee awareness and training programmes to promote resource conservation.

Recycle

- Segregated recyclable materials such as plastics and metals.
- Recycled damaged plastic components from the injection moulding process and reused them in production where suitable.
- Collected and recycled plastic components and scrap materials from affiliate companies.
- Repurposed styrofoam packaging into new packing materials through an affiliated company.
- Properly segregated and disposed of non-recyclable waste in compliance with regulations.

Reuse

- Reused packaging materials such as cartons and pallets across operations.
- Collected and reused materials including plastic components, carton boxes, styrofoam, and plastic bags.
- Extended the useful life of materials to reduce waste generation.
- Reused degraded solar panels for in-house solar power generation

Plans for 2026/27

As we continue to expand our production and service-related activities, we remain committed to identifying and managing existing and potential environmental impacts. We proactively assess environmental risks and implement appropriate measures to minimise adverse effects arising from our operations.

Our objective is to expand output while controlling resource consumption and waste generation, by maximising recycling opportunities, and promoting the reuse of materials wherever feasible. We will also continue to invest in solar energy for manufacturing operations. Our ongoing digitisation initiatives will continue to reduce the Company's reliance on paper and will improve resource planning and enhance operational efficiency. We will also meet the growing consumer demand for environmentally sustainable solutions by developing more energy-efficient appliances and expanding our portfolio of high-quality solar energy solutions.

SOCIAL AND RELATIONSHIP CAPITAL

Our business is driven not only by the creation of economic value but also by a commitment to delivering positive social impact. We recognise that this is achieved through strong and collaborative relationships with our key stakeholders, whose trust, support, and engagement are fundamental to our long-term success. Our social capital is represented by the goodwill, trust, and strong relationships maintain with our key stakeholders towards the Company, which are essential for the continuity of our business activities and contribute to mutual value creation.

During the current financial year, we strengthened our relationships with all our stakeholder groups, while emphasising service enhancements. We reorganised our Service Division, which provides after-sales services for selected products retailed through the island-wide Abans retail network, to achieve significant improvements across all key customer satisfaction indicators. We also expanded and diversified our supplier base during the year, thereby strengthening the resilience and reliability of supply chains that are critical to our manufacturing, after-sales service, and solar installation businesses. In addition, we continued to engage closely with other stakeholders, including shareholders and regulators, to maintain stakeholder confidence.

Regulatory Compliance

Abans Electricals PLC maintained full compliance with all applicable laws and regulations during the financial year 2025/26. All statutory payments were made promptly, and all required regulatory records and returns were submitted on time. The Company did not incur any significant fines or penalties for non-compliance or delays in meeting its regulatory obligations.

Creating Value for Our Customers

During the year, the service arm of Abans Electricals was restructured and strengthened, resulting in significant improvements in customer convenience, response speed, and overall service quality.

- **Centralised Customer Helpline**

  During the year, separate customer service operations were integrated under a single customer hotline, providing customers with a centralised point of contact for service requests, installations, and after-sales support, thereby improving service efficiency and enhancing customer convenience. This integration significantly improved customer experience by eliminating the need for customers to contact multiple service numbers.

- **Continuous Measurement of Service KPIs**

  During the year, transparent performance measurement metrics were introduced and continuously monitored to measure service quality, response times, and service delivery efficiency across our service operations. These measures enabled closer oversight of operational performance, while encouraging continuous service improvements and greater accountability.

- **Service Digitisation**

  Previously manual service operations were fully digitised during the year, enabling service technicians to use mobile applications for real-time job tracking, improving service efficiency and response times, reducing manual paperwork, and enhancing the overall customer service experience. The initiatives also enabled faster coordination, improved monitoring of job completion, and more effective management of customer requests, resulting in greater efficiency, transparency, and traceability across service delivery processes.

- **Expanded Service Coverage**

  The after-sales service coverage was expanded beyond selected products to include a wider range of products retailed through the Abans retail network, allowing customers to benefit from more reliable technical support. During the year, a new service centre was established, increasing the total number of Company-operated service centres island-wide, while the franchise network was further expanded to improve regional accessibility and service responsiveness. In addition, we continued to provide technical support through an island-wide network of external service technicians to ensure timely service delivery when in-house and franchise capacities are insufficient to meet customer demand within the required timeframes.

- **Strengthening Technical Capabilities**

  The number of service technicians was increased to strengthen service capacity, improve response times, and support the growing customer base and expanded product portfolio. Extensive technical and service training programmes were conducted for technicians through the dedicated training facility, facilitating service standardisation and improvements in technical competencies.

- **Enhancing Customer Satisfaction**

  We continued to enhance our customer feedback process through digital post-service surveys, enabling us to better understand customer expectations, evaluate service performance, and identify opportunities for improvement. Managing customer complaints was improved by enabling continuous follow-up via the CRM system until issues were fully resolved. In addition, job-status tracking was improved by introducing a queue management system, allowing customers to track service progress and provide feedback on service quality, enabling more effective monitoring of customer satisfaction levels.

- **Customer-Focused Digital Solutions**

  The previously manual inquiry process for solar installations was digitised through the introduction of an online quotation request facility embedded on the website, improving customer convenience and enabling faster responses to customer inquiries. Customer convenience was further enhanced through the introduction of digital payment facilities for after-sales services, allowing customers to make online payments directly through secure payment links. In addition, targeted social media campaigns were conducted to promote our solar panel solutions and raise customer awareness regarding renewable energy options.

Creating Value for Our Suppliers

We recognise our suppliers as strategic partners who play an important role in supporting our business growth. We continue to build strong relationships with suppliers based on mutual respect and trust, supported by a comprehensive supplier database and registration system that categorises suppliers, their profiles, and offerings. We have expanded our local and international supplier network to secure reliable sources of raw materials, parts, accessories, and solar installation components.

We have implemented a structured vendor registration system to enhance supplier engagement and collaboration, with separate processes for companies and individual suppliers. This approach enables a more efficient registration process while ensuring transparency, effective management, and stronger supplier relationships.

During the year, we further expanded our supplier base to mitigate procurement risks arising from geopolitical uncertainties and supply chain disruptions, particularly those linked to regional conflicts in the Middle East. Our supplier base was also expanded to accommodate new, international suppliers for solar panels, related accessories, and EV charging solutions, as we ventured into these emerging markets. In addition, the local supplier network was broadened to support our expanding manufacturing operations, which has helped strengthen backward integration within the Sri Lankan market and supported domestic suppliers.

Investor Engagements

During the year, we maintained consistent and compliant investor engagement practices to ensure transparency with all categories of investors. Regular financial reporting and disclosures were submitted on time, providing investors with accurate and up-to-date information on the Company's performance. In addition, we organised the AGM with robust shareholder participation, offering a valuable platform for open dialogue between management and investors.

Corporate Social Responsibility (CSR)

In addition to our ongoing professional engagements with various stakeholder groups, we engage in voluntary CSR initiatives to support our customers and the communities. During the year, we facilitated factory visits for students from universities and technical colleges, providing them with valuable hands-on exposure to industrial processes. The programme enabled students to gain practical insights into manufacturing operations and understand how theoretical concepts are applied in real-world settings. We also extended support to individuals affected by Cyclone Ditwah by providing complimentary cleaning and repair services for damaged air conditioning units and solar power installations. More than 100 free services and repairs were carried out for customers whose equipment had been impacted by the disaster. Given the critical importance of preventing public safety hazards associated with electrical installations during floods, we prioritised solar-related breakdowns and emergency responses. Our technicians went beyond their normal duties by volunteering to reach flooded locations under challenging conditions to secure affected inverters, and restore damaged solar power systems.

Plans for 2026/27

In the new financial year, after-sales repair services for all audio-visual products sold through the island wide Abans retail network will be brought under our service division, enabling more holistic and integrated after-sales support for consumers. To accommodate this growth, we plan to significantly increase our in-house technician cadre and the number of franchise service centres. We will also introduce a new mobile application to digitise customer feedback collection, replacing the current manual system, which will enhance customer convenience and enable effective feedback management. While we continually improve our after-sales services, our manufacturing division will introduce new and advanced washing machine models with upgraded features and different capacity options to the market through Abans retail outlets, providing consumers with greater choices. In the renewable energy market, we continue to focus on providing high quality, off-grid and hybrid solar solutions, to support wider access to reliable solar energy solutions for households and businesses. We also plan to expand our EV solutions across the country. We will also launch a new mobile application for EV charging customers, enabling customers to locate their nearest EV charging station and make convenient online payments.

INTELLECTUAL CAPITAL

Intellectual capital is a vital driver of Abans Electricals' ability to create value and sustain its competitive position across its diverse business operations. The Company's intellectual capital encompasses the strength of the Abans brand, extensive organisational knowledge, a network of local and international partnerships, and the systems, processes and technical expertise that underpin its manufacturing, after-sales service, and solar energy businesses. Together, these assets enable the Company to deliver high-quality products and services drive operational excellence and respond effectively to evolving market dynamics and customer expectations.

During the year under review, Abans Electricals continued to strengthen its intellectual capital through targeted improvements to its operational systems, processes and capabilities. Particular emphasis was placed on enhancing after-sales service delivery through the development of technical knowledge among service personnel, strengthened performance monitoring mechanisms, and greater adoption of digital tools and applications to improve service quality, responsiveness and efficiency.

Simultaneously, manufacturing systems were refined to strengthen production quality, optimise capacity utilisation and operational efficiency, enabling the Company to increase productivity without significant additional capital investments. The Company also adjusted its solar energy operation to align with evolving market requirements, as customer demand increasingly shifted from traditional net-metering solutions towards hybrid and off-grid solar systems.

Improvements to Intellectual Capital

Abans Brand

The renowned Abans brand, trusted by generations of Sri Lankan consumers, is an invaluable component of the Company's intellectual capital. The strength of the brand reflects decades of commitment to quality, reliability and customer service. As the designated after-sales services provider of the Abans Group, Abans Electricals remains committed to preserving and enhancing the trust and credibility associated with the Abans name by consistently maintaining high standards across its products and services. During the year under review, the Company continued to reinforce brand equity by ensuring product quality, improving service delivery standards, and strengthening customer satisfaction across its areas of operation.

Training and Development

Investment in training and development increased significantly year-on-year, primarily reflecting the expansion of the Company's service team and its commitment to enhanced service quality standards. The Company also continued to invest in enhancing the capabilities of its manufacturing workforce and provided specialised training to solar energy technicians to support new products and solutions, ensuring they remained equipped to meet evolving customer requirements.

The Company's training centre in Wellawatte played a key role in strengthening the technical capabilities of service personnel. Training programmes were conducted to broaden after-sales service expertise across a wider range of products retailed through Abans outlets.

In addition, all engineers involved in manufacturing operations received technical training on Total Productive Maintenance (TPM) to enhance operational efficiency, improve equipment reliability, and support productivity improvements across the manufacturing process.

The Company strengthened its technical expertise through targeted training to support the introduction of new solar energy products, including off-grid and hybrid solar systems and electric vehicle (EV) chargers. These initiatives enhanced the Company's technical capabilities and ensured its workforce remained equipped to support evolving customer needs and emerging market opportunities.

Research and Development (R&D)

The manufacturing division conducts in-house research and development as part of its product development process. New product and injection-moulded component prototypes are designed, tested, and refined before being approved for mass production and commercialisation. This process includes component testing to ensure compliance with applicable Sri Lanka Standards (SLS) requirements. In addition, the Company's facilities are utilised to conduct sample quality testing for a range of small appliances retailed within the Abans Group.

During the year under review, the Company developed a new washing machine prototype incorporating improvements to existing models based on insights derived from after-sales service data. These enhancements were aimed at improving product performance, reliability and user convenience. The manufacturing division also successfully developed, tested and manufactured a new washing machine model for a third-party retail brand.

Strategic Partnerships

Strategic partnerships form an important component of Abans Electricals' intellectual capital and support the sustainability and growth of its operations. These partnerships include close collaboration with other companies within the Abans Group, enabling operational synergies and creating additional revenue opportunities through the manufacture of products and/or components on behalf of Group entities.

The Company also maintains strong relationships with a network of local and international suppliers that provide the raw materials, components and equipment required for manufacturing operations, as well as spare parts required for after-sales service activities. Similarly, the solar energy business relies on strategic partnerships with suppliers of solar panels, batteries, inverters, EV charging equipment and other specialised components required for the delivery of solar energy solutions.

Systems and Processes

Abans Electricals owns customised systems and processes that are unique to the Company and form an integral part of its intellectual capital. These systems and processes have been developed to align with the Company's specific business requirements and support operational effectiveness across its diverse activities.

During the year under review, the Company completed its transition to the SAP system, a comprehensive Enterprise Resource Planning (ERP) platform that further enhanced operational efficiency, reporting capabilities and internal controls. SAP integration across the value chain substantially reduced manual processes, improved data accuracy, and enhanced access to real-time information. The system strengthened reporting capabilities, improved process controls and automated Material Requirements Planning (MRP) for manufacturing operations, enabling more effective inventory management. SAP also enhanced the monitoring of raw material usage, improved planning, and supported greater accuracy in product costing. The integration of finance, procurement and inventory management within a single platform strengthened internal controls and improved visibility across operations.

Service delivery operations continued to be managed through the Company's in-house supply chain management system, which is integrated with the SAP system to ensure efficient coordination across functions. In addition, most manual processes in service delivery were digitised, which has significantly improved performance monitoring and customer satisfaction levels monitoring. A queue management system was introduced to better manage service requests.

Plans for 2026/27

Abans Electricals will continue to strengthen its intellectual capital base during the 2026/27 financial year through ongoing training initiatives and the introduction of new digital solutions for customer care and online payments. A new mobile-based customer feedback system will be implemented, replacing the existing manual process enabling more efficient collection, monitoring, and analysis of customer feedback. A dedicated mobile application for EV charging services will be introduced, that will also enable users to identify and locate the nearest charging stations, enhancing the accessibility, and convenience of EV charging infrastructure. The manufacturing division will introduce the enhanced washing machine models developed under the Abans brand during the forthcoming financial year, offering improved features across different capacity options to meet diverse consumer requirements. The Company also intends to further strengthen its quality management framework by pursuing certification under the ISO 9001:2015 Quality Management System standard for its manufacturing operations.

BOARD OF DIRECTORS

Aban Pestonjee
Chairperson

As the founder of the Abans brand and one of Sri Lanka's most distinguished entrepreneurs, Mrs. Aban Pestonjee has played a transformative role in shaping the country's corporate landscape. Her entrepreneurial vision, leadership, and determination laid the foundation for the diversified Abans Group, built on the principle of identifying emerging needs and delivering innovative solutions to address them. A pioneering woman entrepreneur in South Asia, Mrs. Pestonjee has inspired generations of business leaders by successfully navigating and excelling in a traditionally male-dominated business environment. Her remarkable achievements have earned her widespread recognition both locally and internationally.

In recognition of her contributions to business and entrepreneurship, Mrs. Pestonjee has received numerous awards and accolades. These include the Global Strategy Leadership Award presented at the World Strategy Summit; the Award of Excellence for Women Achievers for Outstanding Achievements from the SAARC Women's Association; and the Bronze Award in the Large Business Category at the Women Entrepreneur of the Year Awards organised by the Women's Chamber of Industry and Commerce, all in 2000. She was also honoured with the KOTRA Plaque of Appreciation in 2005 for fostering strategic economic ties between Korea and Sri Lanka and received the Leading Woman Entrepreneur of the World Award from the Princess of Thailand in 2006.

In 2017 she received the Woman Entrepreneur of the Year Award and the Gold Award in the Extra Large Business Enterprise Category at the Women Entrepreneur of the Year Awards, in addition to being named Sri Lanka's Entrepreneur of the Year at the Derana Sri Lankan of the Year Awards. In 2021, she was recognised as one of Sri Lanka's Most Admired Leaders at the Most Admired Companies Awards organised by the International Chamber of Commerce Sri Lanka and the Chartered Institute of Management Accountants. She was honoured with the Lifetime Achievement Award at the SLID - ACCA National Corporate Director Awards in 2026 January.

Her entrepreneurial journey was also featured in an interview conducted by Harvard Business School, the transcript of which is preserved in the institution's Baker Library as a resource for research and case studies.

Mrs. Pestonjee serves on the Boards of several companies within the Abans Group, including Abans PLC, Abans Retail Holdings (Pvt) Ltd, Abans Environmental Services (Pvt) Ltd, Abans Land (Pvt) Ltd, Abans Construction and Engineering (Pvt) Ltd, Abans Lanka (Pvt) Ltd, Abans Tourist Hotel (Pvt) Ltd, ABS Gardner Dixon Hall International (Pvt) Ltd, Abans Investments (Pvt) Ltd, Abans Marketing (Pvt) Ltd, Crown City Developers (Pvt) Ltd, Abans Engineering (Pvt) Ltd, AB Manufacturing (Pvt) Ltd and Colombo City Centre (Pvt) Ltd.

Dr. Saroshi Dubash
Executive Director / Managing Director

Dr. Saroshi Dubash brings an extensive academic and professional background spanning business management and operations, playing a pivotal role in driving the strategic and operational success of Abans Electricals PLC. She holds a PhD in Philosophy, an MBA from the United States and an Honours Degree in Chemistry from London.

As Managing Director, Dr. Dubash oversees key operational functions within the organisation, including import purchasing, wharf clearance, warehousing, inventory management, distribution and information systems. Her responsibilities also extend to finance, human resources, training and internal audit functions, reflecting her broad leadership role across the organisation.

Beyond her responsibilities at Abans Electricals PLC, Dr. Dubash serves as Group Director of Abans Group and Managing Director of Abans Logistics (Pvt) Ltd. She also holds directorships in several Group companies, including Colombo City Centre (Pvt) Ltd, Abans Retail Holdings (Pvt) Ltd, Abans International (Pvt) Ltd, Abans Engineering (Pvt) Ltd, Abans Land (Pvt) Ltd, Abans Investments (Pvt) Ltd, Abans Marketing (Pvt) Ltd, AB Manufacturing (Pvt) Ltd and Crown City Developers (Pvt) Ltd.

A respected business leader, Dr. Dubash has also contributed significantly to industry and professional organisations. She has served as Chairperson of the Women's Chamber of Industry and Commerce and represented the Chamber on the Board of the Ceylon Chamber of Commerce. Her professional affiliations include membership in Women in Logistics and Transport (WILAT), the Sri Lanka Institute of Directors (SLID), and Women Corporate Directors (WCD), a global network of women directors. She also serves on the committees of the Australian New Zealand Business Committee and the Canadian Business Committee.

She has received several prestigious awards, including the Visionary Leadership Award at the Top 50 Professional Career Women Global Awards, the 'Sri Lanka Woman Leader' award at the World Women Leadership Congress & Awards, and the 'Retail Leadership Award' at the Asia Retail Congress.

Rajaratnam Selvaskandan
Senior Independent Non-Executive Director

Bringing more than four decades of distinguished legal and management experience, Mr. Rajaratnam Selvaskandan provides valuable strategic insight and governance expertise to the Board. An accomplished legal professional, he specialises in corporate and commercial transactions, mergers and acquisitions, banking and finance, investment structuring and project development.

Mr. Selvaskandan is an Attorney-at-Law of Sri Lanka and a Solicitor of England & Wales, Canberra and Hong Kong. He was admitted to the Supreme Court of Sri Lanka in 1982 and currently serves as Senior Partner of Varners, one of Sri Lanka's leading law firms, a position he has held since 2004. Prior to entering private practice, he served as a State Counsel in the Attorney General's Department of Sri Lanka. He subsequently spent more than two decades as a Partner in a prominent law firm in Hong Kong, further strengthening his international legal expertise and professional standing.

As an Independent Non-Executive Director of Abans Electricals PLC and Abans PLC, Mr. Selvaskandan contributes extensive legal knowledge and business acumen, supporting the Board in maintaining high standards of integrity, transparency and corporate governance. In addition to his responsibilities within the Abans Group, he serves as a Director of CT Land Development PLC and holds board positions in several other leading corporate entities, including Laugfs Gas PLC.

Dinal Mario Rex Phillips
Independent Non-Executive Director

Mr. Dinal Mario Rex Phillips is a highly accomplished legal professional with over 32 years of experience and specialised expertise in intellectual property, commercial arbitration, company law litigation and sports law. Since joining the Board in February 2018, he has made a significant contribution to the Company through his extensive legal knowledge and strategic guidance. He currently serves as Chairman of the Related Party Transactions Review Committee and is a member of the Audit Committee, Remuneration Committee and Nomination Committee.

Mr. Phillips continues to maintain an active legal practice before the Commercial High Court, handling matters relating to injunctions, banking recoveries, insurance claims, family disputes and labour-related litigation. His broad legal experience has provided valuable support to the Company in navigating complex legal and commercial matters and facilitating business growth.

He is a Member of the Court of Arbitration of the International Chamber of Commerce and a Founder Member of the Austrian Business Circle of Sri Lanka. He also served as a Director of National Development Bank PLC and was a member of the National Intellectual Property Advisory Commission for 12 years, including two terms as its Chairman.

Kumar De Silva
Independent Non-Executive Director

With more than three decades of experience in business management and marketing, Mr. Kumar De Silva brings extensive commercial expertise and strategic insight to the Board. Since his appointment in February 2018, he has contributed significantly to the Company's governance and oversight processes.

Mr. De Silva currently serves as Chairman of both the Audit Committee and the Remuneration Committee and is also a member of the Related Party Transactions Review Committee and the Nomination Committee. A marketing professional with a strong business background, he has played an important role in supporting business expansion and growth through his expertise in marketing strategy and management.

His professional qualifications include Fellowship status with the Chartered Institute of Management Accountants (CIMA), UK, the Association of International Certified Professional Accountants (CGMA), UK, and the Chartered Institute of Logistics and Transport, UK. He is also an Associate Member of the Chartered Institute of Marketing, UK, a Member of the Sri Lanka Institute of Marketing, and holds a Diploma in Marketing from the Chartered Institute of Marketing, UK.

REPORT ON CORPORATE GOVERNANCE

The Board of Directors of Abans Electricals PLC consistently upheld stringent corporate governance standards throughout the financial year 2025/26 through regular reviews and follow-up actions to ensure compliance with all applicable laws, regulations, and governance requirements. The Board also ensured that the Company's systems, processes, and controls remained aligned with evolving regulatory expectations while supporting business expansion amid a strengthening economic environment that presented both new opportunities and emerging risks. Regular engagement with senior management enabled the Board to maintain close oversight of the operating landscape, including market developments, proposed policy and regulatory changes, and other factors that could impact the Company's performance and strategic direction.

The Board continued to provide strong strategic leadership, guiding the Company through a dynamic business environment while proactively addressing emerging risks and capitalising on growth opportunities. Supported by a robust governance framework, the Company maintained rigorous internal control mechanisms, including stringent financial controls to optimise cash flow management and regular internal audits to strengthen operational integrity and safeguard shareholder interests. Emphasis was placed on enhancing resource efficiency, strengthening the customer value proposition, and driving operational excellence across the business. This unwavering emphasis on good governance practices and strong business ethics has contributed towards strengthening the Company's brand image and stakeholder trust during the year.

Statement of Compliance

Maintaining the highest standards of corporate governance was a key priority for the Board throughout the year. During the financial year 2025/26, Abans Electricals PLC remained fully compliant with all applicable legal and regulatory requirements, with no material fines or penalties imposed for non-compliance, or delays in compliance.

The Company has complied with the mandatory provisions of the Companies Act No. 7 of 2007 and the Listing Rules of the Colombo Stock Exchange. The Company has established all mandatory Board Subcommittees, each of which was duly constituted and remained operational throughout the year, providing support to the Board in the effective oversight of the Company's operations. The Board has also ensured full compliance with the requirements set out in Section 9 of the Colombo Stock Exchange Listing Rules. In addition, where appropriate, the Company voluntarily adhered to the principles set out in the Code of Best Practice on Corporate Governance jointly issued by the Securities and Exchange Commission of Sri Lanka and the Institute of Chartered Accountants of Sri Lanka. As part of the Company's ongoing commitment to strengthening governance and transparency, the Company is in the process of evaluating the adoption of internationally recognised sustainability reporting standards.

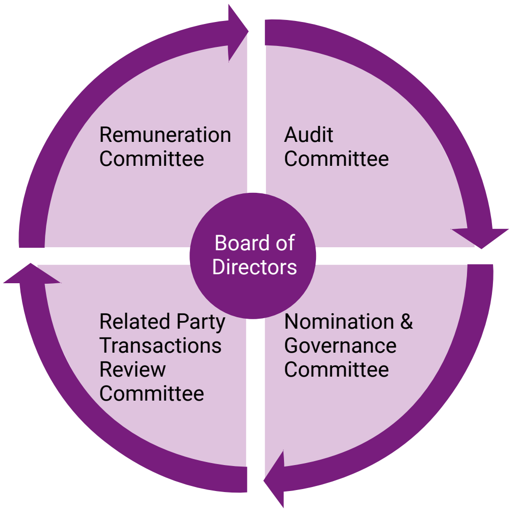
A comprehensive assessment is currently being conducted to identify any gaps between existing practices and the requirements of these frameworks, with the objective of implementing them in a structured and effective manner. The Company remains committed to their phased adoption, recognising that strong Environmental, Social and Governance (ESG) practices are fundamental to long-term value creation. Sustainability considerations continue to be integrated into business strategy, while ongoing initiatives are undertaken to minimise the Company's environmental footprint.

Governance Framework

The Company's overall governance framework remained unchanged during the year, with no changes to the Board, or Board Sub-Committees. The Board of Abans Electricals PLC continued to operate under the broader governance oversight of its major shareholder, Abans PLC, which provided an additional layer of supervision to ensure adherence to sound governance principles and effective risk management.

Abans Electricals' Governance Framework

Governance Framework



Chief Executive Officer

Corporate Management

Senior Management

Top-down and bottom-up communication is enabled at all times

Internal Governance Structure

- Articles of Association
- Abans Group Code of Conduct
- Board Sub Committees
- Internal Control Procedures
- Enterprise Risk Management Framework
- HR Policies

External Governance Structure

- Companies Act No. 7 of 2007
- Listing Rules of the Colombo Stock Exchange (CSE)
- Sri Lanka Accounting Standards (LKAS & SLFRS)
- The Code of Best Practice on Corporate Governance (2023) published by the CA Sri Lanka (Voluntary Compliance)
- Independent Audits

Internal Governance Structure

The Company's internal Governance structure is headed by the Board of Directors and complies with all applicable laws and regulations, while accommodating industry best practices. It is structured to enable oversight over all operational aspects, while monitoring applicable compliance requirements.

The Board is assisted by four properly constituted Board Sub-Committees, to which specific functions are formally delegated, along with a network of Senior Management Committees. Oversight of internal controls and risk management is embedded in a structured framework of policies, processes, and systems designed to uphold governance standards throughout the organisation.

Board of Directors

During the year under review, the Board comprised five (05) Directors, of whom three (03) served in the capacity of Independent Non-Executive Directors, ensuring an appropriate balance of independence and insight in Board proceedings.

Profiles of the Directors

Brief biographies of the Board members, including their qualifications and experience, are available on page 27-29 of this Annual Report.

Role of the Chairperson and Managing Director

The Company has clearly segregated the role of the Chairperson from the Managing Director, which is in line with best practices in Corporate Governance ensuring that no one Director has unfettered power and authority.

Role of the Senior Independent Non-Executive Director

Mrs. Aban Pestonjee, the Chairperson and Mrs. Saroshi Dubash, the Managing Director of Abans Electricals PLC are close family members. Therefore, the Board of Directors of Abans Electricals PLC, by its resolution adopted by circulation on 29th November 2023, has appointed Mr. Rajaratnam Selvaskandan, Independent Non-Executive Director of the Company as the Senior Independent Director in terms of Section 9.6.3 (a) iii of the amended Listing Rules on Corporate Governance with effect from 29th November 2023. Also

Mrs. Aban Pestonjee has relinquished her position to the Company's Executive Chairperson with effect from 29th November 2023. However, Mrs. Aban Pestonjee shall remain as the Non-Executive Chairperson of the Company. The presence of the Senior Independent Non-Executive Director ensures none of the Board Members has unbound authority over decision-making, and Board discussions facilitate independent thought by individual Directors.

Statement of the Senior Independent Director

The independence of each Director was assessed based on the information and declarations submitted by the respective Directors. Following this assessment, the Board determined that all Independent Non-Executive Directors satisfied the prescribed criteria for independence.

In accordance with regulatory requirements, and in addition to ongoing informal interactions, the Independent Directors met separately without the participation of the Executive Directors. These meetings provided an opportunity to deliberate on matters relating to their roles, responsibilities, and obligations as Non-Executive Directors.

Particular attention was given to the challenges and risks arising from evolving global geopolitical developments and domestic economic conditions. Discussions focused on the potential impact of these factors on the Company and the measures adopted by management to monitor, manage, and mitigate such risks.

The observations, feedback, and recommendations arising from these discussions were duly communicated to the Chairperson and the other members of the Board. Minutes of the meetings were circulated to the Board to ensure appropriate documentation and transparency. More broadly, the Non-Executive Directors were kept regularly informed of significant developments within the Company and were provided with opportunities to seek clarification on matters whenever required. During the year, the Non-Executive Directors also evaluated the performance of the Executive Directors serving on the Board.

The Senior Independent Director and the Non-Executive Directors wish to place on record their appreciation to the Chairperson, Managing Director, Group Chief Financial Officer, and the other members of the Board of Abans Electricals PLC for their openness, transparency, and cooperation in all matters on which the views and input of the Non-Executive Directors were sought.

Rajaratnam Selvaskandan
Senior Independent Non-Executive Director
31st August 2026

Board Responsibilities

During the year under review, the Board discharged its responsibilities through active engagement in the oversight of the Company's strategic direction and operational performance. In carrying out its duties, the Board devoted considerable attention to the formulation, implementation, and monitoring of business strategy, while maintaining both collective and individual accountability for the effective stewardship of the Company. The Board also ensured that appropriate systems and processes were in place to preserve the integrity of information, strengthen internal controls, support business continuity, and facilitate effective risk management.

The Board further remained responsible for ensuring compliance with applicable laws, regulatory requirements, and ethical standards, while taking into consideration the interests of all stakeholders in its decision-making processes. In addition, it oversaw the establishment and maintenance of mechanisms to support accurate, balanced, and timely corporate reporting.

In fulfilling their responsibilities, Directors are expected to exercise independent judgment and objective decision-making, both individually and collectively. They are entitled to seek professional advice, whether from internal or external sources, on matters relating to corporate governance, strategic planning, performance assessment, benchmarking, and protecting the Company's assets and resources.

Chairperson's Responsibilities

The Chairperson leads the Board and is responsible for ensuring its effectiveness in all aspects of governance. They guide the Board's deliberations, foster inclusive dialogue, and help facilitate informed, collective decision-making. As the public representative of the Board, the Chairperson communicates its views and commitments to external stakeholders.

Managing Director's Responsibilities

The Managing Director is responsible for formulating the Company's strategies and securing the necessary approvals. In addition, the Managing Director recommends budgets, monitors performance, and reports on the Company's progress to the Board. This role also involves managing financial and operational risks, identifying potential threats to the business, and ensuring full compliance with all relevant legal and regulatory requirements.

CEO's Responsibilities

The Chief Executive Officer (CEO) holds overall executive responsibility for the Company's operations and provides leadership to the management team to ensure the achievement of strategic goals, targets, and policies established by the Board.

Board Balance and Composition

The composition of the Board reflects a diverse mix of industry knowledge, skills, and professional backgrounds. This breadth of expertise enables well-rounded deliberations and effective oversight, particularly during periods of economic uncertainty and change.

Financial Acumen

Financial expertise is assured through the presence of Board members with strong accounting and financial management credentials, including membership in professional accounting bodies. The Board is also empowered to seek external financial or technical advice when necessary to support well-informed decisions.

Separation of powers of Chairperson and CEO

In line with best practices in governance, the leadership structure clearly separates the roles of the Chairperson and the Chief Executive Officer. This division ensures that no single individual holds excessive influence, and promotes balanced decision-making and accountability.

Board Meetings

The Abans Electricals Board convened four (4) times during the 2025/26 financial year, enabling periodic review of strategic priorities, operational performance, and emerging challenges.

Attendance at Board meetings

All Board and Subcommittee meeting agendas and materials were circulated in advance to ensure informed participation. The attendance of individual Directors at the Board meetings held in 2025/26 is detailed below.

	21st May 2025	12th Aug 2025	12th Nov 2025	09th Feb 2026
Mrs. Aban Pestonjee	✓	✓	✓	✓
Mrs. Saroshi Dubash	✓	✓	✓	✓
Mr. Kumar De Silva	✓	✓	✓	✓
Mr. D M R Phillips	✓	✓	✓	✓
Mr. R Selvaskandan	✓	✓	✓	✓

Appointments / Re-election to the Board

The Nomination Committee is vested with the responsibility of recommending appointments to the Board. Suitable candidates are selected through a structured evaluation process aligned with the Company's strategic goals. In matters of retirement and reappointment, the Company adheres to applicable regulatory requirements and the stipulations outlined in its Articles of Association.

Appraisal of the Board

The performance of the Board is reviewed periodically by both the Chairperson and the Board as a whole. These evaluations consider internal Board dynamics as well as external business and operating conditions and serve to assess the extent to which Directors have effectively fulfilled their individual and collective responsibilities.

Directors' Remuneration

The Remuneration Committee oversees the determination of compensation packages for Directors. This structured approach aims to attract and retain professionals with the necessary expertise to provide strategic leadership. Non-Executive Directors' remuneration is based on factors such as their responsibilities, time commitment, and industry experience. Details regarding the remuneration and benefits provided to Directors are disclosed in Note No. 08 and 31 of the financial statements.

Board Sub-Committees

To strengthen oversight and comply with regulatory expectations, the Board has delegated specific functions to four dedicated Sub-Committees, while retaining ultimate authority over all matters. These Committees are primarily composed of Independent Non-Executive Directors. The four Sub-Committees currently in place are:

- The Audit Committee
- The Remuneration Committee
- The Related Party Transactions Review Committee
- The Nomination and Governance Committee

Summaries of each Committee's responsibilities and composition can be found on pages 50 to 55 of this report.

Board Sub-Committee Composition

During the 2025/26 financial year, the Audit, Remuneration and Related Party Transactions Review Committees met four (04) times, once every quarter, while the Nomination Committee met once.

Audit Committee

Mr. Kumar De Silva – Chairman
Independent Non-Executive Director

Mr. D M R Phillips
Independent Non-Executive Director

Mr. Rajaratnam Selvaskandan
Senior Independent Non-Executive Director

Remuneration Committee

Mr. Kumar De Silva – Chairman
Independent Non-Executive Director

Mr. D M R Phillips
Independent Non-Executive Director

Mr. Rajaratnam Selvaskandan
Senior Independent Non-Executive Director

Related Party Transactions Review Committee

Mr. D M R Phillips – Chairman
Independent Non-Executive Director

Mr. Kumar De Silva
Independent Non-Executive Director

Mrs. Saroshi Dubash
Managing Director

Nomination and Governance Committee

Mr. Kumar De Silva – Chairman
Independent Non-Executive Director

Mr. D M R Phillips
Independent Non-Executive Director

Mr. Rajaratnam Selvaskandan
Senior Independent Non-Executive Director

Secretaries

In accordance with the provisions of the Companies Act, the Company has appointed Varners International (Private) Limited as its Company Secretary. Their responsibilities include ensuring compliance with the Companies Act and the regulatory framework set by the Colombo Stock Exchange. Additionally, they are tasked with facilitating Board processes by managing the preparation and safekeeping of Board meeting agendas, minutes, and related documentation.

Communication with Shareholders

Recognising the central role of shareholders in upholding good corporate governance, the Board is committed to fostering transparency, accountability, and equitable access to information. The Company ensures timely and comprehensive disclosure of all material developments, enabling shareholders to make informed decisions and maintain confidence in the Company's governance and performance.

External Governance Structure

Abans Electricals operates within a robust framework of external governance that encompasses statutory laws, regulatory requirements, and industry best practices. This external governance environment supports the Company's commitment to integrity, compliance, and ethical conduct in all areas of operation. The Company is obligated to adhere to a variety of laws and regulations in the course of its daily operations. This includes full compliance with the mandatory requirements of the Companies Act No. 07 of 2007 and the Listing Rules of the Colombo Stock Exchange. For a detailed account of the Company's compliance during the year under review, Please refer the Compliance Report on pages 35 to 49

Assurance

The Company carries out regular internal and external audits to provide multiple layers of assurance regarding the quality and effectiveness of its internal controls and financial reporting. These audits also serve to confirm compliance with corporate governance standards.

- **Internal Audit**

The Company's operational and financial activities are subject to regular audits, supported by a comprehensive annual audit plan. These audits identify any deviations from established internal controls and recommend corrective actions where necessary. In addition, the Group's Internal Audit Department conducts independent reviews of the Company and reports directly to the Audit Committee.

- **External Audit**

Independent external audits are carried out annually by auditors appointed by the Company. Messrs. Ernst & Young, Chartered Accountants, were appointed as the External Auditors of Abans Electricals PLC and have audited the Company's financial statements. The External Auditors assess the adequacy and effectiveness of the Company's internal controls and offer reasonable assurance regarding the credibility, reliability, and integrity of the financial information presented.

Status of Compliance

Throughout the financial year, the Company adhered to all mandatory requirements under the Companies Act No. 07 of 2007 and the Listing Rules of the Colombo Stock Exchange. A comprehensive report on compliance is presented below

Statement of Compliance Under Section 7.6 of the Listing Rules of the Colombo Stock Exchange (CSE) on Annual Report Disclosure

Rule	Governance Requirement	Compliance Status	Reference/Comment
i	Names of persons who were Directors of the Entity	✓	Refer page no. 27-29
ii	Principal activities of the entity and its subsidiaries during the year, and any changes therein	✓	Refer page no. 62
iii	The names and the number of shares held by the 20 largest holders of voting and non-voting shares and the percentage of such shares held	✓	Refer page no. 109
iv	The float adjusted market capitalisation, public holding percentage (%), number of public shareholders and under which option the Listed Entity complies with the Minimum Public Holding requirement	✓	Refer page no. 108-109
v	A statement of each Director's holding and Chief Executive Officer's holding in shares of the Entity at the beginning and end of each financial year	✓	Refer page no. 63
vi	Information pertaining to material foreseeable risk factors of the Entity	✓	Refer page no. 56-61
vii	Details of material issues pertaining to employees and industrial relations of the Entity	✓	There are no material issues pertaining to employees and industrial relations
viii	Extents, locations, valuations and the number of buildings of the Entity's land holdings and investment properties	✓	Refer page no. 63
ix	Number of shares representing the Entity's stated capital	✓	Refer page no. 108
x	A distribution schedule of the number of holders in each class of equity securities, and the percentage of their total holdings	✓	Refer page no. 108-109
xi	Financial ratios and market price information	✓	Refer page no. 03 & 108
xii	Significant changes in the Company's or its subsidiaries' fixed assets, and the market value of land, if the value differs substantially from the book value as at the end of the year	✓	Refer page no. 88-93
xiii	Details of funds raised through a public issue, rights issue and a private placement during the year	✓	There were no fund-raising activities carried out to increase the stated capital of the Company during the year under review,
xiv	Information in respect of Employee Share Ownership or Stock Option Schemes	✓	The Company has no Employee Share Option Scheme, or Purchase Scheme.
xv	Disclosures pertaining to Corporate Governance practices in terms of Rules 7.10.3, 7.10.5 c. and 7.10.6 c. of Section 7 of the Listing Rules	✓	Refer page no. 36
xvi	Related Party transactions exceeding 10% of the equity or 5% of the total assets of the Entity as per audited financial statements, whichever is lower	✓	Refer page no. 101-102

Rule	Governance Requirement	Compliance Status	Reference/Comment
7.10.1 Non-Executive Directors (NED)			
a/b/c	At least 2 members or 1/3 of the Board, whichever is higher should be NEDs	✓	Three out of five Board members are NEDs
7.10.2 Independent Directors			
a	2 or 1/3 of NEDs, whichever is higher shall be "independent"	✓	All NEDs are independent
b	Each NED to submit a signed and dated declaration of his/her independence or non-independence	✓	NEDs have submitted signed confirmation of their independence.
7.10.3 Disclosures Relating to Directors			
a/b	Board shall annually determine the independence or otherwise of NEDs	✓	The Board has determined that the criteria for independence have been met for NEDs
c	A brief resume of each Director should be included in the annual report including the Directors' experience	✓	Refer page no. 27-29
d	Provide a resume of new Directors appointed to the Board along with details	✓	Refer page no. 27-29
7.10.4 Criteria for Defining Independence			
a to h	Requirements for meeting the criteria to be an Independent Director	✓	The Board as a whole decides on selection criteria
7.10.5 Remuneration Committee (RC)			
a.1	Remuneration Committee shall comprise of NEDs, a majority of whom will be independent	✓	Refer page no. 52
a.2	One NED shall be appointed as Chairman of the Committee by the Board of Directors	✓	Refer page no. 52
b	Remuneration Committee shall recommend the remuneration of the CEO and the Executive Directors	✓	Refer page no. 52
c.1	Names of Remuneration Committee members	✓	Refer page no. 52
c.2	Statement of Remuneration policy	✓	Refer page no. 52
c.3	Aggregate remuneration paid to EDs and NEDs	✓	Refer page no. 86
7.10.6 Audit Committee (AC)			
a.1	Audit Committee (AC) shall comprise of NEDs, a majority of whom should be independent	✓	Refer page no. 50
a.2	A NED shall be the Chairman of the committee	✓	Refer page no. 50
a.3	CEO and CFO should attend AC meetings	✓	Refer page no. 50
a.4	The Chairman of the AC or one member should be a member of a recognized professional accounting body	✓	Refer page no. 27-29 & 50
b	Functions of the AC	✓	Refer page no. 50-51
b.1	Overseeing of the preparation, presentation and adequacy of disclosures in the financial statements in accordance with SLFRS/LKAS	✓	Refer page no. 50

Rule	Governance Requirement	Compliance Status	Reference/Comment
b.2	Overseeing the compliance with financial reporting requirements, information requirements as per laws and regulations	✓	Refer page no. 50
b.3	Overseeing the process to ensure the internal and risk management controls, are adequate to meet the requirements of the SLFRS/LKAS	✓	Refer page no. 50
b.4	Assessment of the independence and performance of the Entity's External Auditors	✓	Refer page no. 51
b.5	Make recommendations to the Board pertaining to External Auditors	✓	Refer page no. 51
c.1	Names of the Audit Committee members shall be disclosed	✓	Refer page no. 50
c.2	Audit Committee shall make a determination of the independence of the External Auditors	✓	Refer page no. 51
c.3	Report on the manner in which Audit Committee carried out its functions.	✓	Refer page no. 51

Statement of Compliance under Section 9 of the Revised Listing Rules of the Colombo Stock Exchange (CSE) on Corporate Governance, effective as at 1st April 2024

Rule	Governance Requirement	Compliance Status	Reference/Comment
9.1 Corporate Governance Rules			
9.1.3	A statement confirming compliance with Corporate Governance Rules	✓	Refer page no. 30
9.2 Policies			
9.2.1	Establishment of the policies listed from a to l	✓	The Company has established, and continues to maintain, the policies on Board and Board Sub Committees, Corporate Governance, Nominations, Remuneration, Internal Code of Business Conduct, Risk Management and Internal Control, Relations with Shareholders and Investors, Environment, Social Governance and Sustainability and Anti Bribery and Whistleblowing policy.
9.2.2	Waivers from compliance with the Internal Code of business conduct and ethics or exemptions	✓	
9.2.3	(a) List of policies that are in place in conformity Rule 9.2.1 above, on website (b) Changes to policies	✓	
9.2.4	Make available all policies to shareholders upon a written request	✓	
9.3 Board Committees			
9.3.1 b/c/d	Minimum required Board Committees	✓	Refer page no. 33
9.3.2	Compliance with the composition, responsibilities and disclosures required in respect of the Board Committees	✓	Refer page no. 50-55

Rule	Governance Requirement	Compliance Status	Reference/Comment
9.4 Meeting procedures and the conduct of all General Meetings with shareholders			
9.4.1	Records of all resolutions and the following information upon a resolution being considered at any General Meeting shall be maintained	✓	The Secretaries to the Company maintain all records and information regarding resolutions considered at General Meetings.
9.4.2 a/b/c	Communication and relations with shareholders and investors	✓	The Company publishes all corporate disclosures, announcements and financial statements on the CSE website. Shareholders can communicate with the directors at the AGM and via post.
9.5 Policy on matters relating to the Board of Directors			
9.5.1	Availability of a formal policy governing matters relating to the Board of Directors	✓	The Company maintains a Policy on matters relating to the Board of Directors.
9.5.2	Statement of compliance with the requirements of the policy referred to in Rule 9.5.1	✓	
9.6 Chairperson and CEO			
9.6.1	Requirement for a SID if the positions of Chairperson and CEO are held by the same individual	✓	The positions of Chairperson and CEO are held by two different individuals.
9.6.2	Market announcement on the rationale behind the appointment of a SID	✓	Refer page no. 32
9.6.3 a-d	Requirement for a SID	✓	Refer page no. 32
9.6.3 e	SID shall make a signed explanatory disclosure demonstrating the effectiveness of their duties	✓	Refer page no. 32
9.6.4	Rationale for the appointment of a SID set out in the Annual Report	✓	Refer page no. 32
9.7 Fitness of Directors and CEO			
9.7.1-9.7.5	Requirement to meet the fit and proper criteria stipulated by the CSE and related disclosures	✓	Directors have submitted general disclosures and declarations.
9.8 Board Composition			
9.8.3 i-viii	Requirements for meeting the criteria to be an ID	✓	The Chairperson and the Board evaluate the independence of each Director.
9.8.5 a/b/c	The Board shall annually determine the independence of IDs and names of the Directors who are determined to be 'independent'	✓	
9.9 Alternate Directors			
9.9 a-e	Appointment of Alternate Directors to be in accordance with the Rules and such requirements to be incorporated into the Articles of Association	✓	No alternate Directors were appointed
9.10 Disclosures relating to Directors			
9.10.2/ 9.10.3	Market announcement upon the appointment of a new director and any	✓	Market announcements were made through the CSE
9.10.4 a-i	Details in relation to the Board members	✓	Market announcements were made through the CSE

Rule	Governance Requirement	Compliance Status	Reference/Comment
9.11 Nominations And Governance Committee			
9.11.1	Establishment of a Nominations and Governance Committee that conforms to the requirements set out in Rule 9.11	✓	Refer page no. 54-55
9.11.2	Establish and maintain a formal procedure for the appointment of new Directors and re-election of Directors to the Board through the Nominations and Governance Committee	✓	Refer page no. 54-55
9.11.3	The Nominations and Governance Committee shall have a written terms of reference clearly defining its scope, authority, duties and matters pertaining to the quorum of meetings.	✓	Refer page no. 54-55
9.11.4	Composition	✓	Refer page no. 54
9.11.5	Functions	✓	Refer page no. 54
9.11.6	The Annual Report of Listed Entities shall contain a report of the Nominations and Governance Committee signed by its Chairperson	✓	Refer page no. 54-55
9.12 Remuneration Committee			
9.12.3	The Remuneration Committee shall establish and maintain a formal and transparent procedure for developing policy on EDs and individual Directors	✓	Refer page no.52
9.12.4	Remuneration for NEDs shall be based on a policy of non-discriminatory pay practices to ensure the independence	✓	The Chairperson and the Board decides the remuneration for NEDs
9.12.5	The Remuneration Committee shall have written terms of reference clearly defining its scope, authority, duties and matters pertaining to the quorum of meetings	✓	Refer page no.52
9.12.6 (2)	Where the parent company and the subsidiary are Listed Entities, the Remuneration Committee of the parent company may function as the Remuneration Committee of the subsidiary	✓	The Company has established an independent committee
9.12.6 (3)	An ID shall be appointed as the Chairperson of the Remuneration Committee	✓	Refer page no.52
9.12.7	Functions	✓	Refer page no.52
9.12.8 a	Names of Remuneration Committee Chairperson and members	✓	Refer page no.52
9.12.8 b	Statement of Remuneration policy	✓	Refer page no.52
9.12.8 c	Aggregate remuneration paid to EDs and NEDs	✓	Refer page no.86

Rule	Governance Requirement	Compliance Status	Reference/Comment
9.13 Audit Committee			
9.13.2	The Audit Committee shall have written terms of reference clearly defining its scope, authority and duties	✓	Refer page no.50-51
9.14 Related Party Transactions Review Committee			
9.14.2 (1)	Related Party Transactions Review Committee shall comprise of a minimum of 3 members, majority of whom should be IDs and an ID shall be appointed as the Chairperson	✓	Refer page no.53
9.14.2 (2)	Where the parent company and the subsidiary are Listed Entities, the Related Party Transactions Review Committee of the parent company may function as the Related Party Transactions Review Committee of the subsidiary	✓	The Company has established an independent committee
9.14.3	Functions	✓	Refer page no.53
9.14.4	General Requirements	✓	Refer page no.53
9.14.5	Review of Related Party Transactions by the Related Party Transactions Review Committee	✓	Refer page no.53
9.14.6	Shareholder Approval	✓	There were no transactions during the year under review that required shareholder approval
9.14.8 (1)	Details pertaining to Non-Recurrent Related Party Transactions	✓	Refer page no.101-102
9.14.8 (2)	Details pertaining to Recurrent Related Party Transactions	✓	Refer page no.101-102
9.14.8 (3)	Report of the Related Party Transactions Review Committee	✓	Refer page no.53
9.14.8 (4)	Declaration by the Board of Directors as an affirmative statement of compliance with the rules pertaining to Related Party Transactions, or a negative statement otherwise	✓	Refer page no.63
9.14.9 (1)/(2)	Shareholder approval for acquisition and disposal of substantial assets	✓	There was no acquisition or disposal of substantial assets during the year that required shareholder approval
9.14.9 (4)/(5)/(6)	Competent independent advice on acquisition and disposal of substantial asset	✓	There was no acquisition or disposal of substantial assets during the year that required competent independent advice

Rule	Governance Requirement	Compliance Status	Reference/Comment
9.16 Additional Disclosures			
(i)	Directors have disclosed all material interests in contracts and have refrained from voting when materially involved	✓	Refer page no.63
(ii)	Directors have conducted a review of the internal controls and obtained reasonable assurance of their effectiveness and adherence	✓	Refer page no.64
(iii)	Directors are aware of laws, rules and regulations and their changes, particularly to Listing Rules and applicable capital market provisions	✓	Refer page no.65
(iv)	Disclosure of material non-compliance with laws and regulations and fines imposed by relevant authorities where the entity operates	✓	During the year under review, there were no material fines incurred

Statement of Compliance Pertaining to the Companies Act No. 07 of 2007

Rule	Governance Requirement	Compliance Status	Reference/Comment
168 (a)	The nature of the business together with any change thereof	✓	Refer page no.74
168 (b)	Signed financial statements of the Group and the Company	✓	Refer page no.70-107
168 (c)	Auditors' Report on financial statements	✓	Refer page no.66-69
168 (d)	Accounting policies and any changes therein	✓	Refer page no.74-84
168 (e)	Particulars of the entries made in the Interests Register	✓	Refer page no.63
168 (f)	Remuneration and other benefits paid to Directors of the Company	✓	Refer page no.86
168 (g)	Corporate donations made by the Company	✓	Refer page no.64 & 86
168 (h)	Information on the Directorate of the Company and its subsidiaries during, and at the end of the accounting period	✓	Refer page no.63
168 (i)	Amounts paid/payable to the External Auditor as audit fees and fees for other services rendered	✓	Refer page no.86
168 (j)	Auditors' relationship or any interest with the Company and its Subsidiaries	✓	Refer page no.50-51
168 (k)	Acknowledgement of the contents of this Report and signatures on behalf of the Board	✓	Refer page no.71

Compliance with the Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka in 2023

Rule	Governance Requirement	Compliance Status	Reference/Comment
Section A – Directors			
A.1	An effective Board should direct, lead and control the Company	✓	Refer page no.27-29
A.1.1	Frequency of Board Meetings	✓	The Board meets on a quarterly basis. Attendance at Board meetings is provided on page no.33
A.1.2	Role & Responsibilities of the Board	✓	Refer page no.32
A.1.3	Compliance with laws and access to independent professional advice	✓	Refer page no.30-31
A.1.5	Independent judgement	✓	Each Director brings independent judgment to bear on issues that are discussed at the Board and by having meetings of the Board, equal opportunity is available for Directors to express their views independently.
A.1.6	Dedicate adequate time and effort	✓	Four (04) Board meetings were held. All Non-Executive Directors have attended a majority of the meetings and have devoted their time adequately. Refer to page 33 for details of Directors' attendance and participation at meetings.
A.1.7	Calls for resolutions by at least one-third of Directors	✓	Any Director can call for a resolution to be presented to the Board if deemed necessary.
A.1.8	Board induction and training	✓	Directors are provided with opportunities to gain sufficient exposure and expertise in relevant areas to fulfil their duties and responsibilities as Board members.
A.2	Chairperson & CEO	✓	Refer page no.32-33
A.3	Chairperson's role in preserving good Corporate Governance	✓	Refer page no.32-33
A.4	Availability of financial acumen	✓	Refer page no.33
A.5 Board Balance			
A.5.1	The Board should include sufficient calibre and number of NEDs	✓	Three (03) NEDs out of five (05) members of the Board
A.5.2	If the Board includes only 3 NEDs, they should be independent	✓	All NEDs are independent.
A.5.3	Independence of Directors	✓	All NEDs are independent in terms of the criteria defined by CSE Listing Rule 9.8.3 on Corporate Governance, fulfilling the minimum guidelines prescribed by the Code.
A.5.4	Annual declaration of independence by Directors	✓	Non-Executive Directors have submitted written declarations of independence in accordance with Schedule C of the Code.

Rule	Governance Requirement	Compliance Status	Reference/Comment
A.5.5	Determination of independence of Directors by the Board	✓	Based on written declarations submitted by Non-Executive Directors, the Board considers the following Directors to be independent as at 31st March 2026: 1. Mr. Kumar De Silva 2. Mr. Dinal Phillips 3. Mr. R. Selvaskandan
A.5.6	Alternate Directors	✓	No Alternate Director was appointed during 2025/26.
A.5.7	Senior Independent Director	✓	Refer page no.32
A.5.8	Confidential discussion with the Senior Independent Director	✓	Refer page no.32
A.5.9	Meeting of Non-Executive Directors	✓	Refer page no.54
A.5.10	Recording of concerns in Board minutes	✓	The Company Secretary records concerns raised by Directors during the year in the Board minutes with sufficient detail.
A.6	Supply of Information	✓	Executive Directors constantly brief the Board on the functional areas of Revenue, Finance and Recoveries that they oversee. The Board deals with the Managing Director or the heads of those respective departments, on other functional matters, when necessary
A.6.1	Management's obligation to provide appropriate and timely information	✓	The Board receives adequate and timely information from Management, including regular reports and presentations on strategies, developments, business lines, and performance.
A.6.2	Adequate time for effective Board meetings	✓	The agenda and high-quality supporting information are circulated seven days prior to Board meetings to enable effective discharge of Board responsibilities. Minutes are ordinarily provided to Directors within two weeks after the meeting.
A.7	Appointments to the Board & Re-election	✓	New appointments are decided through the formal Nominations & Governance Committee process.
A.7.1 & A.7.5	Composition of Nominations & Governance Committee	✓	Refer page no.54-55
A.7.2	Assessment of Board composition	✓	The Nominations & Governance Committee conducts an annual assessment of the Board composition to evaluate the skills, experience, qualifications, and knowledge required to address the Company's strategic needs.
A.7.4	Disclosure of details of new Directors to shareholders	✓	New Board appointments are communicated to shareholders through the Colombo Stock Exchange.

Rule	Governance Requirement	Compliance Status	Reference/Comment
A.9	Appraisal of Board & Committee Performance	✓	The performance of the Board and Sub-Committees is reviewed and evaluated by the Board and Chairperson through a self-appraisal process.
A.9.1, A.9.2 & A.9.3	Appraisal of Board Performance	✓	As explained in Principle A.9 above.
A.10	Annual Report to disclose specified information regarding Directors	✓	Information relating to all Abans Electricals PLC Directors is made available to shareholders through the Annual Report.
A.10.1	Disclosure of information in respect of Directors	✓	Refer page no.27-29
A.11	Appraisal of the CEO	✓	The Board of Directors assesses the performance of the CEO at least annually.
A.11.1	Target/Goals for the CEO	✓	The Board, in consultation with the CEO, set financial and non-financial targets aligned with the Company's objectives.
A.11.2	Evaluation of the performance of the Managing Director	✓	The performance of the CEO is evaluated based on achievement of business targets and the circumstances surrounding any deviation from such targets.
Section B – Directors' Remuneration			
Remuneration Procedure			
B.1	Remuneration Procedure	✓	No Director is involved in deciding their own remuneration.
B.1.1	Remuneration Policy	✓	The Company has established a remuneration policy that supports the attraction, retention, and motivation of Directors and senior management while ensuring fairness and transparency.
Remuneration Committee			
B.2	Remuneration Committee	✓	The level and composition of remuneration for Executive and Non-Executive Directors are structured to attract and retain Directors required to successfully lead the Company.
B.2.1	Framework for Remuneration	✓	The Remuneration Committee advises the Board on remuneration matters relating to the Managing Director, Directors, and senior management, including post-employment benefits, ensuring fairness and transparency.
B.2.2 & B.2.15	Composition of the Remuneration Committee	✓	Refer page no.52
B.2.3, B.2.4 & B.2.5	Remuneration of Executive Directors & Senior Management	✓	The Remuneration Committee, in consultation with the Chairperson and/or Managing Director, oversees Executive Directors' and senior management remuneration to attract, retain, and motivate high-calibre talent while aligning remuneration with the Company's performance objectives.

Rule	Governance Requirement	Compliance Status	Reference/Comment
B.2.6	Comparison of remuneration with other companies	✓	The Remuneration Committee reviews industry remuneration practices when determining Executive Directors' remuneration.
B.2.7	Comparison of remuneration with other companies in the Group	✓	The Remuneration Committee considers remuneration structures and employment conditions within the Company and the Group, particularly when determining annual salary revisions.
B.2.8	Performance-related payments to the CEO	✓	The Remuneration Committee annually reviews the performance of the CEO and Executive Directors and recommends changes to remuneration and incentives where appropriate.
B.2.9	Executive share options	✓	No Executive Share Option Scheme was offered to any Director during 2025/26.
B.2.10	Performance-related remuneration to Directors	✓	Not applicable to the Board.
B.2.11 & B.2.12	Early termination not included in the initial contract	✓	In the event of early termination of a Director's appointment, remuneration arrangements will be determined based on the circumstances of each case.
B.2.13 & B.2.14	Remuneration of Non-Executive Directors	✓	Non-Executive Directors receive fees for attending Board and Committee meetings or performing other Non-Executive duties, based on assigned responsibilities.
Disclosure of Remuneration			
B.3	Disclosure of Remuneration	✓	The Remuneration Committee operates within approved Terms of Reference and is committed to the principles of accountability and transparency.
B.3.1	Remuneration Committee Details and Senior Management Remuneration Disclosure	✓	Refer page no. 52 and Related Party Disclosure Page no. 102.
Section C – Relations with Shareholders			
Constructive Use of the Annual General Meeting (AGM) and Conduct of General Meetings			
C.1	Constructive use of the Annual General Meeting (AGM) and Conduct of other General Meetings	✓	The AGM will be held on 25th September 2026, and all shareholders are encouraged to participate.
C.1.2	Separate resolution for all separate issues	✓	Separate resolutions are proposed for the adoption of the "Report of the Directors" and the "Statement of Financial Position and the Report of the Auditors" included in the Annual Report.
C.1.3	Use of proxy votes	✓	Proxy forms are made available in the Annual Report issued to shareholders with adequate prior notice, in accordance with the Companies Act.

Rule	Governance Requirement	Compliance Status	Reference/Comment
C.1.4	Availability of all Board Sub-Committee Chairmen at the Annual General Meeting	✓	All Board members, including the Chairpersons of the Audit Committee, Remuneration Committee, and Related Party Transactions Review Committee, are present at the AGM to respond to questions relating to matters within their respective Committee mandates.
C.1.5	Procedures of voting at General Meetings	✓	Voting procedures applicable at General Meetings are communicated to shareholders.
Communication with Shareholders			
C.2	Communication with Shareholders	✓	Extensive financial and non-financial information relating to the Company's activities is provided to shareholders through the Annual Report and quarterly Interim Reports.
C.2.1	Channel to reach all shareholders of the Company	✓	Formal communication with shareholders is conducted through notices to shareholders, Annual Reports, quarterly financial statements, and General Meetings. Financial information, including Annual Reports and Interim Reports, is made available through the Colombo Stock Exchange website.
C.2.2	Policy and methodology for communication with shareholders	✓	A Communication Policy has been adopted.
C.2.3	Implementation of the policy and methodology for communication with shareholders	✓	The Communication Policy is implemented through timely disclosures, announcements, CSE publications, AGM engagement, and formal communication channels.
C.2.4 & C.2.6	Contact person in relation to shareholders' matters	✓	As per the Company's general practice, the Board of Directors serves as the primary point of contact for shareholder concerns and requests for clarification.
C.2.5	Process to make all Directors aware of major issues and concerns of shareholders	✓	Material issues and concerns raised by shareholders are communicated to the Board by Management and Executive Directors through quarterly meetings, emails, and telephone discussions
C.2.7	Process of responding to shareholder matters	✓	In accordance with Company's Communication Policy, all material shareholder-related matters are addressed promptly and appropriately by the Board upon being brought to its attention.
Major and Material Transactions			
C.3	Major and Material Transactions	✓	The Board has established processes to identify and disclose material transactions that may alter or vary the net asset position of the Company through audited financial statements, interim publications, or announcements to the Colombo Stock Exchange.

Rule	Governance Requirement	Compliance Status	Reference/Comment
C.3.1, C.3.2 & C.3.3	Major Transactions	✓	Refer Major Transactions Note no. 30 on page no. 101-102
Accountability and Audit			
Financial and Business Reporting (The Annual Report)			
D.1	Financial Reporting	✓	The Board presents a balanced and understandable assessment of the Company's financial position, performance, and prospects.
D.1.1	Statutory and Regulatory Reporting	✓	Abans Electricals PLC has presented a true and fair view of its financial position and performance for the year ended 31 March 2026 and at the end of each quarter of the 2025/26 financial year. The Board ensures that quarterly and annual Financial Statements of the Company and the Group are prepared and published in compliance with the Companies Act No. 7 of 2007, Sri Lanka Accounting Standards (LKASs and SLFRSs), and the Rules of the Colombo Stock Exchange.
D.1.2	Directors' Report in the Annual Report	✓	Refer page no.62-65
D.1.3, D.1.4 & D.1.5	Statement of Directors' and Auditors' Responsibility for the Financial Statements	✓	Refer page no.66-69
D.1.6	Management Discussion and Analysis Section	✓	Refer page no.08
D.1.7	Summoning an Extraordinary General Meeting (EGM) to notify serious loss of capital	✓	A situation involving serious loss of capital is unlikely to arise.
D.1.8	Related Party Transaction Disclosure	✓	Refer Related Party Transactions Note no. 30 on page no.101-102
Risk Management and Internal Control			
D.2	Risk Management & Internal Control	✓	Refer page no.56-61
D.2.1	Risk Management Framework	✓	The Board has established a risk management framework with defined responsibilities to identify, assess, monitor, and manage risks in support of the Company's strategic, operational, and financial objectives.
D.2.1.1, D.2.1.2 & D.2.1.7	Risk Management Framework	✓	Refer page no.56-61
D.2.1.3 & D.2.1.4	Formation of a Risk Committee	✓	The responsibilities relating to audit, internal controls, and risk management are within the scope of the Audit Committee. Refer to D.3.1.

Rule	Governance Requirement	Compliance Status	Reference/Comment
D.2.2	Internal Audit Function	✓	Group Internal Audit Division, which operates centrally, provides independent and objective assurance regarding the adequacy of internal control design and operating effectiveness of governance processes across the Company.
D.2.2.1 & D.2.2.3	Review of the Process and Effectiveness of Risk Management and Internal Controls by the Audit Committee	✓	The Audit Committee continuously reviews the effectiveness of internal controls, ensures their adequacy, and reports deficiencies and related matters to the Board with appropriate recommendations.
D.2.2.4	Responsibilities of Directors in Maintaining a Sound System of Internal Control	✓	Refer page no. 65
Audit Committee			
D.3	Audit Committee	✓	The Board of Abans Electricals PLC has established an Audit Committee that operates independently under approved Terms of Reference covering financial reporting, internal controls, and relationships with internal and external auditors, in accordance with the Code and regulatory requirements.
D.3.1	Composition of the Audit Committee	✓	Refer page no. 50
D.3.2	Terms of Reference of the Audit Committee	✓	Refer page no. 50-51
D.3.3	Disclosures of the Audit Committee	✓	Refer page no. 50-51
Related Party Transactions Review Committee			
D.5	Related Party Transactions Review Committee	✓	The Board has established procedures to ensure that the Company avoids related party transactions that provide preferential treatment compared with transactions with third parties. Related party transactions are defined in accordance with LKAS 24 and applicable regulations.
D.5.2	Composition of the Related Party Transactions Review Committee	✓	Refer page no. 53
D.5.3	Terms of Reference of Related Party Transactions Review Committee	✓	Refer page no. 53
Code of Business Conduct & Ethics			
D.6.1 to D.6.6	Code of Business Conduct and Ethics	✓	Group Human Resources Division has established formal procedures covering employee conduct and related human resource practices.

Rule	Governance Requirement	Compliance Status	Reference/Comment
D.6.7	Affirmation by the chairperson that there is no violation of the Code of Conduct and Ethics.	✓	The Chairperson's affirmation that she is not aware of any violations of the Company's requirements relating to business conduct and ethics is provided in the "Chairperson's Message".
D.7	Corporate Governance Disclosures	✓	The Board of Directors committed to adopting sound corporate governance practices and continuously improving governance standards.
D.7.1	Disclosure of Corporate Governance	✓	Refer page no.30-49
Institutional Investors & Other Investors			
Institutional Investors			
E.1	Shareholders Voting	✓	Institutional shareholders are encouraged to actively exercise their voting rights and ensure that their voting intentions are effectively translated into practice.
E.1.1	Dialogue with Shareholders	✓	The Company has a Ordinary Share Listing status on the Colombo Stock Exchange Main Board since 1983
E.2	Evaluation of Corporate Governance Initiatives	✓	Matters relating to corporate governance are communicated effectively to shareholders through the Annual Report and the Annual General Meeting. Shareholder views and material concerns are subsequently considered by the Board as appropriate.
Other Investors			
F.1	Investing / Divesting Decision	✓	Individual shareholders are encouraged to conduct adequate analysis and seek independent advice prior to making investment or divestment decisions relating to shares of the Company.
F.1.1	Individual Shareholders	✓	Individual shareholders are encouraged to make informed investment decisions by considering relevant information and obtaining independent professional advice where necessary.
F.2	Individual Shareholders Voting	✓	Individual shareholders are encouraged to participate in the Annual General Meeting and exercise their voting rights.

REPORT OF THE AUDIT COMMITTEE

The Audit Committee has been established under a formal charter to assist the Board of Directors in fulfilling its statutory obligations and governance responsibilities. The Committee provides independent oversight of key areas including internal and external audit functions, the effectiveness of internal control systems, and the integrity of the Company's financial reporting processes. Through its oversight role, the Committee contributes to enhancing transparency, accountability, and sound corporate governance across Abans Electricals PLC.

Roles and Responsibilities

The Audit Committee supports the Board in discharging its oversight responsibilities relating to the integrity of financial reporting, the effectiveness of internal controls, risk management practices, and compliance with applicable regulatory requirements. It is also responsible for assessing the independence, qualifications, and performance of the External Auditors, while overseeing the effectiveness of the internal audit function conducted by the Group Internal Audit Department. The Committee performs its duties in accordance with a clearly defined charter.

Its key responsibilities include:

- Reviewing the quarterly and annual financial statements to ensure their accuracy, transparency, compliance with applicable accounting standards, and adherence to relevant legal and regulatory requirements.
- Monitoring the effectiveness of the Company's internal control framework and evaluating the adequacy of existing internal control systems.
- Assessing the effectiveness of the risk management framework in supporting the Company's risk identification and mitigation processes.
- Overseeing the internal audit function to ensure internal audit activities remain adequate, effective, and aligned with the Company's governance objectives.
- Supervising the external audit process, including making recommendations to the Board regarding the appointment, reappointment, or removal of the External Auditors.
- Providing overall oversight of the financial reporting process and the effectiveness of related assurance mechanisms.

Composition

In compliance with the Listing Rules of the Colombo Stock Exchange, the Audit Committee consisted of three (03) Independent Non-Executive Directors:

- Mr. Kumar De Silva – Chairman
- Mr. D.M.R. Phillips
- Mr. R. Selvaskandan

Detailed profiles of the Committee members are provided on pages 27 to 29 of this Annual Report.

M/S Varners International (Private) Limited acted as the Secretary to the Committee.

All members of the Committee satisfy the independence requirements prescribed by the Colombo Stock Exchange (CSE) Listing Rules and the Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka.

Meetings

The Audit Committee met four (04) times during the financial year under review, as presented in the accompanying table.

When required, the Committee invites other members of the Board, senior management, and the External Auditors to attend its meetings to provide relevant insights and support informed discussions and decision-making.

	20th May 2025	11th Aug 2025	12th Nov 2025	09th Feb 2026
Mr. Kumar De Silva	✓	✓	✓	✓
Mr. D M R Phillips	✓	✓	✓	✓
Mr. R Selvaskandan	✓	✓	✓	✓

Reporting of Financial Statements

The Audit Committee, together with the Board of Directors, management, and the internal auditors, reviewed the quarterly and annual financial statements prior to their publication. This review ensured that the financial statements were prepared in accordance with Sri Lanka Accounting Standards and complied with all applicable statutory and regulatory requirements. The Committee also considered changes in accounting policies and reviewed matters involving significant accounting estimates and judgments. The Board was kept informed of the Committee's activities on a quarterly basis through verbal updates and the circulation of formal meeting minutes.

Reporting on Risk and Controls

The Committee adopted a Risk-Based Audit approach to assess the adequacy and effectiveness of the Company's internal control framework in addressing key business risks. Regular oversight was maintained to ensure that internal controls remained effective and continued to support the Company's risk management objectives.

Reporting on Internal Audits, Risk and Controls

The Committee maintained close oversight of the Company's operations through four (04) internal audits conducted during the year. Working in collaboration with the Group Chief Internal Auditor, the Committee reviewed the effectiveness and efficiency of the internal audit function, monitored audit findings, assessed the adequacy of resources allocated to internal audit activities, and provided guidance to senior management on addressing significant audit observations.

Business areas with higher risk exposures were subject to more frequent audits, with findings prioritized according to their level of significance. The Committee also monitored the implementation of internal audit recommendations by senior management and ensured that relevant internal audit reports were shared with the External Auditors where appropriate.

Reporting on External Audits

The Committee assisted the Board by making recommendations regarding the appointment of the External Auditors and the determination of their remuneration. It also assessed the independence of the External Auditors and reviewed the quality, scope, and effectiveness of the external audit, including any non-audit services provided.

To safeguard auditor independence and maintain transparency, the External Auditors presented their audit approach, scope, and independence to the Committee. The audited financial statements were reviewed in detail, and discussions with the External Auditors were held without the presence of management prior to the finalization of the financial statements.

Following its evaluation, the Committee recommended to the Board the reappointment of Messrs. Ernst & Young, Chartered Accountants, as the Company's External Auditors for the financial year ending 31 March 2027, subject to shareholder approval at the forthcoming Annual General Meeting.

Conclusion

Throughout the financial year, the Audit Committee effectively discharged its responsibilities by providing independent oversight of the Company's financial reporting, internal control environment, and audit processes. Based on the reviews undertaken, the Committee was satisfied that the Company's financial reporting framework, internal control systems, and compliance processes remained appropriate and effective.

On behalf of the Committee, I wish to acknowledge the continued support and cooperation extended by the Board of Directors, management, and both the internal and external auditors. I also express my sincere appreciation to my fellow Committee members and all those who contributed to the successful discharge of the Committee's responsibilities during the year.

Kumar De Silva
Chairman - Audit Committee
31st August 2026

REPORT OF THE REMUNERATION COMMITTEE

The Board of Directors has established the Remuneration Committee under a formal Charter that defines its authority, responsibilities, and operating procedures. The Committee assists the Board in developing and overseeing a fair, transparent, and performance-driven remuneration framework that supports the Company's long-term strategic objectives. It is responsible for recommending remuneration policies and practices that attract, motivate, and retain high-performing talent while ensuring alignment between rewards, individual performance, and sustainable value creation. The Committee also reviews and recommends appropriate reward structures that are competitive, market-aligned, and reflective of the responsibilities and performance expectations of Executive Directors and Key Management Personnel.

Key Objectives

The principal responsibilities of the Committee include:

- Recommending remuneration packages for Executive Directors and Key Management Personnel in accordance with the guidelines established by the Board and the Abans Group Compensation and Benefits Policy. Non-Executive Directors receive only Directors' fees for attendance at Board meetings and do not receive any additional remuneration. The Committee considers market benchmarks and industry comparisons to ensure compensation remains competitive, equitable, and aligned with prevailing market practices.

- Periodically reviewing the Company's remuneration framework to ensure it remains relevant, competitive, and capable of attracting, motivating, and retaining experienced leaders who possess the skills required to deliver the Company's long-term strategic objectives.

- Overseeing a remuneration structure that reflects individual roles and responsibilities, comprising a fixed component, including base salary and applicable allowances and benefits, together with a performance-based variable component. Performance incentives are linked to clearly defined Key Result Areas (KRAs) and are determined through an objective and transparent performance evaluation process, reinforcing a culture of accountability, excellence, and sustainable performance.

Composition

The Remuneration Committee comprises three (03) Independent Non-Executive Directors appointed by the Board:

- Mr. Kumar De Silva – Chairman
- Mr. D. M. R. Phillips
- Mr. R. Selvaskandan Meetings

During the financial year under review, the Committee met four (04) times to review remuneration policies, compensation structures, and other matters within its mandate. Details of the attendance of Committee members at these meetings are presented below.

M/S Varners International (Private) Limited served as Secretaries of Remuneration Committee.

	06th May 2025	06th Aug 2025	04th Nov 2025	20th Feb 2026
Mr. Kumar De Silva	✓	✓	✓	✓
Mr. D M R Phillips	✓	✓	✓	✓
Mr. R Selvaskandan	✓	✓	✓	✓

Conclusion

In fulfilling its responsibilities during the year, the Remuneration Committee considered the prevailing economic environment, market conditions, and evolving workforce expectations when reviewing and recommending the Company's remuneration strategy. The Committee remained focused on ensuring that remuneration practices support the Company's strategic objectives while maintaining fairness, competitiveness, and alignment with long-term value creation.

The Committee also reviewed initiatives aimed at strengthening human resource management, including enhancements to HR technologies that enable more efficient, data-driven talent management and decision-making. Based on its reviews, the Committee is satisfied that continued improvements to the Company's recruitment, performance management, and remuneration frameworks are strengthening its ability to attract, develop, motivate, and retain high-calibre talent, thereby supporting the sustainable growth and long-term success of Abans Electricals.

Kumar De Silva
Chairman - Remuneration Committee
31st August 2026

REPORT OF THE RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

The Board has established the Related Party Transactions Review Committee in accordance with the requirements of the Securities and Exchange Commission of Sri Lanka (SEC) and the Listing Rules of the Colombo Stock Exchange (CSE) to ensure related party transactions are transparent, fair, and accountable, safeguarding the interests of the Company and its shareholders. In discharging its responsibilities, the Committee oversees compliance with the SEC's Code on Related Party Transactions, the CSE Listing Rules, and applicable regulatory requirements. It also considers relevant best practice guidance issued by the Institute of Chartered Accountants of Sri Lanka in the execution of its duties.

Policies and Procedures

The Company has adopted a Related Party Transactions Policy that establishes the principles and procedures governing the identification, review, approval, monitoring, and disclosure of related party transactions. A comprehensive register of related parties is maintained and updated periodically to support effective governance and regulatory compliance.

Scope of the Committee

The Committee's responsibilities are defined in accordance with the requirements of the SEC and the CSE and include the review, evaluation, and oversight of related party. Its principal responsibilities include:

- Monitoring relationships and transactions involving related parties to ensure regulatory compliance
- Reviewing and approving related party transactions, other than those specifically exempted under the applicable regulatory requirements.
- Determining whether proposed related party transactions require the approval of the Board of Directors and/or shareholders.
- Establishing guidelines for recurrent related party transactions to facilitate consistent application by management.
- Ensuring Directors with an interest abstain from decision-making, except when their factual input is requested by the Committee.
- Overseeing the timely and appropriate disclosure of related party transactions to the market and within the Annual Report.
- Obtaining independent professional advice or expert opinion, where considered necessary, to support the evaluation of related party transactions.
- Requesting such information from management or other relevant parties as may be required to effectively review and assess related party transactions.

Composition

During the financial year 2025/26, the Committee consisted of three (03) members, including two (02) Independent Non-Executive Directors and one (01) Executive Director.

- Mr. D. M. R. Phillips – Chairman
- Mr. Kumar De Silva
- Mrs. Saroshi Dubash

Meetings

The Committee convened four (04) times, once every quarter during the year. Attendance details are provided below.

	20th May 2025	11th Aug 2025	12th Nov 2025	09th Feb 2026
Mr. Kumar De Silva	✓	✓	✓	✓
Mr. D M R Phillips	✓	✓	✓	✓
Mrs. Saroshi Dubash	✓	✓	✓	✓

M/S Varners International (Pvt) Ltd, served as Secretary to the Committee.

Review of Related Party Transactions

Under the Company's current operating model, Abans PLC is its principal customer, purchasing a significant proportion of the products manufactured and assembled by the Company. The Company also provides repair, maintenance, and after-sales technical support for household electrical and electronic products marketed by Abans PLC. Accordingly, the majority of recurrent related party transactions during the year comprised the sale of products and the provision of after-sales services to Abans PLC, with pricing determined on an arm's length basis through commercial negotiations between the parties. The Committee reviewed all related party transactions undertaken during the financial year and was satisfied that they were conducted in the ordinary course of business, were commercially justified, and did not confer any undue advantage or preferential treatment on the related party with respect to pricing or other contractual terms. The Committee reported its observations and recommendations to the Board on a quarterly basis through Committee deliberations and the submission of meeting minutes.

Declaration

The Board's declaration confirming compliance with the applicable rules governing related party transactions is presented on page 101-102 of this Annual Report.

On behalf of the Committee, I extend my appreciation to my fellow Committee members for their commitment, valuable insights, and contributions throughout the year.

D. M. R. Phillips
Chairman - Related Party Transactions Review Committee
31st August 2026

REPORT OF THE NOMINATION AND GOVERNANCE COMMITTEE

The Board of Directors established the Nomination and Governance Committee with effect from 1 October 2024, in compliance with the Listing Rules of the Colombo Stock Exchange. The Committee assists the Board in matters relating to Board composition, succession planning, Board performance, and the promotion of sound corporate governance practices. Its primary objective is to ensure that the Board and its Committees comprise individuals with the appropriate balance of skills, experience, independence, and diversity to effectively discharge their responsibilities while maintaining the highest standards of governance, integrity, and professionalism.

Role of the Committee

The principal responsibilities of the Nomination and Governance Committee include:

- Reviewing the structure, size, composition, and effectiveness of the Board and its Committees to ensure they continue to meet the Company's governance and strategic requirements.
- Overseeing the implementation of a formal and transparent process for the periodic evaluation of the performance and effectiveness of the Board, its Committees, individual Directors, and the Managing Director.
- Reviewing and recommending succession plans for the Board of Directors and Key Management Personnel to support leadership continuity.
- Establishing and maintaining a formal, transparent, and objective process for the identification, evaluation, selection, and appointment of Directors.
- Assessing and recommending appointments to the Board and Board Committees, taking into consideration the competencies, experience, independence, and diversity required.
- Developing and periodically reviewing the selection criteria for Directors, having due regard to the nature of the Company's business, industry dynamics, and strategic priorities.
- Making recommendations to the Board on the re-election or reappointment of Directors.
- Reviewing and recommending enhancements to the Company's corporate governance framework and governance practices.
- Periodically reviewing the Company's Corporate Governance Policies and Framework to ensure continued compliance with applicable laws, regulations, and evolving best practices.
- Reviewing reports from Management on compliance with the Company's corporate governance framework and applicable regulatory requirements, including any identified instances of non-compliance and the corrective actions taken.

Composition

The Nomination and Governance Committee comprised the following members during the financial year under review:

- Mr. Kumar De Silva – Chairman
- Mr. D. M. R. Phillips
- Mr. R Selvaskandan

Meetings

The Committee met once during the financial year under review, to consider matters within its mandate. Executive Directors, the Company Secretary, and members of Management attended the meeting by invitation where their participation was required to provide information or clarification on matters under consideration.

The attendance of Committee members at the meeting is presented below.

	17th Mar 2026
Mr. Kumar De Silva	✓
Mr. D M R Phillips	✓
Mr. R Selvaskandan	✓

The Directors of Abans Electricals PLC comply with the independence criteria stipulated under Section 9.8 of the Listing Rules of the Colombo Stock Exchange (CSE), ensuring that they remain free from relationships or circumstances that may compromise their ability to exercise objective and independent judgement.

This commitment reinforces the Company's dedication to maintaining robust governance standards and ensuring that decisions are made in the best interests of shareholders and stakeholders.

The Company continues to comply with the Corporate Governance requirements set out in the CSE Listing Rules. Further details on the Company's compliance with these requirements, including its governance policies, practices, and structures, are provided on pages 35-41 of this Annual Report.

Conclusion

Since its establishment, the Nomination and Governance Committee has remained committed to effectively fulfilling its mandate of overseeing Board composition, Director appointments, succession planning, and governance practices. The Committee continues to promote a Board structure that reflects the appropriate balance of skills, experience, diversity, and independence required to support effective decision-making. Through its oversight, the Committee ensures that governance practices remain aligned with regulatory requirements and evolving best practices, thereby contributing to the continued effectiveness of the Board and supporting the Company's long-term sustainable growth.

On behalf of the Nomination and Governance Committee,

Mr. Kumar De Silva
Chairman – Nomination and Governance Committee
31st August 2026

ENTERPRISE RISK MANAGEMENT

The risk landscape continued to evolve during the 2025/26 financial year, shaped by a combination of domestic economic developments and global uncertainties. While several macroeconomic pressures within the country eased compared to previous years, new challenges emerged as market conditions and industry dynamics shifted. Despite the favourable shift in the retail market during the year, we continued to adopt a prudent approach in our market responses in order to safeguard against potential financial and operational risks.

A key improvement in risk management was the overall improvements in inventory planning by utilising the Company's improved, Enterprise Resource Planning (ERP) system. The ERP was leveraged to manage inventory and supply chain planning, which significantly mitigated financial risks associated with procurement and made it possible to build up essential stocks to ensure uninterrupted product availability into the new financial year.

In addition, continuous investments were made to mitigate operational risks by improving operational efficiency, and optimising cost management across the business. As supply chain risks continued to increase, we responded by diversifying our supplier base. In addition, the Company maintained comprehensive insurance coverage to safeguard its assets and operations against a broad range of environmental and man-made risks, thereby enhancing business continuity and mitigating potential financial losses arising from unforeseen events.

Overview of Risk Landscape in 2025/26

Abans Electricals relies heavily on imports to support its manufacturing operations, solar energy business, and after-sales service activities. Consequently, the Company is exposed to both global and domestic risk factors that can influence its operations, costs, and overall business continuity.

During the 2025/26 financial year, the risk environment became increasingly complex as the interaction between international developments and local market conditions created new challenges and uncertainties.

- The solar energy sector, which had already been adversely affected by the removal of VAT exemptions in 2024, faced additional headwinds due to the tighter capacity constraints, reduced approvals for new rooftop solar installations, and lower feed-in tariffs affecting the financial attractiveness of small-scale investments. These changes exposed the Company's solar energy business to higher risks and uncertainties.

- Meanwhile, although the retail sector made a strong recovery during the year, reviving demand for the Company's washing machines, injection moulded components and after-sales services, the rate of inflation also continued to increase, as did competition in the retail sector, which in turn, increased risks associated with retail markets.

- The escalation of conflict in the Middle East increased global energy security risks and disrupted supply chains, affecting inflation expectations, business confidence and household budgets.

- Rising energy prices are expected to place further pressure on inflation, while exchange rate depreciation against major currencies continues to increase the cost of imported consumer durables.

- Although Cyclone Ditwah caused some operational interruptions, our strong administrative systems and comprehensive insurance coverage prevented any material financial or operational impacts.

Against this backdrop, the Company's risk management framework was continually reviewed in response to changing external dynamics to ensure its effectiveness and was supported by regular monitoring of external developments, and reviews of critical business functions and emerging risk exposures.

This disciplined approach enabled timely responses to changing market conditions, minimised operational disruptions, and preserved financial stability. Through these measures, Abans Electricals strengthened its resilience and remained well positioned to pursue sustainable growth despite the complexities of the operating environment.

Type of Risk	Risk Ranking	Response
Economic and Business Risk		
Changes in Government Policies and Regulations Changes in national policies and regulations on local manufacturing and the import of non-essential goods may impact business operations and market conditions. The relaxation of import restrictions on consumer durables and revisions to import duties favour imports, increasing competition and adversely affecting local manufacturing.	FY 2025/26 - HIGH FY 2024/25 - HIGH	• Ongoing engagement and negotiations were maintained with key government institutions, industry associations, and trade chambers. • Contingency plans were established to respond promptly to regulatory changes through alternative sourcing and crisis management measures. • Supply chains were strengthened under favourable terms to address evolving national and import regulations.
Upward revisions in import tariffs on electronic goods could reduce consumer demand, while downward revisions to feed-in tariff rates, delays in CEB approvals due to capacity constraints, and grid integration limitations could further constrain growth in the solar segment.		• The pricing impact of imported goods competing with locally manufactured products was continuously monitored and reviewed.
Purchasing Power of Consumers Stable inflation and interest rate conditions supported an increase in consumer purchasing power, resulting in a noticeable improvement in consumer spending during the year. However, geopolitical tensions and regional conflicts could exert pressure on inflation and interest rate conditions, potentially impacting consumer purchasing power.	FY 2025/26 - MEDIUM FY 2024/25 - MEDIUM	• Continuous review of pricing strategies to maintain competitiveness. • Negotiations with suppliers to optimise procurement costs and more favourable purchasing terms. • Implementation of cost saving initiatives across the value chain.
Market Risk		
Market Competition Competitors in the white goods market are aggressively pursuing market share through higher sales volumes, promotional activities, and competitive pricing strategies, increasing pressure from the grey market. Due to lower feed-in tariff rates and grid capacity constraints, competition in the solar industry has increased, with companies competing more aggressively for available projects. Consumer preferences shifted towards energy-efficient products and personalized, technology-driven solutions.	FY 2025/26 - HIGH FY 2024/25 - HIGH	• Diversify the solar portfolio into EV charging solutions and introduce upgraded products with enhanced features at competitive prices. • Introduce flexible financing options, strategic pricing initiatives, enhanced payment solutions, and targeted promotional and reward schemes • Increasing digital marketing to improve visibility

Type of Risk	Risk Ranking	Response
Market Risk (Cont'd)		
Reputational Risk Uncontrollable events or negative public perception can damage the Company's reputation including unavailability and quality concerns regarding products, and delays in service delivery.	FY 2025/26 - HIGH FY 2024/25 - HIGH	Policies and procedures to manage negative publicity were effectively implemented, with business operations aligned to ESG principles: • Emphasis on business ethics, integrity, and the quality of products and services. • Adherence to the Code of Conduct, governance practices, risk management policies, procedures, and training. • Continuous review of Abans' after-sales service strategy. • Promotion of a customer-centric culture while maintaining neutrality towards non-economic events.
Financial Risk		
Currency Risk Exchange rate fluctuations affected import costs, which in turn impacted overall production costs, pricing decisions, and profitability. Although improved foreign exchange reserves, supported by remittance inflows, tourism earnings, and multilateral assistance during the year, have contributed to exchange rate stability, global uncertainties could continue to pose exchange rate risks.	FY 2025/26 - MEDIUM FY 2024/25 - MEDIUM	• Considered anticipated exchange rate fluctuations in costing and pricing • Proactive monitoring of exchange rate movements and engagement with banks and other relevant stakeholders. • Negotiation of settlement terms and evaluation of forward booking, early settlement, and other appropriate hedging options. • Utilise favourable exchange rate movements to optimise inventory levels through timely procurement and bulk purchasing.
Liquidity Risk Liquidity risk refers to the Company's ability to maintain sufficient funds to meet its short- and medium-term financial obligations. Liquidity risks have normalized. The Company's current ratio improved to 1.89 from 1.78	FY 2025/26 - MEDIUM FY 2024/25 - MEDIUM	• The liquidity position is regularly reviewed, and working capital risk is managed effectively. • Negotiate with financial institutions to restructure borrowings under favourable terms • Undrawn, committed credit facilities are maintained to meet short-, medium-, and long-term funding requirements and any unforeseen commitments.
Credit Risk/ Repayment Delays When a counterparty does not meet its obligations, it can lead to a financial loss. Abans PLC is the main client of the Company, while the balance comprises corporate clients, government and individual customers.	FY 2025/26 - MEDIUM FY 2024/25 - MEDIUM	• Manage credit exposure through continuous credit reviews and meetings. • Assess creditworthiness and monitor debtor aging. • Regularly monitor debt follow up and collection processes and necessary actions are initiated against long outstanding debtors.

Type of Risk	Risk Ranking	Response
Financial Risk (Cont'd)		
		• Implement contractual agreements with customers whenever necessary and significant payments were secured by bank guarantees and letters of credit facilities • Company credit policy was shortened and tightened, and credit terms were allowed only for selected customers
Interest Rate Risk Changes in interest rates lead to increase or decrease in the cost of borrowing. During the year, the Central Bank of Sri Lanka held interest rates steady to support economic recovery, control inflation, and maintain financial stability.	FY 2025/26 - MEDIUM FY 2024/25 - MEDIUM	• Closely monitor the treasury management function to optimise and reduce borrowing costs • Maintain a strong relationship with lenders and leveraged the strength of the Abans Group to negotiate favourable terms of credit.
Operational Risk		
Supply Chain Risk The Company relies on a wide network of international and local suppliers, and disruptions or failures among key suppliers and service providers may interrupt business operations. Global trade developments and geopolitical uncertainties later in the year created short-term supply constraints and led to increases in shipping, logistics, and transportation costs.	FY 2025/26 - HIGH FY 2024/25 - HIGH	• Adhere to rigorous supply chain practices and invest in improving processes to increase efficiency. • Alternative sourcing avenues are being pursued • Bulk purchase orders are placed in advance to secure adequate stocks • Procurement and distribution plans are continually reviewed • Strong, long-lasting relationships are maintained with both foreign and local suppliers for preferential treatment.
Information Technology Risk The Company has continued to digitize its processes. Therefore, any significant system failure will disrupt operations and impede the decision-making process.	FY 2025/26 - MEDIUM FY 2024/25 - MEDIUM	• IT policies and procedures relating to network and information security were maintained. • Databases and critical information were regularly backed up to ensure data protection • Investments were made in advanced cybersecurity solutions and infrastructure.

Type of Risk	Risk Ranking	Response
Operational Risk (Cont'd)		
People related Risk Failure to retain key staff could result in skill gaps that could prevent achievement of Company objectives Skilled labour shortages, rising wage expectations, and migration trends created gaps in workforce availability. Retaining trained employees became increasingly difficult in a competitive labour market.	FY 2025/26 - MEDIUM FY 2024/25 - MEDIUM	• All attempts were made to recruit the best people with the right skills • A performance base reward system, succession planning and career development programmes have been implemented • Remuneration packages are periodically evaluated to correspond with industry pay rates · • Procedures are in place to handle grievances and complaints · • Employee welfare activities and training initiatives enhanced, and financial support was provided when required
Health and Safety Risk Risks to employees' psychological and physical health arising from socio-economic conditions and business operations could reduce productivity.	FY 2025/26 - MEDIUM FY 2024/25 - MEDIUM	• Security facilities for premises were enhanced • Provide adequate primary medical facilities, and insurance coverage for all employees • Implement stringent health and safety measures across all operations and provide personal protective equipment • Conduct awareness programs on psychological well being

Improvements to Risk Management

We maintained strict vigilance over our risk management framework by continually reviewing its effectiveness with regards to proactively complying with regulatory changes as well as identifying emerging risks, while monitoring existing risks. The ERP system has contributed significantly in managing risks more efficiently. In addition, our risk management system has been strengthened to comply with the SLFRS Sustainability and Climate change disclosure standards.

Risk Planning

- Detailed risk mitigation plans were developed that outlined specific actions,responsibilities, timelines, and resources required to address identified risks.
- Thorough post-incident reviews were conducted to learn from past experiences and enhance future risk management strategies

Monitoring

- Real-time monitoring of key risk indicators (KRIs) was increased to detect emerging risks promptly.
- Senior management and the Board of Directors were regularly updated on risk status and mitigation activities

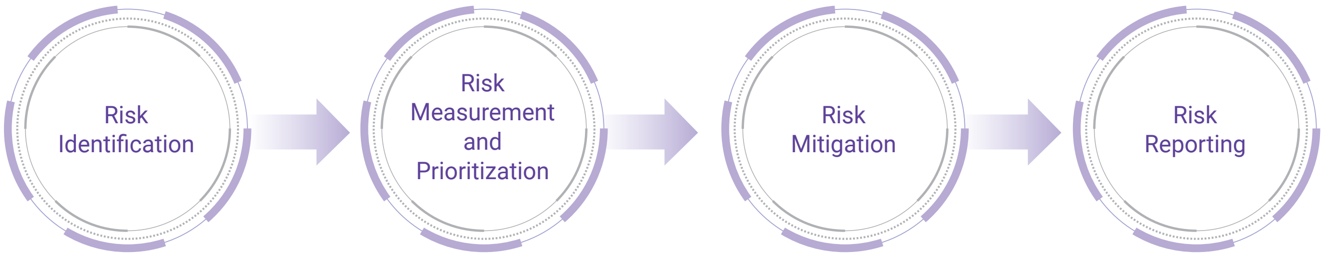
Feedback

- Feedback mechanisms were established to solicit input from stakeholders, employees, and external parties to improve risk management practices

Strategic Objectives of Risk Management

Strategic objectives of the risk management system were reviewed against changing external dynamics and the Company's targets, to ensure the risk identification and management processes remained effective.

Risk Governance



Overall risk governance improved during the year with increasing digitisation of operations which facilitated closer oversight and enhanced reporting quality. The Board of Directors bears ultimate accountability for risk management but is supported in its responsibility by the Audit Committee, which plays a key role in overseeing the identification, assessment, and management of significant risks, in addition to monitoring internal controls and liaising with internal and external auditors.

The Board is also responsible for shaping the Company's risk governance framework by defining the risk appetite, setting risk-related objectives, and approving the overall risk management strategy. It regularly reviews and strengthens the Company's risk policies and procedures to ensure that risk oversight remains aligned with evolving business needs and regulatory expectations.

Risk Management Process

- Risk Identification: Risks are identified by engaging with stakeholders, including significant shareholders, suppliers, employees, government authorities, and others and by continually monitoring economic variables which directly impact demand and supply dynamics.
- Risk Measurement and Prioritisation: Risks are assessed and prioritized based on impact and likelihood of occurrence
- Risk Mitigation: Based on risk return dynamics, we respond to risks by either accepting, avoiding, or by adopting necessary actions for mitigation.
- Risk Reporting: Ongoing reports are communicated to the Board and Audit Committee

Culture and Controls

The Company fosters a strong culture of risk ownership by embedding accountability and risk awareness across all levels of the organisation. Regular training and awareness programmes are conducted to equip employees with the knowledge, skills, and tools required to identify, assess, and manage risks effectively within their respective areas of responsibility. Open communication and proactive reporting of risks are actively encouraged across all staff grades, ensuring that risk management is integrated into day-to-day decision-making and operational activities. As a result, responsibility for managing risk extends beyond the Board and senior management, creating a shared commitment throughout the organisation to safeguarding business performance, resilience, and long-term value creation.

Plans for 2026/27

Looking ahead to 2026/27, the Company will continue to strengthen its risk management framework by closely monitoring changes in economic conditions, regulatory developments, market trends, and global uncertainties. Focus will remain on managing supply chain disruptions, exchange rate volatility, rising costs, competitive pressures, and operational risks through proactive planning and timely responses. The Company will continue to enhance inventory management, diversify sourcing strategies, improve operational efficiency, and leverage technology to support informed decision-making. Investments in employee development, cybersecurity, sustainability practices, and business continuity measures will also remain key priorities. Through these initiatives, the Company aims to build resilience, safeguard financial stability, and support sustainable growth in an evolving business environment.

ANNUAL REPORT OF THE BOARD OF DIRECTORS

The Board of Directors of Abans Electricals PLC is pleased to welcome all shareholders to the 44th Annual General Meeting and to present the Board's annual report, along with the audited financial statements for the financial year ended 31st March 2026. This integrated annual report has been compiled to enhance transparency and good governance by providing material information on financial and non-financial developments during the year, which are described under the capital reports contained within this report. In order to ensure accuracy of data, the information herein has been compiled and reviewed by the relevant senior management and the report was formally approved by the Board of Directors on 31st August 2026.

Principal Activities

The Company's core operations remained unchanged during the year under review. These activities primarily include the manufacturing, assembly, and installation of selected consumer durables; providing repair and maintenance services for a range of household electrical and electronic products; and the installation of rooftop Solar PV Systems. These services are managed under two distinct operational divisions outlined below.

(a) Manufacturing Division

Within this division, the Company manufactures a variety of consumer durable goods, marketed under the "Abans" brand as well as through partnerships with well-known global brands. The division is also responsible for the installation of rooftop Solar PV Systems and the production of certain plastic refrigerator components.

(b) Service Division

The Service Division focuses on the installation, maintenance, repair, and after-sales service of household and electrical appliances sold through the Abans Group network.

Review of Business Operations

In order to present a comprehensive and contextual picture of the Company's operations during the year to all stakeholders, this report offers a detailed overview of the Company's business activities and performance that extends beyond the audited financial statements. In addition, the Chairperson's Statement presents an overview of operations and financial status of the Company by the end of the financial year 2025/26. Please refer the Management Discussion and Analysis section for detailed descriptions of both financial outcomes as of March 2026 and the current status of non-financial capital.

Financial Statements and the Report of the Auditors

The financial statements form a core part of this annual report, summarizing the financial status of the Company as at end March 2026, for the benefit of shareholders and other interested parties. These statements are available on pages 70 to 107 The Board affirms that the Company has adhered to all relevant legal and regulatory requirements, as well as best practices, in the preparation of these statements. In accordance with the Sri Lanka Accounting Standards (SLFRS/LKAS), the statements have been certified by the respective divisional Heads of Finance and duly approved by two Directors, in line with the Companies Act. The Independent Auditors' Report on the financial statements is provided on pages 66 to 69.

		2025/2026	2024/2025
Revenue	LKR '000	7,730,081	6,707,214
Profit/(Loss) before Tax	LKR '000	861,737	714,914
Tax saving/ (expense)	LKR '000	(269,153)	(214,755)
Profit/(loss) after tax	LKR '000	592,583	500,159
Total comprehensive income (Net of tax)	LKR '000	718,425	494,946
Profit available for appropriation	LKR '000	2,567,360	2,055,803
Ordinary dividend per share (Paid)	LKR	15.00	10.00

Accounting Policies

The key accounting policies applied in the preparation of the Financial Statements are detailed in the Notes accompanying the statements. During the current financial year, the Company has not made notable changes to its previously adopted accounting policies, differing from those used in the prior year.

Dividends

The Board of Directors has proposed a final dividend of LKR 26.00 per ordinary share for the financial year ended 31st March 2026.

This recommendation follows a comprehensive financial review in accordance with Section 56(2) of the Companies Act No. 7 of 2007. The Board has confirmed that the Company meets the solvency requirements stipulated in Section 57 of the same Act. Independent certification from the auditors has also been obtained to affirm this position.

Capital Expenditure

Total capital expenditure incurred during the financial year amounted to LKR 113,875,762 in comparison to LKR 179,503,176 in the 2024/25 financial year. For a detailed breakdown of related transactions and movements, please refer to Note 12 in the financial statements. There were no further additions to intangible assets (FY 2024/25 – Nil), with comprehensive information provided in Note 15.

As of the end of the financial year, the carrying value of land and buildings stood at LKR 1,123.45 Mn compared to LKR 948.25 Mn recorded in the previous year.

Details regarding the valuation of the Company's land, buildings, and investment properties are presented in the table below.

Valuation of Land, Buildings and Investment Properties

Land Location	No. of Buildings	Perches	Market Value LKR	Revalued Date
Colombo 06	1	39.58	591,641,100	31.03.2026
Ratmalana	3	95.21	282,410,400	31.03.2026
Kandy	1	18.70	105,386,900	31.03.2026
Boralesgamuwa	-	83.10	87,255,000	31.03.2026
Negombo	1	31.10	57,485,000	31.03.2026
Panadura	-	44.90	53,800,000	31.03.2026

Investments

Details of the Company's long-term investments as at 31st March 2026 are presented in Note 16 of the financial statements.

Stated Capital

As at 31st March 2026, the Company's stated capital remained unchanged at LKR 186.7 Mn. The breakdown and movement of stated capital during the year are outlined in the Statement of Changes in Equity and further detailed in Note 22 of the financial statements.

Revenue Reserves

The Company's retained earnings stood at LKR 2,567.36 Mn as at 31st March 2026, compared to LKR 2,055.80 Mn as at 31st March 2025. The changes and composition of revenue reserves are shown in the Statement of Changes in Equity.

Share Information

Comprehensive information about the Company's shares and shareholders as of 31st March 2026 can be found on page 108 of this annual report. This includes details on shareholder composition and distribution, earnings per share, dividends, net asset value, share price movement, market capitalization, public shareholding percentage, and the number of public shareholders.

Major Shareholders

The top 20 shareholders of the Company, along with their respective shareholding percentages, are listed on page 109 of this report.

Equitable Treatment of Shareholders

Upholding the principle of equitable treatment of shareholders continues to be a core governance practice of the Company. This standard has been consistently maintained throughout the year.

Information Pertaining to the Board of Directors

Brief profiles of the Board members are included under the 'Board of Directors' section of this report. Additional governance-related disclosures — such as retirement, re-election, and Board performance reviews — are provided in the Corporate Governance chapter.

Directors' Interests

Disclosures regarding Directors' interests in Company contracts are included in Note 31 to the financial statements. All Directors have submitted self-declarations to identify related parties. No Director holds a direct or indirect interest in any other current or proposed contracts of the Company.

Directorate and Shareholdings

Name	Beginning of the Year No of Shares	End of the Year No of Shares
Mrs. Aban Pestonjee	293,438	293,438
Mrs. Saroshi Dubash	334,628	334,628
Mr. Kumar De Silva	NIL	NIL
Mr. D M R Phillips	NIL	NIL
Mr. R Selvaskandan	NIL	NIL

Directors' Remuneration

Information relating to the remuneration and other benefits received by the Directors is provided in Note 08 and Note 31 of the financial statements.

Related Party Transactions

During the financial year, the Company remained in full compliance with Rule 09 of the Colombo Stock Exchange Listing Rules pertaining to related party transactions. Details of these transactions are presented in Note 30 to the financial statements.

All such dealings were conducted in line with the requirements of CSE Listing Rule 9.3.2 and the Code of Best Practice on Related Party Transactions, as issued under Section 13(c) of the Securities and Exchange Commission Act.

Employment

Further information on the Company's human resources and HR policies can be found in the Human Capital chapter of this report.

Corporate Governance

The Company has consistently upheld strong corporate governance practices and ensured adherence to all relevant legal and regulatory requirements. Please refer to the Corporate Governance chapter for a detailed outline of the governance framework and compliance status.

Board Sub-Committees

The Board has appointed four formally constituted sub-committees, each of which met regularly during the year. Additional details on these committees can be found in the Corporate Governance chapter, and their individual reports are presented on pages 50 to 55,

Donations

During the year, the Company made donations amounting to LKR 42,774 compared to LKR 387,000 in previous year.

Statutory Payments

To the best knowledge of the Directors, all taxes, levies, duties, and contributions due from the Company — including those payable on behalf of employees — have been duly settled or appropriately accounted for as of the reporting date.

Compliance with Laws and Regulations

The Directors confirm that, to the best of their knowledge and belief, the Company has not undertaken any activities in violation of applicable laws and regulations during the financial year and that the Company is compliant with all applicable regulations.

Risk Management and Internal Control

The Company has continued to strengthen its risk management and internal control systems to safeguard assets and ensure the achievement of strategic goals. A comprehensive overview of the Company's risk management practices during the year is available in the Risk Management Report on pages 56 to 61.

Events Subsequent to the Balance Sheet Date

There have been no events occurring after the balance sheet date that would require adjustment to, or disclosure in, the financial statements, other than those stated in Note 33

Major Transactions

No significant transactions having a material impact on the Company's financial position occurred during the year, apart from those disclosed within this Annual Report.

Going Concern

The Board is confident that the Company possesses adequate financial and operational resources to continue as a going concern for the foreseeable future. Accordingly, the financial statements have been prepared on that basis.

Independent Auditors

The Board of Directors has resolved to appoint Messrs Ernst & Young, Chartered Accountants, as the Company's Auditors. A resolution for their appointment, along with authorisation for the Board to determine their remuneration, will be presented at the Annual General Meeting, as per Section 158 of the Companies Act No. 07 of 2007. The Audit Committee continues to oversee matters related to the Auditors, including their appointment, independence, effectiveness, and fees.

Reports to the Public

The Company has maintained transparency through timely disclosures, ensuring stakeholders have access to accurate and up-to-date information. This includes the release of quarterly financial statements and the annual report, enabling stakeholders to make informed assessments of Company performance.

Annual General Meeting

Notice is hereby given that the 44th Annual General Meeting of Abans Electricals PLC will be held at 10.30 am on 25th September 2026

This Annual Report has been presented to the Board and signed on behalf of the Board of Directors,

Mrs. Aban Pestonjee

Mrs. Saroshi Dubash

Varners International (Private) Limited
Company Secretaries
31st August 2026

THE STATEMENT OF DIRECTORS' RESPONSIBILITY

Statement of Compliance

The Board of Directors of Abans Electricals PLC affirms that the Company has adhered to the following regulatory requirements during the financial year:

• In accordance with Sections 150(1), 151, 152(1), and 153 of the Companies Act No. 7 of 2007, the Board accepts full responsibility for preparing the Company's financial statements in line with Sri Lanka Accounting Standards (SLFRS/LKAS).

- Under the same legal framework, the Directors are accountable for the consistent selection and application of appropriate accounting policies, as well as for exercising reasonable and prudent judgment in making estimates. Where applicable, any material deviations have been clearly disclosed and justified.
- The Board is also required to ensure the Company has sufficient resources to support the going concern assumption in the preparation of financial statements.
- In keeping with both the Companies Act No. 7 of 2007 and the Listing Rules of the Colombo Stock Exchange, the Directors are obligated to ensure the financial statements include all relevant disclosures and required details.
- The Directors are charged with maintaining a robust internal control environment designed to detect and prevent fraud or financial misconduct, and to protect the Company's assets. They are also responsible for ensuring all transactions are properly authorized and accurately recorded.
- It is the responsibility of the Directors to grant the external auditors full access to carry out their assessments and express an opinion on the financial statements.

The Directors believe they have fulfilled their obligations as outlined above. Further, the duties and responsibilities of the Independent Auditors regarding the financial statements are detailed in their report, which is prepared in compliance with the Companies Act No. 7 of 2007 and applicable Sri Lanka Accounting Standards (SLFRS/LKAS).

The financial statements have been compiled in accordance with SLFRS/LKAS. The Statement of Profit or Loss and Other Comprehensive Income accurately reflects the Company's performance for the year, while the Statement of Financial Position fairly represents the Company's financial standing as of the reporting date. These statements are fully compliant with the Companies Act and applicable Sri Lanka Accounting Standards (SLFRS/LKAS).

The Company's Audit Committee met periodically with both internal and external auditors to monitor the audit process, review internal control mechanisms, and oversee financial reporting practices. Upon the Committee's review and recommendation, the Board approved the Interim Financial Statements prior to their publication. Additionally, internal audits were carried out at regular intervals to verify that policies and procedures were being adhered to consistently.

Compliance Report

The Board of Directors of Abans Electricals PLC confirms that, to the best of their knowledge, all taxes, statutory levies, and dues payable by the Company — including those related to employees — that were due as of the reporting date, have either been settled or appropriately accounted for.

By order of the Board

Mrs. Aban Pestonjee
Chairperson

Mrs. Saroshi Dubash
Managing Director
31st August 2026

Shape the future
with confidence

Ernst & Young
Chartered Accountants
Rotunda Towers
No. 109, Galle Road
P.O. Box 101
Colombo 03, Sri Lanka

Tel: +94 11 246 3500
Email: eysl@lk.ey.com
ey.com

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF ABANS ELECTRICALS PLC

Report on The Audit of The Financial Statements

Opinion

We have audited the financial statements of Abans Electricals PLC ("the Company") which comprise the Statement of Financial Position as at 31 March 2026, Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2026 and of the financial performance and its 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 Company in accordance with the Code of Ethics for Professional Accountants issued by CA Sri Lanka (Code of Ethics) and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements of the current period. These matters were addressed in the context of the audit of the financial statements as a whole, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key Audit Matter	How Our Audit Addressed the Key Audit Matter
Revenue The Company derived its revenue of Rs. 7,730 Mn from sale of consumer durable goods and provision of repair & maintenance services, as disclosed in Note 5 and 4.1 to the financial statements. Revenue was a key audit matter due to: - the materiality of revenue reported for the as of reporting date; and the increase of 15% it represents, over the previous year.	Our audit procedures included the following key procedures: • tested the design and tested the relevant key controls relating to the sales of goods and provision of repair & maintenance services. Our procedures included testing the general IT control environment and the relevant key IT application controls relating to the most significant IT systems relevant to revenue • performed analytical procedures to understand and assess the reasonableness of reported revenue • tested the revenue transactions by reviewing the sales invoices, delivery notes & service contracts. Our procedures included testing revenue cut-off at the period-end date to determine whether transactions are recorded in the proper period and to the proper accounts • assessed whether income recognised over the period from service contracts, is in line with the Company's accounting policy for revenue recognition We also assessed the adequacy of related disclosures in Note 4.1 and 5 to the financial statements.
Assessment of fair value of Land and Buildings Property, Plant and Equipment and Investment Properties include land and buildings carried at fair value. The fair value of land and buildings were determined by external valuers engaged by the Company. This was a key audit matter due to: • The materiality of the reported fair value of land and buildings which amounted to Rs. 1,123 Mn representing 19% of the Company's total assets as of the reporting date; and • The degree of assumptions, judgements and estimation uncertainties associated with fair valuation of land and buildings using the market approach. Key areas of significant judgments, estimates and assumptions used in assessing the fair value of land and buildings, as disclosed in Note 12.2 to the financial statements, included judgements involved in ascertaining the appropriate valuation techniques and estimates such as: Estimate of per perch value of the land Estimate of the per square foot value of the buildings	Our audit procedures included the following key procedures: • Assessed the competence, capability and objectivity of the external valuer engaged by the Company. • Read the external valuer's report and understood the key estimates made and the valuation approaches taken by the valuer in determining the valuation of each property. • Assessed the reasonableness of significant assumptions, judgements and estimates made by the valuer such as per perch value, per square foot value, and valuation techniques as relevant in assessing the fair value of each property. - We also assessed the adequacy of the disclosures made in Notes 12.2 to the financial statements. • We also assessed the adequacy of the disclosures made in Notes 12.2 to the financial statements.

Key Audit Matter	How Our Audit Addressed the Key Audit Matter
Existence and carrying value of Inventories As of 31 March 2026, the carrying value of inventories amounted to Rs. 1,083 Mn after considering a provision of Rs. 175 Mn for slow moving inventory, as disclosed in Note 4.5 and 17 to the financial statements. Existence and carrying value of inventories was a key audit matter due to: • Materiality of the reported inventory balance which represented 18% of the Company's total assets as of the reporting date; • Inventories being held at multiple locations comprising warehouses and service centres; and - • Judgements applied by the management in determining the provision for slow-moving inventories as disclosed in Note 4.5 to the financial statements.	Our audit procedures included the following key procedures: • observed physical inventory counts at selected locations and reconciled the count results to the inventory listings compiled by management to support amounts reported as at the year end • tested, whether Inventory was stated at the lower of cost and net realizable value, by comparing cost with subsequent selling prices of such items • assessed the reasonableness of management judgements applied in determining provision for slow-moving inventory. Our procedures included testing the accuracy and completeness of inventory age reports used in the estimation of provision for slow moving inventory. • We also evaluated the adequacy of the disclosures in Note 4.5 and 17 to the financial statement

Other information included in the Company's 2026 Annual Report

Other information consists of the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Management is responsible for the other information.

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 the management and those charged with governance

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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company'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's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's 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 Company 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.

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 4184.

Ernst & Young

31 August 2026
Colombo

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Year Ended 31st March 2026

	Note	2026 Rs.	2025 Rs.
Revenue	5	7,730,080,972	6,707,213,593
Cost of sales		(5,852,639,226)	(5,101,944,946)
Gross profit		**1,877,441,746**	**1,605,268,647**
Other income	6	54,239,888	80,369,713
Change in fair value of investment property	14	2,050,000	2,450,000
Marketing and distribution expenses		(402,539,877)	(364,883,505)
Administrative expenses		(707,796,948)	(587,346,242)
Operating profit		**823,394,809**	**735,858,613**
Finance cost	7.1	(22,398,506)	(55,440,063)
Finance income	7.2	60,740,264	34,495,482
Profit before taxation	8	**861,736,567**	**714,914,032**
Tax expenses	9	(269,153,491)	(214,754,804)
Profit for the year		**592,583,076**	**500,159,228**
Other comprehensive income net of tax			
Items that will not be reclassified subsequently to comprehensive income:			
Actuarial gain or loss on defined benefit obligations net of tax		(4,366,794)	(5,213,431)
Gain on revaluation of property, plant and equipment net of tax		130,208,565	-
Other comprehensive income for the year-net of tax		**125,841,771**	**(5,213,431)**
Total comprehensive income for the year		**718,424,847**	**494,945,797**
Earnings per share - basic/ diluted	10	115.95	97.87
Dividends per share (Paid)	11	15.00	10.00

The accounting policies and notes from 01 to 37 form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

As at 31st March 2026

	Note	2026 Rs.	2025 Rs.
Non Current Assets			
Property, plant and equipment	12	1,523,243,029	1,394,533,709
Right of use assets	13	57,151,889	19,958,005
Investment property	14	53,800,000	51,750,000
Total Non Current Assets		**1,634,194,918**	**1,466,241,714**
Current Assets			
Inventories	17	1,083,096,871	1,437,490,318
Trade and other receivables	18	305,247,322	363,319,446
Advances, deposits and prepayments	19	310,790,971	444,834,511
Amounts due from related parties	20	1,224,206,243	571,781,464
Investment in short term deposits	16.1	1,099,560,762	361,183,286
Cash in hand and at bank	21	308,333,254	360,420,850
Total Current Assets		**4,331,235,423**	**3,539,029,875**
Total Assets		**5,965,430,341**	**5,005,271,589**
Capital and Reserves			
Stated capital	22	186,732,000	186,732,000
Revaluation reserve	22.1	597,968,188	467,759,623
Retained earnings		2,567,360,423	2,055,802,541
Total Equity		**3,352,060,611**	**2,710,294,164**
Non Current Liabilities			
Interest bearing loans and borrowings	23.1	48,227,697	20,612,610
Contract liabilities	28	59,584,815	46,334,285
Retirement benefit obligation	24	147,280,264	128,787,364
Deferred tax liability	25	70,680,351	108,219,832
Total Non Current Liabilities		**325,773,127**	**303,954,091**
Current Liabilities			
Trade and other payables	26	1,434,840,723	1,247,797,148
Income tax payable	27	312,515,313	215,863,918
Contract liabilities	28	235,111,562	174,902,280
Amounts due to related parties	29	222,391,776	240,723,214
Interest bearing loans and borrowings	23.2	82,737,229	111,736,774
Total Current Liabilities		**2,287,596,603**	**1,991,023,334**
Total Liabilities		**2,613,369,730**	**2,294,977,425**
Total Equity and Liabilities		**5,965,430,341**	**5,005,271,589**

The accounting policies and notes from 01 to 37 form an integral part of these financial statements.I certify that these financial statements comply with the requirements of the Companies Act no. 07 of 2007.

Cyril Manatunga
Head of Finance - Manufacturing Department

Tharindu Abhayawardena
Head of Finance - Service Department

The Board of Directors is responsible for these financial statements. Signed for and on behalf of the Board of Directors by ;

Aban Pestonjee
Chairperson

Saroshi Dubash
Managing Director

Colombo
31st August 2026.

STATEMENT OF CHANGES IN EQUITY

For the Year Ended 31st March 2026

	Stated capital Rs.	Revaluation reserve Rs.	Retained earnings Rs.	Total equity Rs.
Balance as at 1 April 2024	186,732,000	467,759,623	1,611,962,344	2,266,453,967
Net profit for the year	-	-	500,159,228	500,159,228
Other comprehensive income for the year	-	-	(5,213,431)	(5,213,431)
Final dividend 2023/2024	-	-	(51,105,600)	(51,105,600)
Balance as at 31 March 2025	**186,732,000**	**467,759,623**	**2,055,802,541**	**2,710,294,164**
Net profit for the year	-	-	592,583,076	592,583,076
Other comprehensive income for the year	-	130,208,565	(4,366,794)	125,841,771
Final dividend 2024/2025	-	-	(76,658,400)	(76,658,400)
Balance as at 31 March 2026	**186,732,000**	**597,968,188**	**2,567,360,423**	**3,352,060,611**

The accounting policies and notes from 01 to 37 form an integral part of these financial statements.

STATEMENT OF CASH FLOWS

For the Year Ended 31st March 2026

	Note	2026 Rs.	2025 Rs.
Net profit before taxation	8	861,736,567	714,914,032
Adjusted for:			
(Profit)/ Loss profit from sale of property, plant and equipment	6	(13,758,413)	(7,720,803)
Depreciation and amortisation	8	95,205,519	82,859,344
Amortization of right of use asset	8	17,223,037	11,992,218
Defined benefit plan costs	24	27,307,166	25,158,252
Finance expenses	7.1	22,398,506	55,440,063
Interest income	7.2	(60,740,264)	(34,495,482)
Bad debts (reversal) / provisions	18.1	67,884,984	47,267,013
Provision for slow moving inventory	17.1	25,843,890	20,732,145
Change in fair value of investment property	14	(2,050,000)	(2,450,000)
Deferred income	28.1	(188,928,208)	(168,357,470)
Cash flow from operating activities before working capital changes		**852,122,784**	**745,339,312**
(Increase) / decrease in trade and other receivables		(9,812,861)	310,243,445
(Increase) / decrease in deposits, advances and prepayments		134,043,540	(178,573,765)
(Increase) / decrease in inventories		328,549,557	45,030,026
(Increase) / decrease in amounts due from/to related companies		(670,756,217)	251,118,758
Increase / (decrease) in trade and other payables		449,431,597	254,854,923
		1,083,578,400	**1,428,012,699**
Tax paid	27	(263,973,765)	(185,452,434)
Interest paid		(23,092,612)	(53,455,053)
Gratuity paid	24	(15,052,542)	(10,023,509)
Net cash flows (used in) / from operating activities		**781,459,481**	**1,179,081,703**
Investing activities			
Interest income	7.2	60,740,264	34,495,482
Purchase of property, plant and equipment and intangible asset	12	(113,875,762)	(179,503,176)
Proceeds from disposal of property, plant and equipment		89,731,572	7,752,159
Net investment in fixed deposits		(738,377,476)	3,510,153
Net cash flows (used in) / from investing activities		**(701,781,402)**	**(133,745,382)**
Financing activities			
Dividend paid		(76,658,400)	(51,105,600)
Repayments of long term loans	23.3	(20,000,000)	(15,000,000)
Repayments of lease liabilities	23.4	(15,836,516)	(17,945,995)
Net movement in short term loans		(19,270,758)	(731,804,202)
Net cash flows (used in) / from financing activities		**(131,765,674)**	**(815,855,796)**
Net increase / (decrease) in cash and cash equivalents		(52,087,596)	229,480,526
Cash and cash equivalents at the beginning of the year		360,420,850	130,940,324
Cash and cash equivalents at the end of the year		**308,333,254**	**360,420,850**
Cash and cash equivalents at the beginning of the year			
Cash at bank and in hand		360,420,850	139,840,806
Bank overdrafts		-	(8,900,482)
		360,420,850	**130,940,324**
Cash and cash equivalents at the end of the year			
Cash in hand and at bank	21	308,333,254	360,420,850
Bank overdrafts	23.2	-	-
		308,333,254	**360,420,850**

The accounting policies and notes from 01 to 37 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

1.1 General

Abans Electricals PLC is a public limited liability Company incorporated and domiciled in Sri Lanka and is listed in the Colombo Stock Exchange. The registered office of the Company is located at 498, Galle Road, Colombo 3 and the principal place of business is situated at 126, Airport Road, Ratmalana, and 506B Galle Road, Colombo 06.

1.2 Principal activities and nature of operations

The principal activities of the Company are manufacturing and assembling household electrical and electronic appliances and providing repairs, maintenance and technical services of similar type of appliances and installation of roof top Solar PV systems.

1.3 Parent entity

The Company does not have an identified Parent. However, Abans PLC has a significant influence over the Company through the holding of 48% equity stake.

1.4 Date of authorization for issue

The financial statements of the Company for the year ended 31 March 2026 were authorized for issue by a resolution of the Board of Directors on 31 August 2026.

1.5 Directors' Responsibility Statement

The Board of Directors acknowledges their responsibility for financial statements as set out in the "Annual Report of the Board of Directors".

2 BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements of the Company (statement of financial position, statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows together with accounting policies and notes) is prepared in accordance with Sri Lanka Accounting Standards (LKASs and SLFRSs) as issued by the Institute of Chartered Accountants of Sri Lanka and in compliance with the requirements of the Companies Act No.07 of 2007.

2.2 Basis of measurement

The financial statements have been prepared on a historical cost basis, except for the defined benefit obligation, Land and buildings and financial assets which are measured as explained in the respective notes in the financial statements.

2.3 Functional and presentation currency

The financial statements are presented in Sri Lankan Rupees, which is the Company's functional currency and presentation currency. All financial information presented in Sri Lanka Rupees is rounded to the nearest rupee unless otherwise stated.

2.3.1 Foreign Currency

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rate at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated or Loss, in which case the increase is recognised in the statement of profit or loss.

2.4 Comparative information

The presentation and classification of the financial statements of the previous years have been amended, where relevant for better presentation and to be comparable with those of the current year.

2.5 Going concern

The Directors have made an assessment of the Company's ability to continue as a going concern by considering the factors of the recent economic crises and are satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, the Board is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern and they do not intend either to liquidate or to cease operations of the Company. Therefore, the financial statements continue to be prepared on the going concern basis.

2.6 Changes in Accounting Policies

The accounting policies adopted by the Company are consistent with those used in the previous financial year. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

2.7 Materiality and aggregation

In compliance with LKAS 01 on presentation of financial statements, each material class of similar items is presented separately in the financial statements. Items of dissimilar nature or functions too are presented separately, if they are material.

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 liability simultaneously. Income and expenses are not off-set in the statement of profit or loss and other comprehensive income unless required or permitted by any accounting standard or interpretation, and as specifically disclosed in the accounting policies.

3 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements requires the application of certain critical accounting assumptions relating to the future. Further, it requires the management of the Company to make judgments, estimates and assumptions that affect the reported amounts of income, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability in future periods. Hence, actual experience and results may differ from these judgments and estimates.

In the process of applying the Company's accounting policies, management has made the following judgments, estimates and assumptions which have the most significant effect on the amounts recognized in the financial statements:

a) Taxation

The Company is subject to income taxes and other taxes including value added taxation, Excise duty and Social security contribution levy. Significant judgment was required to determine the total provision for current, deferred and other taxes.

The Company recognized assets and liabilities for current, deferred and other taxes based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and, deferred tax amounts in the period in which the determination is made.

b) Useful life-time of the property, plant and equipment, intangible assets

The Company reviews the residual values, useful lives and methods of depreciation of assets as at each reporting date. Judgment of the management is exercised in the estimation of these values, rates, methods and hence they are subject to uncertainty.

c) Fair value measurement of property, plant and equipment (Land and buildings) and investment property

Property, plant and equipment and investment property of the Company are measured at fair value for the purposes of preparing the financial statements. Company management determines the main appropriate techniques and inputs required for measuring the fair value. In determining the fair value of the property, plant and equipment and investment properties, management uses observable market data and as appropriate, the Company uses an external valuer qualified to do the valuation. Information regarding the required valuation techniques and inputs used to determine the fair value of investment property are disclosed in Note 14.

d) Impairment losses on financial assets – Trade receivables

The Company determines the impairment losses on trade receivables based on expected loss model. This involves significant judgments in determining the future losses expected to be derived, due to the default in future payments, by the debtors.

e) Defined benefit plans

The cost of defined benefit plans are determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future.

These include the determination of the discount rate, future salary increases, mortality rates, etc. Due to the complexity of the valuation, the underlying assumptions and their long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

In determining the appropriate discount rate, management considers the yield of Sri Lanka Government bonds with extrapolated maturities corresponding to the expected duration of the defined benefit obligation. The mortality rate is based on publicly available mortality tables. Future salary increases are based on expected future salary increase rate of the Company.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied by the Company in preparation of its financial statements are included below.

4.1 Revenue recognition

The Company recognizes revenue from contracts with customers when control of the goods or services is transferred to the customer at an amount that reflects the consideration that the Company is to be entitled in exchange for those goods or services. Determining the timing of the transfer of control of goods or services, at a point in time or over time, requires judgements taking into consideration the nature of goods or services that Company offers.

When contracts include multiple deliverables. Where the contracts include multiple performance obligations, the transaction price will be allocated to each performance obligation based on the standalone selling prices. Where these are not directly observable, they are estimated based on expected cost plus margin.

Sale of goods

Revenue from the sale of goods is recognised at the point in time when control of the goods is transferred to the customer, usually on delivery of the goods. Sales are measured at the fair value of the consideration received or receivable excluding amounts collected on behalf of third parties (e.g. Sales taxes).

Rendering of services

Revenue from rendering of services is recognised when the service is performed.

Revenue recognised over the period

The Company recognises revenue from free services/ maintenance over time, using an input method to measure progress towards satisfaction of the free services/ maintenance over time. Company recognize the deferred revenue arisen from future free services/maintenance and charge it to the revenue subsequently as above mentioned.

4.1.1 Contract liabilities

Advances received from the customers for the future maintenance services are recognized as deferred service income at the time of related payment is made by the customers. This has been categorized as a contract liability as per SLFRS 15. Upon the delivery of such maintenance services the related consideration is recognized in the revenue.

Deferred income

The service income of the Company is recognized over the warranty period, since the Company is obliged to provide service for the agreed warranty period.

4.1.2 Interest income

Interest income is recognized using the Effective Interest Rate (EIR) method.

4.1.3 Dividend income

Dividend income is recognised in the statement of profit or loss and other comprehensive income on an accrual basis when the Company's right to receive the dividend is established.

4.1.4 Other income

Other income is recognized on an accrual basis.

4.1.5 Gains and losses

Gains and losses on disposal of an item of property, plant & equipment are determined by comparing the net sales proceeds with the carrying amounts of property, plant & equipment and are recognised net within "other income" in profit or loss.

4.2 Expenditure recognition

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

For the purpose of presentation of the statement of comprehensive income, the "function of expenses" method has been adopted, on the basis that it presents fairly the elements of the Company's performance.

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the statement of statement of profit or loss and other comprehensive income.

4.2.1 Finance Cost

Finance cost comprise interest expense on borrowings and financial leases that are recognised in the statement of profit or loss. The interest expense component of finance lease payments is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds.

4.3 Taxation

4.3.1 Current tax

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

Current income tax relating to items recognised directly in equity is recognised in equity and not in the Statement of Profit or Loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

4.3.2 Deferred Tax

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

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

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

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized

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

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

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

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

4.3.3 Sales Tax

Expenses and assets are recognised net of the amount of sales tax, except:

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of sales tax included

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

4.3.3.1 VAT on Financial Services

VAT on Financial Services is calculated in accordance with VAT Act No. 14 of 2002 and subsequent amendment thereto.

4.4 Non-financial asset

4.4.1 Property, plant and equipment

Recognition and measurement

Property, plant and equipment are recognised if it is probable that future economic benefits associated with the asset will flow to the entity and the cost of the asset can be measured reliably in accordance with LKAS 16 - property, plant & equipment. Initially property, plant and equipment are measured at cost.

Cost model

The Company applies the cost model to property plant and equipment except for freehold land and building.

Revaluation model

The entity applies the revaluation model for the entire class of freehold land and freehold buildings for measurement after initial recognition. The fair value of land and buildings are determined based on the valuations carried out by independent valuers. When current market prices of assets of similar nature are available, such evidence is taken into account in determining the fair values of such assets. Such properties are carried at revalued amounts, less any subsequent accumulated depreciation on buildings and any accumulated impairment losses charged subsequent to the date of revaluation.

When an asset is revalued, any increase in the carrying value is recognised in statement of profit or loss and other comprehensive income and accumulated in equity under revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in the income statement, in which case the increase is recognised in the statement of profit or loss and other comprehensive income to the extent of the decrease previously expensed. A decrease in the carrying value arising on the revaluation is recognised in the profit or loss and any decrease that offsets a previous surplus on the same asset is recognised in other comprehensive income to the extent of any credit balance available in the revaluation surplus in respect of that asset and any excess is recognised as an expense in the profit or loss. Any balance remaining in the revaluation reserve in respect of an asset, is transferred directly to retained earnings on retirement or disposal of the asset.

Subsequent measurement

Subsequent expenditure incurred for the purpose of acquiring, extending, or improving assets of a permanent nature by means of which to carry on the business or to increase the earning capacity of the business is treated as capital expenditure and such expenses are recognized in the carrying amount of an asset. The costs are associated with day-to-day servicing of property, plant and equipment.

Depreciation

Depreciation is calculated using the straight–line method to write down the cost of property, plant and equipment to their residual values over their estimated useful lives. Depreciation is charged from the date of purchase to the date of disposal on pro-rata basis. Land is not depreciated. The rate of depreciation is based on the estimated useful life.

Category of asset	Useful life	
	2026	2025
Buildings and installations	Over 40 years	Over 40 years
Plant and machinery	Over 10 years	Over 10 years
Furniture and fittings	Over 10 years	Over 10years
Fixtures and fittings	Over 10 years	Over 10 years
Office equipment	Over 10 years	Over 10 years
Tools	Over 10 years	Over 10years
On loan assets	Over 5 years	Over 5 years
Motor vehicles	Over 4 years	Over 4 years
Computer equipment	Over 4 years	Over 4 years

The asset's residual values, useful life and methods of depreciation are reviewed, and adjusted if appropriate, at each financial year end.

De-recognition

Property, plant and equipment are de-recognised on disposal or when no future economic benefits are expected from their use. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in 'other operating income' in the statement of profit or loss and other comprehensive income in the year the asset is de-recognised.

4.4.2 Investment properties

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

4.4.3 Intangible assets – computer software

Basis of recognition

An intangible asset is recognized if it is probable that future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably.

All computer software cost incurred, licensed to be used by the Company, which are not integrally related to associated hardware, which can be clearly identified, reliably measured and it's probable that they will lead to future economic benefits, are included in the statement of financial position under the category intangible assets and carried at cost less accumulated amortization and any accumulated impairment losses.

Subsequent expenditures

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

Amortization

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful life of the software, from the date that it is available for use since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful life of software is estimated as four years.

Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

De-recognition

An intangible asset is de-recognised on disposal or when no future economic benefits are expected from it. The gain or loss arising from the de-recognition of such intangible assets is included in profit or loss when the item is derecognised.

4.4.4 Leases

Lease liability

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee.

The Company as a lessee

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the lessee uses its incremental borrowing rate.

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

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;

The lease liability is presented in Note 23 to the financial statements.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
A lease contract is modified, and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Company did not make any such adjustments during the periods presented.

Right of use assets

The Company recognises right of use assets when 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. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right of use assets are depreciated on a straight-line basis over the shorter of its estimated useful life or the lease term. Right of use assets are subject to impairment. The Company did not have any short - term or low - value lease assets.

The right-of-use assets are presented as a separate line in the statement of financial position.

The Company applies LKAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Impairment of non–financial assets' policy.

4.5 Inventories

Inventories are valued at the lower of cost and net realisable value (NRV). NRV is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make the sale. Costs incurred in bringing inventories to their present conditions and locations are accounted using the following cost formula;

Raw materials-	At actual cost on FIFO (first-in first-out) basis
Work-in –progress-	At actual cost of direct materials (excluding packing materials) and an appropriate proportion of direct labour
Manufactured finished goods-	At actual cost of direct material, direct labour and an appropriate proportion of fixed production overheads based on normal operating capacity
Purchased finished goods-	At actual cost on first-in first-out basis
Consumables and spares-	At actual cost on first-in first-out basis
Goods in transit-	At actual cost

4.6 Financial instruments recognition and measurement

4.6.1 Financial assets

Financial assets are initially recognised at fair value plus directly attributable transaction costs. However, when a financial asset measured at fair value through Profit or Loss is recognised, the transaction costs are expensed immediately. Subsequent remeasurement of financial assets is determined by their categorisation, which is revisited at each reporting date. The settlement date is used for both initial recognition and subsequent derecognition of financial assets, as these transactions are generally under contracts that terms which require delivery within the time frame established by regulation or convention in the market place (regular-way purchase or sale)

The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. On initial recognition, a financial asset is classified and as measured either:

- At amortised cost;
- At Fair Value through Other Comprehensive Income (FVOCI); or
- At Fair Value through Profit or Loss (FVTPL)

All financial assets not classified as measured at amortised cost or FVOCI are measured at FVTPL. On initial recognition, the Company 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.

Subsequent Measurement

For purposes of subsequent measurement, financial assets are classified in three categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through Other Comprehensive Income (FVTOCI)
- Financial assets at fair value through profit or loss

However, the financial assets of the Company are limited to the categories of financial assets at amortised cost (debt instrument) and financial assets fair value through other comprehensive Income (FVOCI)

a) 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 recognised in OCI and are never reclassified to profit or loss

b) Financial assets at amortised cost (debt instruments)

The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

  The Company's financial assets at amortised cost includes cash and short-term deposit, trade and other receivables and other financial assets

4.6.2 Impairment of Financial Assets

The Company recognizes expected credit losses for trade receivables. The ECL allowance is based on the credit losses expected to arise over the life of the asset. For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Company considers a financial asset in default when contractual payments are 365 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

4.6.3 Financial liabilities at amortised cost

Financial liabilities are initially recognised at the fair value of consideration received, less directly attributable transaction costs.
Subsequent to the initial measurement, financial liabilities are recognised at amortised cost. The difference between the initial carrying amount of the financial liabilities and their redemption value is recognised in the statement of profit or loss and other comprehensive income over the contractual terms using the effective interest rate method. This category includes trade and other payables, as well as other financial liabilities.

Financial liabilities at amortised cost are further classified as current and non-current depending on whether these will fall due within 12 months after the reporting date or beyond.

Financial liabilities are derecognised (in full or partly) when the obligation specified in the contract is either discharged, cancelled, expired or replaced by a new liability with substantially modified terms.

a) Loans and Borrowings (Financial Liabilities at Amortised cost)

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss. This category generally applies to interest-bearing loans and borrowings. For more information, refer to Note 23

4.6.4 Derecognition of Financial Assets and Financial Liabilities

(a) Derecognition of Financial Assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Company also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

The Company has transferred the financial asset, if and only if, either:

- The Company has transferred its contractual rights to receive cash flows from the financial asset

Or

- It retains the rights to cash flows but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement.

(b) Derecognition of Financial Liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss.

4.7 Cash and bank balances

Cash and bank balances are defined as cash-in-hand and balances with banks.

For the purpose of cash flow statement, cash and cash equivalents consist of cash in hand and at banks net of outstanding bank overdrafts. Investments with short maturities i.e. three months or less from the date of acquisition are also treated as cash equivalents.

4.8 Stated capital

Ordinary shares are classified as equity. The equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments.

4.9 Employee Benefits

4.9.1 Defined benefit plan – gratuity

The Company is liable to pay gratuity in terms of the Payment of Gratuity Act No. 12 of 1983, according to which an obligation to pay gratuity arises only on completion of 5 years of continued service. The Company's obligations under the said Act are determined based on an actuarial valuation, using the projected unit credit method, carried out by a professional actuary. Actuarial gains and losses recognized in the other comprehensive income. The liability is not externally funded.

4.9.2 Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in the Statement of comprehensive income as in the periods during which services are rendered by employees.

(a) Employees' Provident Fund

The Company and employees contribute 12% and 8% respectively on the salary of each employee to the approved Provident Fund.

(b) Employees' Trust Fund

The Company contributes 3% of the salary of each employee to the Employees' Trust Fund.

4.10 Impairment of Non-Financial Assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is higher of asset's or cash generating units (CGU) fair value less costs to sell and its value in use.

It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the Statement of Profit or Loss in those expense categories consistent with the function of the impaired asset, except for a property previously revalued where the revaluation was taken to other comprehensive income.

In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation. For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Profit or Loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

4.11 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to any provision is presented in the statement of profit or loss and other comprehensive income net of any reimbursement.

4.12 Cash flow statement

The cash flow statement has been prepared using the indirect method, as stipulated in LKAS 7- statement of cash flows. Cash and cash equivalents comprise net of cash in hand, cash at bank and bank overdrafts.

4.13 Segmental information

For management purposes, the Company has organized two operating segments based on Operating Divisions, as follows:

- Manufacturing
- Services

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment

performance is evaluated based on operating profits or losses which, in certain respects, are measured differently from operating profits or losses in the financial statements. Income taxes are managed on a Company basis and are not allocated to operating segments.
Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

4.14 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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

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

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

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

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

4.15 Effect of Accounting Standards Issued but Not Yet Effective

The following SLFRS have been issued by the Institute of Chartered Accountants of Sri Lanka that have an effective date in the future and have not been applied in preparing these financial statements.

SLFRS 17 - Insurance Contracts

SLFRS 17 is a comprehensive new accounting standard for insurance contracts, covering recognition, measurement, presentation, and disclosure. It replaces SLFRS 4 and applies to all types of insurance contracts—including life, non-life, direct insurance, reinsurance—as well as certain guarantees and financial instruments with discretionary participation features:

The standard is built around the General Measurement Model, supported by two supplementary approaches:

- Variable Fee Approach (VFA): for contracts with direct participation features
- Premium Allocation Approach (PAA): a simplified model mainly for short-duration contracts

SLFRS 17 is effective for annual reporting periods beginning on or after 1 January 2026, with comparative figures required. Early adoption is allowed if the entity also applies SLFRS 9 Financial Instruments and SLFRS 15 Revenue from Contracts with Customers by the date SLFRS 17 is first applied.

SLFRS 17 does not have a material impact on the financial statements.

SLFRS 18 - Presentation and Disclosure in Financial Statements

SLFRS 18, which replaces LKAS 1, introduces significant enhancements to the way financial information is organized and communicated. The standard establishes new categories and subtotals in the statement of profit or loss to improve consistency and comparability across entities. It also requires entities to disclose management-defined performance measures (as specified in the standard), together with clear explanations and reconciliations. In addition, SLFRS 18 introduces strengthened requirements regarding the location, aggregation, and disaggregation of financial information. These changes are designed to ensure that financial statements present information more transparently and in a way that enhances users' understanding of an entity's financial performance and position.

SLFRS 18, and consequential amendments to the other accounting standards, are effective for annual reporting periods beginning on or after 1 January 2027. Early application is permitted.

The potential impact of SLFRS 18 on the financial statements and the related notes is currently being identified and evaluated.

SLFRS 19 Subsidiaries without public accountability: Disclosures

SLFRS 19 introduces reduced disclosure requirements for subsidiaries that do not have public accountability but continue to apply the full SLFRS recognition and measurement principles.

The purpose of SLFRS 19 is to lessen the financial reporting burden on qualifying subsidiaries by simplifying disclosure requirements, while still ensuring that financial statements remain high-quality, consistent, and comparable for users.

SLFRS 19 applies to Specified Business Enterprises, as defined in the Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995. Subsidiaries that fall within this category and do not have public accountability are eligible to apply SLFRS 19.

The Standard becomes effective for annual reporting periods beginning on or after 01 January 2027.
Early application is permitted.

The potential impact of SLFRS 19 is currently being identified and evaluated.

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

The amendments introduce enhancements to the classification, measurement, derecognition, and disclosure requirements for financial instruments. Their objective is to strengthen transparency, promote greater consistency in financial reporting, and respond to emerging market developments - particularly features such as sustainability-linked terms and nature-dependent electricity contracts.
These amendments are effective for annual reporting periods beginning on or after 01 January 2026.

Early application is permitted.

The impact of these amendments is currently being identified and evaluated.

Annual improvements to Sri Lanka Accounting Standards

Narrow scope amendments as part of its periodic maintenance of Sri Lanka Accounting Standards will be adopted will be adopted, if applicable, when they become effective.

NOTES TO THE FINANCIAL STATEMENTS

		Note	2026 Rs.	2025 Rs.
5.	**Revenue**			
	Manufacturing department	5.1	5,373,531,129	4,872,129,347
	Service department	5.2	2,356,549,843	1,835,084,246
			7,730,080,972	**6,707,213,593**
5.1	**Manufacturing department**			
	Over the period		123,677,078	104,509,656
	Point in time		5,249,854,051	4,767,619,691
			5,373,531,129	**4,872,129,347**
5.2	**Service department**			
	Over the period		65,251,131	63,847,814
	Point in time		2,291,298,712	1,771,236,432
			2,356,549,843	**1,835,084,246**
6.	**Other income**			
	Scrap and sundry parts sales		19,049,836	42,119,965
	Transport, warehouse and other income		19,105,460	24,174,582
	Insurance claim		43,778	553,900
	Interest on employee loans		114,183	40,286
	Profit from sale of property, plant and equipment		13,758,413	7,720,803
	Rent income		2,147,565	2,461,536
	Revenue grant		-	182,650
	Sundry income		20,653	3,115,991
			54,239,888	**80,369,713**
7	**Net finance cost**			
7.1	**Finance cost**			
	Term loan interest		1,889,863	4,261,782
	Overdraft interest		363,587	642,740
	Interest on import and short term loans		14,692,563	46,998,071
	Interest on employee loans		-	1,421
	Lease interest		5,452,493	3,536,049
			22,398,506	**55,440,063**
7.2	**Finance income**			
	Interest income		60,740,264	34,495,482
			60,740,264	**34,495,482**
	Net finance cost		**(38,341,758)**	**20,944,581**

NOTES TO THE FINANCIAL STATEMENTS

	Note	2026 Rs.	2025 Rs.
8. Profit before taxation			
Profit from operations is stated after charging all expenses including the followings :			
Directors remuneration		4,468,435	4,409,496
Depreciation and amortisation	12.1	95,205,519	82,859,344
Depreciation of right of use assets	13	17,223,037	11,992,218
Staff costs (excluding defined contribution plan and defined benefit plan)		653,982,092	559,609,182
Defined contribution plan cost		86,085,100	74,121,962
Defined benefit plan cost	24	27,307,166	25,158,252
Charity and donations		42,774	387,000
Auditor's remuneration - audit services		2,842,288	1,886,192
Auditor's remuneration - non audit services		258,794	699,961
9. Tax expenses			
Income tax expense			
Current year		341,900,383	248,874,198
(Over) / under provision for the last year		18,724,777	19,829,559
	9.1	**360,625,160**	**268,703,757**
Deferred tax expense			
Origination / (reversal) of deferred tax assets		(58,802,451)	(52,856,374)
Origination / (reversal) of deferred tax liabilities		(32,669,218)	(1,092,579)
		(91,471,669)	**(53,948,953)**
Tax expense		**269,153,491**	**214,754,804**

NOTES TO THE FINANCIAL STATEMENTS

	Note	2026 Rs.	2025 Rs.
9. Tax expenses (Contd...)			
9.1 Reconciliation of accounting profit and taxable income			
Profit for the year		592,583,076	500,159,228
Current tax expense	27	360,625,160	268,703,757
Origination / (reversal) of deferred tax assets		(58,802,451)	(52,856,374)
Origination / (reversal) of deferred tax liabilities		(32,669,218)	(1,092,579)
Profit before tax		**861,736,567**	**714,914,032**
Tax rates applicable		**30%**	**30%**
Income tax at 30%		258,520,970	214,474,210
Total income tax for the year		**258,520,970**	**214,474,210**
Tax effect on disallowable expenses		82,852,376	10,551,707
Tax effect on allowable expenses		(35,995,273)	(2,496,514)
Tax effect on income from other sources and exempt income		(45,539,759)	(12,052,894)
Tax effect on deferred service income received during the year		82,062,070	38,397,689
Tax (Over) / under provision for the last year		18,724,777	19,829,559
Origination / (reversal) of deferred tax assets		(58,802,451)	(52,856,374)
Origination / (reversal) of deferred tax liabilities		(32,669,218)	(1,092,579)
Assessable income		269,153,491	214,754,804
Less: Deductions		-	-
Total current tax		**269,153,491**	**214,754,804**
Deferred tax for the year was calculated at 30% (2025 - 30%)			

10. Earnings per share - basic/ diluted

Basic earning per share is calculated based on the profit after taxation attributable to ordinary shareholders divided by the weighted average number of ordinary shares outstanding during the year.

	2026 Rs.	2025 Rs.
Amount used as the numerator		
Profit attributable to ordinary shareholders	592,583,076	500,159,228
Amount used as the denominator		
Weighted average number of shares	5,110,560	5,110,560
Earnings per share - basic / diluted	**115.95**	**97.87**

11. Dividend per share

	2026 Rs.	2025 Rs.
Dividend per share (paid)	**15.00**	**10.00**

NOTES TO THE FINANCIAL STATEMENTS

	Note	31.03.2026 Rs.	31.03.2025 Rs.
12. Property, plant and equipment			
Net book value of freehold assets	12.1	1,497,199,506	1,391,654,210
Capital work in progress	12.1	26,043,523	2,879,499
		1,523,243,029	**1,394,533,709**

12.1 Freehold assets	As at 01.04.2024 Rs.	Additions during the year Rs.	Disposals during the year Rs.	Revaluation Rs.	As At 31.03.2025 Rs.
Cost / revaluation					
Land and land development	692,863,500	-	-	-	692,863,500
Buildings	249,972,600	22,362,455	-	-	272,335,055
Plant and machinery	663,534,305	115,330,926	-	-	778,865,231
Furniture and fittings	18,633,755	3,140,597	-	-	21,774,352
Fixtures and fittings	150,415,397	1,070,374	-	-	151,485,771
Office equipment	24,108,736	789,502	-	-	24,898,238
Tools	46,100,635	19,591,699	(36,100)	-	65,656,234
Computer equipment	82,922,414	25,920,522	-	-	108,842,936
Motor vehicles	93,849,046	4,449,999	(16,985,682)	-	81,313,363
On loan assets	1,927,677	-	-	-	1,927,677
Building/property improvements	-	6,330,058	-	-	6,330,058
Total	**2,024,328,065**	**198,986,132**	**(17,021,782)**	**-**	**2,206,292,415**
Capital work in progress	22,362,455	2,879,499	(22,362,455)	-	2,879,499
Total gross carrying amount	**2,046,690,520**	**201,865,631**	**(39,384,237)**	**-**	**2,209,171,914**

	As at 01.04.2025 Rs.	Additions during the year Rs.	Disposals during the year Rs.	Revaluation Rs.	As At 31.03.2026 Rs.
Cost / revaluation					
Land and land development	692,863,500	-	-	139,120,600	831,984,100
Buildings	272,335,055	-	-	19,135,325	291,470,380
Plant and machinery	778,865,231	9,163,825	(69,978,826)	-	718,050,230
Furniture and fittings	21,774,352	6,293,798	(1,874,365)	-	26,193,785
Fixtures and fittings	151,485,771	12,382,147	-	-	163,867,918
Office equipment	24,898,238	23,527,596	(9,466,158)	-	38,959,676
Tools	65,656,234	13,614,909	(46,833,118)	-	32,438,025
Computer equipment	108,842,936	11,875,715	(17,407,324)	-	103,311,327
Motor vehicles	81,313,363	1,607,034	(5,215,380)	-	77,705,017
On loan assets	1,927,677	-	-	-	1,927,677
Building/property improvements	6,330,058	12,246,714	-	-	18,576,772
Total	**2,206,292,415**	**90,711,738**	**(150,775,171)**	**158,255,925**	**2,304,484,907**
Capital work in progress	2,879,499	23,164,024	-	-	26,043,523
Total gross carrying amount	**2,209,171,914**	**113,875,762**	**(150,775,171)**	**158,255,925**	**2,330,528,430**

NOTES TO THE FINANCIAL STATEMENTS

12.1 Freehold assets

	As at 01.04.2024 Rs.	Depreciation during the year Rs.	Disposals during the year Rs.	Revaluation Rs.	As At 31.03.2025 Rs.
Depreciation					
Buildings	8,323,934	8,626,020	-	-	16,949,954
Plant and machinery	435,481,380	41,525,643	-	-	477,007,023
Furniture and fittings	15,885,789	892,836	-	-	16,778,625
Fixtures and fittings	75,851,403	19,018,684	-	-	94,870,087
Office equipment	17,993,484	1,073,332	-	-	19,066,816
Tools	26,683,003	3,989,404	(4,742)	-	30,667,665
Computer equipment	73,580,446	6,514,755	-	-	80,095,201
Motor vehicles	93,042,168	999,309	(16,985,682)	-	77,055,795
On loan assets	1,927,678	-	-	-	1,927,678
Building/property improvements	-	219,361	-	-	219,361
	748,769,285	**82,859,344**	**(16,990,424)**	**-**	**814,638,205**

	As at 01.04.2025 Rs.	Depreciation during the year Rs.	Disposals during the year Rs.	Revaluation Rs.	As At 31.03.2026 Rs.
Depreciation					
Buildings	16,949,954	10,806,357	-	(27,756,311)	-
Plant and machinery	477,007,023	46,729,086	(36,144,126)	-	487,591,983
Furniture and fittings	16,778,625	1,308,385	(1,207,235)	-	16,879,775
Fixtures and fittings	94,870,087	18,965,620	-	-	113,835,707
Office equipment	19,066,816	2,958,953	(5,370,436)	-	16,655,333
Tools	30,667,665	3,643,437	(15,809,611)	-	18,501,491
Computer equipment	80,095,201	9,399,623	(11,055,224)	-	78,439,600
Motor vehicles	77,055,795	1,394,058	(5,215,380)	-	73,234,473
On loan assets	1,927,678	-	-	-	1,927,678
Building/property improvements	219,361	-	-	-	219,361
	814,638,205	**95,205,519**	**(74,802,012)**	**(27,756,311)**	**807,285,401**

NOTES TO THE FINANCIAL STATEMENTS

12.2 Property, plant and equipment

Revaluation on land and buildings

All Freehold land and buildings of the entity was valued by Mr. Lochana I. Silva, an independent professional valuer on 31 March 2026 and the excess of Rs.186,012,236/- over the net book value as at 31 March 2026 has been credited to the revaluation reserve.

The fair value of the freehold land was determined based on the market comparable approach that reflects recent transaction prices for similar properties. The fair value measurement for all the lands has been categorised as a Level 3 fair value based on the inputs to the valuation technique used. A significant increase in the market value per perch used in arriving at fair value would result in a significant increase in fair value, and vice versa.

As at 31 March	Land extent	Building area	No of buildings	Date of valuation	Fair value (Rs.)
Property, plant and equipment					
Property at Kandy	Perches 18.7	Sq. ft 5,081	1	31.03.2026	105,386,900
Land at Boralesgamuwa	Perches 83.1	-	-	31.03.2026	87,255,000
Property at Negombo	Perches 31.1	Sq. ft 1,500	1	31.03.2026	57,485,000
Property at Colombo 06	Perches 39.58	Sq. ft 31,713	1	31.03.2026	591,641,100
Property at Ratmalana 1	Perches 83.41	Sq. ft.29,198	2	31.03.2026	258,175,100
Property at Ratmalana 2	Perches 11.80	Sq. ft.3,654	1	31.03.2026	24,235,300
					1,124,178,400

Fair value hierarchy

The table below analyse non financial instruments measured at fair value at the end of the reporting period, by the level of the fair value hierarchy.

Land and Buildings	Level 1 (Rs.)	Level 2 (Rs.)	Level 3 (Rs.)	Total (Rs.)
31 March 2026	-	-	1,124,178,400	1,124,178,400

The fair value measurement has been categorised as level 3 fair value based on the inputs to the valuation techniques used.

Valuation techniques and significant unobservable inputs

The following table shows the valuation techniques used in measuring the fair value of land and buildings, as well as the significant unobservable input used.

NOTES TO THE FINANCIAL STATEMENTS

12.2 Property, plant and equipment (Contd.)

Location	Valuation technique	Significant unobservable inputs	Significant unobservable inputs - Valued at
Property at Kandy	Open market	Price per perch and sq.ft	4,300,000/- per perch and 4,916 per Sq.ft
Land at Boralesgamuwa	Open market	Price per perch	1,050,000/- per perch
Property at Negombo	Open market	Price per perch and sq.ft	1,650,000/- per perch and 4,113 per Sq.ft
Property at Colombo 06	Open market	Price per perch and sq.ft	12,000,000/- per perch and 3,679 per Sq.ft
Property at Ratmalana 1	Open market	Price per perch and sq.ft	1,450,000/- per perch and 4,700 per Sq.ft
Property at Ratmalana 2	Open market	Price per perch and sq.ft	1,450,000/- per perch and 1,950 per Sq.ft

Increase/decrease in price per perch/Sq.ft have a positive correlation with the fair value of the land and buildings.

The carrying amount of revalued land and buildings at cost less depreciation and impairment, would be as follows:

	2026 Rs.	2025 Rs.
Land and land development		
Cost	150,789,665	150,789,665
Disposals	-	-
Carrying value	**150,789,665**	**150,789,665**
Buildings		
Cost	249,355,266	226,992,811
Additions	-	22,362,455
Accumulated depreciation and impairment	(91,594,502)	(83,742,039)
Carrying value	**157,760,764**	**165,613,227**

13. Right of use assets

	2026 Rs.	2025 Rs.
Cost		
Balance at the beginning of the year	133,190,273	116,058,355
Additions during the year	54,416,921	17,635,235
Terminated during the year	-	(503,317)
Balance at the end of year	**187,607,194**	**133,190,273**
Accumulated amortisation		
Balance at the beginning of the year	113,232,268	101,240,050
Amortisation for the year	17,223,037	11,992,218
Balance at the end of the year	**130,455,305**	**113,232,268**
Net book value of the right of use of assets	**57,151,889**	**19,958,005**

NOTES TO THE FINANCIAL STATEMENTS

14. Investment property - market value

	2026 Rs.	2025 Rs.
Cost		
Balance at the beginning of the year	51,750,000	49,300,000
Net gain / (loss) from fair value adjustment	2,050,000	2,450,000
Balance at the end of the year	**53,800,000**	**51,750,000**
Amount recognised in profit or loss for investment properties		
Fair value gain recognized as other income	2,050,000	2,450,000

Fair value investment property

Investment property at Panadura was valued by Mr.Lochana I. Silva, an independent professional valuer on 31 March 2026 and the excess of Rs.2,050,000 over the net book value as at 31 March 2026 has been credited to statement of profit or loss.

As at 31 March	Land extent	Date of valuation	Fair value Rs.
Investment property			
Land at Panadura	Perches 44.9	31.03.2026	53,800,000

The fair value measurement has been categorised as level 3 fair value based on open market valuation technique.

Valuation techniques and significant unobservable inputs

The following table shows the valuation techniques used in measuring the fair value of investment property, as well as the significant unobservable input used.

Location	Valuation technique	Significant unobservable inputs	Significant unobservable inputs - Valued at
Land at Panadura	Open market	Price per perch	1,198,218/- per perch

Increase/decrease in price per perch have a positive correlation with the fair value of the land.

NOTES TO THE FINANCIAL STATEMENTS

	Note	2026 Rs.	2025 Rs.
15. Intangible assets - computer software			
Cost			
Balance at the beginning of the year		14,457,433	14,457,433
Additions during the year		-	-
Disposals during the year		-	-
Balance at the end of the year		**14,457,433**	**14,457,433**
Amortization			
Balance at the beginning of the year		14,457,433	14,457,433
Additions during the year		-	-
Disposals during the year		-	-
Balance at the end of the year		**14,457,433**	**14,457,433**
Net book value		**-**	**-**
16. Financial investments			
16.1 Current financial investments			
Bank deposits at amortised cost		1,099,560,762	361,183,286
		1,099,560,762	**361,183,286**
17. Inventories			
Raw materials		1,099,215,866	960,564,802
Work-in-progress		77,964,429	510,278,643
Finished goods - manufactured		13,255,089	11,291,643
Goods in transit		67,668,427	104,518,280
		1,258,103,811	**1,586,653,368**
Less: Provision for slow moving inventory	17.1	(175,006,940)	(149,163,050)
		1,083,096,871	**1,437,490,318**
17.1 Movement for the provision for slow moving inventory ;			
Balance at the beginning of the year		149,163,050	128,430,905
Provisions made		25,843,890	20,732,145
Balance at the end of the year		**175,006,940**	**149,163,050**

NOTES TO THE FINANCIAL STATEMENTS

	Note	2026 Rs.	2025 Rs.
18. Trade and other receivables			
Financial assets			
Trade debtors		431,368,853	388,945,921
Less: Provision for impairment of debtors	18.1	(141,849,803)	(73,964,819)
		289,519,050	**314,981,102**
Retention and instalment receivables		-	1,062,435
Loans to employees		198,419	1,264,067
		289,717,469	**317,307,604**
Non financial assets			
Other receivables		15,529,853	46,011,842
		305,247,322	**363,319,446**

18.1 Movement of the provision for impairment of debtors ;

	2026 Rs.	2025 Rs.
Balance at the beginning of the year	73,964,819	26,697,806
Impairment provision recognized during the year	67,884,984	47,267,013
Balance at the end of the year	**141,849,803**	**73,964,819**

As at 31 March, the ageing analysis of trade receivables are, as follows;

	Total Rs.	Neither due nor impaired Rs.	Past due but not impaired				
			0 - 30 days Rs.	31 - 60 days Rs.	61 - 90 days Rs.	91-120 days Rs.	Over 120 days Rs.
2026	**431,368,853**	**82,069,550**	**21,289,043**	**34,725,593**	**15,323,228**	**1,168,900**	**276,792,539**
2025	388,945,921	146,136,803	69,929,098	71,356,555	45,485,573	5,527,292	50,510,600

Refer Note 36 on credit risk of trade receivables, which explains how the Company manages and measures credit quality of trade receivables.

	Note	2026 Rs.	2025 Rs.
19. Advances, deposits and prepayments			
Advances		281,992,933	403,268,587
Deposits		18,591,050	13,992,199
Prepayments		10,206,988	27,573,725
		310,790,971	**444,834,511**

NOTES TO THE FINANCIAL STATEMENTS

	Note	2026 Rs.	2025 Rs.
20. Amounts due from related parties			
Related Party - trade receivables		1,223,614,742	571,189,963
Related Party - non-trade receivables		591,501	591,501
		1,224,206,243	**571,781,464**
Due from related parties balances are receivable on demand and carry no interest, also does not hold any collateral.			
21. Cash at bank and in hand			
Cash in hand		3,304,308	8,945,375
Cash at bank		305,028,946	351,475,475
		308,333,254	**360,420,850**

	Note	No. of Shares	Value. of Shares
22. Stated capital			
At 31 March 2026		**5,110,560**	**186,732,000**
At 31 March 2025		5,110,560	186,732,000

	Note	2026 Rs.	2025 Rs.
22.1 Revaluation reserve			
Balance at the beginning of the year		467,759,623	467,759,623
Deferred tax on revaluation surplus		130,208,565	-
Balance at the end of the year		**597,968,188**	**467,759,623**
23. Interest bearing loans and borrowings			
23.1 Long term borrowings			
Term loan	23.3	-	5,000,000
Lease liability	23.4	48,227,697	15,612,610
		48,227,697	**20,612,610**
23.2 Short term borrowings			
Lease liability	23.4	12,774,032	7,502,820
Term loans	23.3	-	15,000,000
Import loans		-	24,706,179
Short term loans		69,963,197	64,221,583
Accrued for interest		-	306,192
		82,737,229	**111,736,774**

NOTES TO THE FINANCIAL STATEMENTS

	Note	2026 Rs.	2025 Rs.
23.3 Term loans from banks			
Balance at the beginning of the year		20,000,000	35,000,000
Payment made during the year		(20,000,000)	(15,000,000)
Balance at the end of the year		**-**	**20,000,000**
Amounts re-payable within 1 year		-	15,000,000
Amounts re-payable after 1 year		-	5,000,000
23.4 Lease liability			
Balance at the beginning of the year		23,115,430	21,944,497
Additions during the year		48,270,322	16,208,562
Interest cost		5,452,493	3,536,049
Terminated during the year		-	(627,683)
Payment made during the year		(15,836,516)	(17,945,995)
Balance at the end of the year		**61,001,729**	**23,115,430**
Amounts re-payable within 1 year		12,774,032	7,502,820
Amounts re-payable after 1 year		48,227,697	15,612,610

The maturity analysis of gross lease liabilities as at 31 March

	2026 Rs.	2025 Rs.
Within 01 year	14,435,780	9,986,516
01 to 05 years	54,970,932	22,010,316
More than 5 years	9,292,812	-
Total	**78,699,524**	**31,996,832**

NOTES TO THE FINANCIAL STATEMENTS

23.5 Terms and conditions of borrowing facilities

Facility	Security
Import and hypothecation loans	
People's Bank	LKR 250.0 Mn mortgage over trade receivables and undertaking of Abans PLC to settle invoices within 60days
Hatton National Bank PLC	Primary floating mortgage bond for LKR 400.0 Mn over stocks and book debts
Sampath Bank PLC	Floating hypothecation bond for LKR 362.0 Mn over stocks and book debts
Commercial Bank of Ceylon PLC	Floating Primary Mortgage for LKR 550.0 Mn over Stocks and Book Debts
DFCC Bank PLC	LKR 350.0 Mn mortgage over stocks and book debts
Nation Trust Bank PLC	LKR 150.0 Mn mortgage over stock and book debts
Term loan facilities	
Commercial Bank of Ceylon PLC	Floating Primary Mortgage for LKR 550.0 Mn over Stocks and Book Debts
Short term loan facilities	
DFCC Bank PLC	LKR 350.0 Mn mortgage over stocks and book debts
Overdraft Facilities	
Hatton National Bank PLC	Primary floating mortgage bond for LKR 60.0 Mn over land and buildings situated at No. 126, Airport Road, Ratmalana
Sampath Bank PLC	Floating hypothecation bond for LKR 362.0 Mn over stocks and book debts, LKR 20.0 Mn over the company trading Stock
Bank of Ceylon	LKR 10.0 Mn over the company trading Stock
People's Bank	LKR 30.0 Mn mortgage over stocks
Union Bank of Colombo PLC	LKR 30.0 Mn over the company trading Stock
Commercial Bank of Ceylon PLC	Floating primary mortgage for LKR 550.0 Mn over stocks and book debts
DFCC Bank PLC	LKR 350.0 Mn mortgage over stocks and book debts
Nation Trust Bank PLC	LKR 10.0 Mn mortgage over stocks and book debts
Lease Facility	
Commercial Bank of Ceylon PLC	Mortgage over leased assets
Letter of Guarantee Facility	
Sampath Bank PLC	Master counter indemnity of the company for LKR 5.0 Mn
DFCC Bank PLC	LKR 350.0 Mn mortgage over stocks and book debts
Nation Trust Bank PLC	LKR 150.0 Mn mortgage over stocks and book debts.

Unutilised banking facilities are amounting to Rs. 255 Mn overdraft facilities and Rs. 2,062 Mn import / short term loan facilities as at 31 March 2026.

NOTES TO THE FINANCIAL STATEMENTS

24. Retirement benefit obligation

	Note	2026 Rs.	2025 Rs.
Balance at the beginning of the year		128,787,364	106,204,862
Interest cost		12,878,737	12,744,583
Current service cost		14,428,429	12,413,669
Actuarial (gain) / loss		6,238,276	7,447,759
		162,332,806	**138,810,873**
Less : payments made during the year		(14,092,266)	(10,023,509)
Less : transfers during the year		(960,276)	-
Balance at the end of the year		**147,280,264**	**128,787,364**

The retirement benefit liability of the company is based on the actuarial valuation carried out by Actuarial & Management Consultant (Pvt) Ltd. The valuation method used by the actuary was "Projected Unit Credit Method".

The principal assumptions used in determining the cost of retirement benefits were:

	2026	2025
Discount rate	10.0%	10.0%
Expected rate of salary increase	10.0%	12.0%
Retirement age	60	60

The amounts recognised in the comprehensive income are as follows:

	2026	2025
Current service cost	14,428,429	12,413,669
Interest cost	12,878,737	12,744,583

The amount recognised in the other comprehensive income is as follows:

	2026	2025
Actuarial (gain) / loss	6,238,276	7,447,759

Sensitivity Analysis

Reasonable possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant would have affected the defined benefit obligation and defined benefit obligation would be ;

	2026	2025
+1% point increase on discount rate	142,146,745	124,553,367
-1% point decrease on discount rate	152,819,101	133,342,155
+1% point increase on salary increment rate	153,431,754	133,856,301
-1% point decrease on salary increment rate	141,479,558	123,992,418

NOTES TO THE FINANCIAL STATEMENTS

	Note	2026 Rs.	2025 Rs.
24. Retirement benefit obligation (Cont'd)			
Maturity analysis of the payments			
The following payments are expected on employee benefit plan - gratuity in future years.			
Within the next 12 months		30,010,053	28,832,734
Between 1 and 2 years		45,072,464	41,297,913
Between 2 and 5 years		39,813,075	33,309,529
Between 5 and 10 years		24,797,347	19,692,401
Beyond 10 years		7,587,325	5,654,787
Total expected payments		**147,280,264**	**128,787,364**
Weighted average duration (years) of defined benefit obligation			
Manufacturing department		4.7	4.5
Service department		3.6	3.2
25. Deferred tax liability			
Balance at the beginning of the year		108,219,832	164,403,113
Amount originated / (reversed) during the year			
- Statement of profit or loss		(91,471,669)	(53,948,953)
- Statement of other comprehensive income		53,932,188	(2,234,328)
Balance at the end of the year		**70,680,351**	**108,219,832**

Net deferred tax asset / liability are attributed to the following as at the year end;

	Deferred tax liability			Deferred tax asset			
	Property, plant and equipment Rs.	Intangible assets Rs.	Investment properties Rs.	Right to use assets Rs.	Provisions Rs.	Retirement benefit obligation Rs.	Total Rs.
Temporary differences							
Balance at 1st April 2024	295,272,896	95,855	8,742,000	(127,927)	(106,900,817)	(32,678,893)	164,403,113
Recognised in profit or loss	(1,827,579)	-	735,000	(371,176)	(46,933,284)	(5,551,914)	(53,948,953)
Recognised in other comprehensive income	-	-	-	-	-	(2,234,328)	(2,234,328)
Balance at 1st April 2025	**293,445,317**	**95,855**	**9,477,000**	**(499,103)**	**(153,834,101)**	**(40,465,135)**	**108,219,832**
Recognised in profit or loss	(33,284,218)	-	615,000	(655,849)	(56,299,141)	(1,847,461)	(91,471,669)
Recognised in other comprehensive income	55,803,671	-	-	-	-	(1,871,483)	53,932,188
Balance at 31st March 2026	**315,964,770**	**95,855**	**10,092,000**	**(1,154,952)**	**(210,133,242)**	**(44,184,079)**	**70,680,351**

NOTES TO THE FINANCIAL STATEMENTS

	Note	2026 Rs.	2025 Rs.
26. Trade and other payables			
Financial liability			
Trade creditors		245,894,662	220,406,849
Foreign supplier payable		292,786,773	126,839,001
Accrued charges		99,663,744	62,677,199
Other payables		271,007,822	204,389,695
		909,353,001	**614,312,744**
Non financial liability			
Provisions		187,403,325	169,593,217
Advances from customers		261,120,232	450,115,517
Social security contribution levy payable		19,238,841	13,775,670
Value added tax payable		57,725,324	-
		525,487,722	**633,484,404**
		1,434,840,723	**1,247,797,148**
27. Income tax payable / (receivable)			
Balance at the beginning of the year		215,863,918	132,612,595
Income tax for the year	9.1	360,625,160	268,703,757
		576,489,078	**401,316,352**
Income tax paid		(263,973,765)	(185,452,434)
Balance at the end of the year		**312,515,313**	**215,863,918**
28. Contract liabilities			
28.1 Deferred service income			
Balance as at the beginning of the year		221,236,565	157,092,083
Service income contracts initiated during the year		262,388,020	232,501,952
Revenue recognised from contracts initiated during the year		(14,025,928)	(53,171,932)
Revenue recognised from contracts initiated during previous years		(174,902,280)	(115,185,538)
Balance at the end of the year		**294,696,377**	**221,236,565**
Amount to be amortized within 1 year		235,111,562	174,902,280
Amount to be amortized after 1 year		59,584,815	46,334,285

Deferred service income consists of the income received for under - warranty charges for selected products and customer advances received for future maintenance services to be performed.

NOTES TO THE FINANCIAL STATEMENTS

	Note	2026 Rs.	2025 Rs.
29. Amounts due to related parties			
Related party - trade payables		222,391,776	176,556,547
Related party - non-trade payables		-	64,166,667
		222,391,776	**240,723,214**

Dues to related parties are payable on demand bears no interest, further there was no collateral issued.

30. Related party disclosures

30.1 Details of transactions carried out with related companies

Company	Relationship	Nature of Transaction	2026 Received/ (paid) Rs.	2025 Received/ (paid) Rs.
Abans PLC.	Significant Shareholder	Sales of goods/ services Wharf expenses Purchases/Services	5,050,197,074 (37,206,741) (95,826,742)	2,417,365,441 (7,511,046) (61,453,095)
Abans Marketing (Pvt) Ltd.	Affiliate	Rent expenses	(4,200,000)	(4,200,000)
Crown City Developers (Pvt) Ltd.	Affiliate	Logistic expense Sales of goods/ services	(76,800) 339,407	(398,339) -
Abans Engineering (Pvt) Ltd.	Affiliate	Purchases/Services Sales of goods/ services	(9,313,418) 6,117,921	(2,045,467) 5,394,920
ABS Courier (Pvt) Ltd.	Affiliate	Courier charges	(10,954,488)	(3,927,131)
Abans Finance PLC.	Affiliate	Sales of goods/ services	1,959,831	292,837
AB Securitas (Pvt) Ltd.	Affiliate	Security charges	(52,290,118)	(15,303,550)
Abans Environmental (Pvt) Ltd.	Affiliate	Cleaning charges	(8,279,701)	(4,213,491)
Colombo City Centre (Pvt) Ltd.	Affiliate	Sales of goods/ services	35,719	-
Abans Auto (Pvt) Ltd.	Affiliate	Motor vehicle maintenance Sales of goods/ services	(11,438,900) 2,126,213	- -
Abans Logistic (Pvt) Ltd.	Affiliate	Purchases/ services	(34,166,181)	(17,412,814)
Sirius Technologies Services (Pvt) Ltd.	Affiliate	Network maintain expenses	(72,100,758)	(32,089,129)
ABS Gardiner Dixon Hall international (Pvt) Ltd.	Affiliate	Printing and advertisement, building maintenance expenses	(9,882,293)	(5,013,194)
A B Manufacturing (Pvt) Ltd.	Affiliate	Sales of goods / services Purchases/Services	515,835,786 (99,267,375)	419,738,772 (113,877,588)
Facility Management Integrated (Pvt) Ltd.	Affiliate	Cleaning Expenses	(52,356)	(67,979)
Cleantech (Pvt) Ltd.	Affiliate	Sales	1,638,984	132,288

The balance outstanding as at the reporting date disclosed under note 20 and 29. The above transactions have been carried out in normal commercial terms.

NOTES TO THE FINANCIAL STATEMENTS

30.2 Recurrent transaction with related parties

Name of the related party	Relationship	Nature of transaction	Aggregate value of the related party transactions entered into during the financial year	Aggregate value of the related party transactions as a % of net revenue/ income	Terms and conditions of the related party transactions
Abans PLC	Significant shareholder	Sales of goods and services	5,050,197,074	65%	Normal commercial terms

Other than above transaction, There were no recurrent transactions carried out with related parties during the year where the aggregate value of transaction exceeds 10% of gross revenue/income.

30.3 Non-recurrent transaction with related parties

There were no non recurrent transactions carried out with related parties during the year where the aggregate value of transaction exceeds 10% of equity or 5% of total assets which ever is lower.

31. Transactions with key management personnel (KMPs)

According to LKAS 24, KMPs are those having authority and responsibility for planning, directing and controlling the activities of the entity. Such KMPs include the board of directors and chief executive officer of the company.

	Note	2026 Rs.	2025 Rs.
Post employee benefits		4,083,712	4,346,496
Short term employee benefits		14,424,648	17,289,456
		18,508,360	**21,635,952**

32. Commitments

There are no material commitments outstanding as at the reporting date.

33. Events after the reporting period

There have been no material events occurring after the reporting date that require adjustments to or disclosure in the Financial Statements except for below.

33.1 First and final dividends declared

On 20th August 2026, the board of directors of the Company via a board resolution decided to declare first and final dividend for the financial year ended 31 March 2026 amounting to Rs. 132,874,560/- (Rs. 26/- per share).

34. Contingent liabilities

There were no contingent liabilities as at the end of the reporting date other than Letter of Credit opened with banks favouring suppliers amounting to LKR 68.65 Mn.

NOTES TO THE FINANCIAL STATEMENTS

35. Business segmental information

The company comprises the following three business segments.

Segment	Products and services
Manufacturing and assembling	Manufacturing, assembling and sale of selected range of consumer durable products and design, installation, maintenance & servicing of rooftop Solar PV systems.
Service	Installation, repairs and maintenance, including all after sales services, of electrical and household appliances sold by Abans PLC.

Segmentation analysis is as below ;

	2026			2025		
Business segment	**Manufacturing**	**Services**	**Total**	**Manufacturing**	**Services**	**Total**
Turnover and results						
Revenue						
- Manufacturing and assembling	2,957,300,707	-	2,957,300,707	2,047,027,567	-	2,047,027,567
- Services	555,894,092	2,356,549,843	2,912,443,935	388,880,980	1,835,084,246	2,223,965,226
- Solar installation	1,860,336,330	-	1,860,336,330	2,436,220,800	-	2,436,220,800
Total	**5,373,531,129**	**2,356,549,843**	**7,730,080,972**	**4,872,129,347**	**1,835,084,246**	**6,707,213,593**
Profit for the year-before taxation	660,139,898	201,596,670	861,736,567	555,411,273	159,502,759	714,914,032
Operating assets and liabilities						
Segment assets	3,625,494,020	2,339,936,321	5,965,430,341	3,126,965,469	1,878,306,120	5,005,271,589
Segment liabilities	1,708,781,749	904,587,981	2,613,369,730	1,570,759,825	724,217,600	2,294,977,425
Other information						
Capital expenditure	28,788,619	85,087,143	113,875,762	131,352,220	70,513,411	201,865,631
Recognition of right of use assets	-	54,416,921	54,416,921	-	17,635,235	17,635,235
Depreciation and amortization	76,813,938	18,391,581	95,205,519	70,974,124	11,885,220	82,859,344
Amortization of right of use asset	-	17,223,037	17,223,037	-	11,992,218	11,992,218
Provision for retirement benefit obligation	9,573,596	17,733,570	27,307,166	10,066,613	15,091,639	25,158,252

Segment information is presented in respect of the company's business segments. Segment results, assets and liabilities include those items directly attributable to a segment.

NOTES TO THE FINANCIAL STATEMENTS

36. Financial risk management

Financial risk comprises the potential loss to earnings and /or the capital position arising from Liquidity Risk, Currency Risk and Interest Rate Risk. So, Management is in the position to mitigate the risk by monitoring of liquidity position and assessment of future cash requirements through rolling forecast, keeping long outstanding relationships with correspondent banks and also maintaining diversified funding systems. Company has entered into a fixed term interest rate contracts for long term borrowings and there by interest rate risk can be reduced. Short term borrowings are exposed to fluctuation of interest rates due to contracted floating rates. Management continuously monitors fluctuations for proactive actions to mitigate the possible losses. The foreign supplier payables shown under the trade payable are exposed to exchange rate fluctuations.

The Company's management monitors regularly and manages the financial risks relating to the operations of the Company by analysing exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and equity price risk), credit risk and liquidity risk.

1. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The company`s activities expose it primarily to the financial risks of changes in foreign currency exchange rates, interest rates and equity prices.

a) Interest rate risk

Interest rate risk is the sensitivity of the Company's financial condition to future movements in interest rates. The Company is exposed to interest rate risk as a result of mismatches or 'gaps' in the amounts of assets and liabilities that mature or reprice in a given period.

Based on the Company's financial assets and liabilities held at the year end, an assumed 50 basis points increase in interest rate, with all other variables held constant, would impact the Company's profit as follows:

Movements in basis points	Effect on profit and equity	
	2026 **Rs.**	**2025** **Rs.**
+50	5,147,988	1,259,747
-50	(5,147,988)	(1,259,747)

b) Equity price risk

Equity price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual security, or its issuer, or factors affecting all securities traded in the market.

The Company is not exposed to equity risk as they do not have equity investments.

c) Foreign currency risk

The company undertakes certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company has exposure to foreign currency risk where it has foreign currency transactions which are affected by foreign exchange movements.

The company imports considerable amount of its total product offerings which are subject to the risk of foreign exchange rate increase that would adversely affect cost of purchases.

NOTES TO THE FINANCIAL STATEMENTS

36. Financial risk management (Cont'd)

As explained above, the company exposed to foreign currency risk mainly from foreign supplier payables.
Sensitivity analysis of the exchange rate risk on foreign supplier payables.

	Foreign exchange value	Currency	Exchange rate	Rupee value as at 31 March	Exchange rate increase in Rs.1/-	Exchange rate increase in Rs.2/-	Exchange rate increase in Rs.3/-	Exchange rate increase in Rs.4/-
31 March 2026	928,860	Dollars	319.31	296,594,277	297,523,137	298,451,997	299,380,857	300,309,717
31 March 2025	71,968	Dollars	305.52	21,987,737	22,059,705	22,131,673	22,203,641	22,275,610

Potential loss compared to 31 March 2026	928,860	1,857,720	2,786,580	3,715,440
% of loss	0.31%	0.63%	0.94%	1.25%
Potential loss compared to 31 March 2025	71,968	143,936	215,905	287,873
% of loss	0.33%	0.65%	0.98%	1.31%

NOTES TO THE FINANCIAL STATEMENTS

36. Financial risk management (Cont'd)

2) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from Company's Cash at bank, trade receivables and amount due from related parties, financial investments at amortised cost.

A review of age analysis of trade receivables and follow-up meetings are carried out by the Finance division with respective business unit managers on weekly basis.

The Company has taken necessary steps to monitor creditors more closely and frequently to ensure that the payables are settled on time.

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:

	Gross Exposure		Net Exposure	
	As at 31.03.2026	As at 31.03.2025	As at 31.03.2026	As at 31.03.2025
Cash at bank	305,028,946	351,475,475	305,028,946	351,475,475
Amounts due from related parties	1,224,206,243	571,781,464	1,224,206,243	571,781,464
Trade and other receivables	431,567,272	391,272,423	431,567,272	391,272,423
Financial instruments at amortized cost	1,099,560,762	361,183,286	1,099,560,762	361,183,286

Financial asset and financial liabilities carrying value approximate to its fair value.

3) Liquidity risk

This is the risk that the Company will encounter in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. In the management of liquidity risk, the Company monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Company's operations and to mitigate the effects of fluctuations in cash flows. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, finance leases and bank loans. Access to sources of funding is sufficiently available.

In order to minimize the impact on the liquidity position, the company has taken several initiatives which include applying for refinancing and rescheduling arrangements of banking facilities and curtailing of non-essential capital and revenue expenditures and deferment of some capital expenditures and recruitments. The company also taking measures to expedite the debtor recovery process and proactively engaging with suppliers to renegotiate of payment terms to manage the liquidity position.

NOTES TO THE FINANCIAL STATEMENTS

36. Financial risk management (Cont'd)

Following table represents contractual maturity analysis;

	Less than 3 months	3-6 months	6-12 months	Total
Current liabilities				
31 March 2026				
Current liabilities, other than lease liability and contract Liabilities	1,657,232,498	312,515,313	69,963,198	2,039,711,009
Lease liability	1,631,650	4,094,190	7,048,192	12,774,032
	1,658,864,148	**316,609,503**	**77,011,390**	**2,052,485,041**
31 March 2025				
Current liabilities, other than lease liability and contract Liabilities	1,437,784,735	296,215,797	74,617,702	1,808,618,234
Lease liability	1,679,695	1,823,457	3,999,668	7,502,820
	1,439,464,430	**298,039,254**	**78,617,370**	**1,816,121,054**

	1-3 years	More than 3 years	Total
Non-Current liabilities			
31 March 2026			
Borrowings	-	-	-
Lease liability	30,611,002	17,616,695	48,227,697
	30,611,002	**17,616,695**	**48,227,697**
31 March 2025			
Borrowings	5,000,000	-	5,000,000
Lease liability	15,612,610	-	15,612,610
	20,612,610	**-**	**20,612,610**

37. Reclassification of comparatives

Below comparative figures have been reclassified to comply with current year presentation

Impact on the statement of financial position for the year ended 31 March 2025

	Previously reported	Impact of Adjustment	Reclassified Amount
Current liability			
Trade and other payables	1,372,882,923	(125,085,775)	1,247,797,148
Amounts due to related parties	115,637,439	125,085,775	240,723,214

The above reclassification did not have any impact on other comprehensive income, statement of profit or loss, earnings per share, operating cashflows, investing and financing cash flows fo the year ended 31 March 2025.

SHAREHOLDER & INVESTOR INFORMATION

01. Stated Capital

As at 31st March	2026		2025	
	No. of Shares	Value in LKR	No. of Shares	Value in LKR
Ordinary Voting Shares	5,110,560	186,732,000	5,110,560	186,732,000

* Voting Rights - One vote per Ordinary Share

02. Stock Exchange Listing

This issued shares of the Company are listed on the Colombo Stock Exchange.

03. Market Value per Share

The transacted values of an ordinary share of Abans Electricals PLC are as follows;

As at 31st March	2026 LKR	2025 LKR
Highest Price	1,625.00	500.00
Lowest Price	350.00	160.00
As at Balance Sheet Date	1,130.00	386.75

04. Market Capitalization

As at 31st March	2026 LKR	2025 LKR
Market Capitalization Value	5,774,932,800	1,976,509,080
Float Adjusted Market Capitalization	2,173,748,230	743,979,759

* The Company has complied with the minimum public holding requirement under Option 05.

05. Public Holding

As at 31st March	2026 LKR	2025 LKR
Total number of shares Issued	5,110,560	5,110,560
No of Shares held by the Public	1,923,671	1,923,671
Percentage of Shares held by the Public	37.64%	37.64%
No of public shareholders	2,411	1,567

06. Distribution Of Shareholding

	31st March 2026			31st March 2025		
Shareholding	No of Shareholders	No of Shares	%	No of Shareholders	No of Shares	%
1-1,000	2,236	267,472	5.23	1,405	179,373	3.51
1,001-10,000	153	440,366	8.62	138	434,635	8.50
10,001-100,000	23	879,884	17.22	24	794,308	15.54
100,001-1,000,000	4	1,069,771	20.93	5	1,249,177	24.44
Over 1,000,000	1	2,453,067	48.00	1	2,453,067	48.00
Grand Total	**2,417**	**5,110,560**	**100.00**	**1,573**	**5,110,560**	**100.00**

07. Composition Of Shareholding

	31st March 2026			31st March 2025		
Category	No of Shareholders	No of Shares	%	No of Shareholders	No of Shares	%
Individual	2,338	2,334,786	45.69	1,509	2,263,600	44.29
Institutional	79	2,775,774	54.31	64	2,846,960	55.71
Grand Total	**2,417**	**5,110,560**	**100.00**	**1,573**	**5,110,560**	**100.00**

08. Analysis Of Shareholders

	31st March 2026			31st March 2025		
Category	No of Shareholders	No of Shares	%	No of Shareholders	No of Shares	%
Resident	2,400	5,033,987	98.50	1,561	5,031,296	98.45
Non-Resident	17	76,573	1.50	12	79,264	1.55
Grand Total	**2,417**	**5,110,560**	**100.00**	**1,573**	**5,110,560**	**100.00**

09. Twenty Major Shareholders of the Company

Name	31st March 2026		31st March 2025	
	No of Shares	% of issued Capital	No of Shares	% of issued Capital
Abans PLC	2,453,067	48.00	2,453,067	48.00
Mrs. S. Dubash	334,628	6.55	334,628	6.55
Mr. R. Pestonjee	311,405	6.09	316,636	6.20
Mrs. A. Pestonjee	293,438	5.74	293,438	5.74
Mr. A.J.M. Jinadasa	130,300	2.55	133,000	2.60
People's Leasing & Finance PLC/Mr. K.K.Shujeevan	94,895	1.86	94,895	1.86
Miss. A.H. Mathew	85,738	1.68	-	-
Mr. M.M. Roche	85,737	1.68	-	-
Cleantech (Pvt) Ltd	79,437	1.55	79,437	1.55
Dr. K. Poologasundram	72,076	1.41	72,076	1.41
Mr. L.T.R.S.L. Jayawardhana	54,300	1.06	-	-
Mr. G.C. Goonetilleke	46,475	0.91	46,475	0.91
Mrs. B.S. Rasanayagam	43,680	0.85	43,680	0.85
Mr. A. Sithampalam	38,281	0.75	38,281	0.75
Sampath Bank PLC/Mr. Abishek Sithampalam	35,132	0.69	-	-
Tranz Dominion L.L.C.	31,611	0.62	31,611	0.62
Mr. M.S.S. Sarjee	30,456	0.60	-	-
Mr. T. Liyanage	23,868	0.47	23,868	0.47
Mr. J.D. Jorge Calderon	23,344	0.46	23,344	0.46
Mr. S.S. Sithambaranathan	21,732	0.43	21,732	0.43
Others	820,960	16.06	1,104,392	21.61
Total	**5,110,560**	**100.00**	**5,110,560**	**100.00**

TEN YEAR SUMMARY

31 March		2026	2025	2024
OPERATING RESULTS IN LKR '000				
Revenue		7,730,081	6,707,214	6,123,806
Gross Profit		1,877,442	1,605,269	1,376,778
EBIT		884,135	770,354	772,748
Finance Cost		22,399	55,440	202,767
Profit before Tax		861,737	714,914	569,981
Tax Expense/(Reversal)		269,153	214,755	131,261
Profit after Tax		592,583	500,159	438,720
FINANCIAL POSITION IN LKR '000				
Property Plant & Equipment (PPE)		1,523,243	1,394,534	1,297,921
Non Current Assets other than PPE		110,952	71,708	64,118
Current Assets		4,331,235	3,539,030	3,786,229
Current Liabilities		2,287,597	1,991,023	2,539,124
Non Current Liabilities		325,773	303,954	342,691
Shareholders' Fund		3,352,061	2,710,294	2,266,454
Total Debt		130,965	132,349	886,883
CASH FLOWS IN LKR '000				
Net cash flows from / (used in) Operating Activities		781,459	1,179,082	773,287
Net cash flows from / (used in) investing activities		(701,781)	(133,745)	150,313
Net cash flows from / (used in) financing activities		(131,766)	(815,856)	(628,265)
Net increase / (decrease) in cash and cash equivalents		(52,088)	229,481	295,335
KEY INDICATORS				
Basic Earnings per Share	LKR	115.95	97.87	85.85
Dividend per Share (Paid)	LKR	15.00	10.00	5.00
Interest Coverage	No. of Times	39.47	13.90	3.81
Current Ratio	No. of Times	1.89	1.78	1.49
Gearing (D/D+E)	%	3.76	4.66	28.13
Net Asset per Share	LKR	655.91	530.33	443.48
Market Price per Share	LKR	1,130.00	386.75	159.50
Return on Equity	%	17.68	18.45	19.36
Dividend payout ratio	%	12.94	10.22	5.82

2023	2022	2021	2020	2019	2018	2017
5,246,866	4,329,171	3,129,718	2,986,136	2,870,558	3,492,566	4,028,610
876,335	548,665	473,355	441,348	397,554	392,845	434,017
482,011	216,058	232,733	202,539	144,017	154,356	159,937
297,154	81,569	69,118	77,278	67,470	62,417	79,298
184,857	134,488	163,615	125,261	76,546	91,939	80,639
51,338	30,273	(1,673)	38,688	2,202	48,237	25,239
133,520	104,215	165,288	86,573	74,344	43,701	55,400

1,428,746	1,393,954	1,299,223	1,290,046	1,220,449	966,037	608,224
119,502	141,774	450,739	429,759	339,385	202,279	147,586
3,348,990	3,801,972	2,043,286	1,476,782	1,234,689	1,424,676	1,724,440
2,648,679	3,232,819	1,782,387	1,326,524	1,062,520	1,161,260	1,507,926
391,143	346,280	354,072	438,588	382,352	252,467	132,065
1,857,416	1,758,602	1,656,789	1,431,475	1,349,651	1,179,265	840,259
1,713,174	1,224,789	821,295	623,412	632,088	413,040	723,228

(550,557)	(46,994)	(125,531)	226,503	55,249	100,903	(37,201)
(47,632)	(179,624)	(9,331)	(127,667)	(273,419)	(16,327)	(109,015)
394,807	199,066	188,685	(122,970)	195,772	(29,051)	118,875
(203,383)	(27,552)	53,822	(24,135)	(22,398)	55,525	(27,341)

26.13	20.39	32.34	16.94	14.55	8.55	10.84
5.00	3.00	1.50	3.00	2.00	3.00	3.00
1.62	2.65	3.37	2.62	2.13	2.47	2.02
1.26	1.18	1.15	1.11	1.16	1.23	1.14
47.98	41.05	33.14	30.34	31.90	25.94	46.26
363.45	344.11	324.19	280.10	264.09	230.75	164.42
158.00	161.75	159.50	60.30	52.00	84.30	88.20
7.19	5.93	9.98	6.05	5.51	3.71	5.56
19.14	14.71	4.64	17.71	13.75	35.09	27.68

VALUE ADDED STATEMENT

	2026			2025		
	Manufacturing	Service	Total	Manufacturing	Service	Total
Economic Value Generated						
Revenue	5,373,531,128	2,356,549,843	7,730,080,971	4,872,129,347	1,835,084,246	6,707,213,593
Finance Income	29,169,591	31,570,673	60,740,264	4,188,178	30,307,304	34,495,482
Profit on Sale of Assets	3,239,604	10,518,809	13,758,413	7,102,161	618,642	7,720,803
Other Income	19,169,891	21,311,583	40,481,474	26,152,499	46,496,411	72,648,910
Valuation Gain from Investment Property	-	2,050,000	2,050,000	-	2,450,000	2,450,000
	5,425,110,214	**2,422,000,908**	**7,847,111,122**	**4,909,572,185**	**1,914,956,603**	**6,824,528,788**
Economic Value Distributed						
Operating Cost	4,284,022,902	1,450,854,373	5,734,877,275	3,911,294,752	1,167,718,188	5,079,012,939
Employee Wages and Benefits	395,126,698	725,723,247	1,120,849,946	357,290,342	552,323,640	909,613,982
Payments to Providers of Funds - Equity	76,658,400	-	76,658,400	51,105,600	-	51,105,600
Payments to Providers of Funds - Debt	8,221,592	14,176,914	22,398,506	45,015,527	10,423,114	55,438,641
Payments to Government	199,667,771	64,305,994	263,973,765	137,706,980	47,745,454	185,452,434
	4,963,697,362	**2,255,060,529**	**7,218,757,891**	**4,502,413,201**	**1,778,210,396**	**6,280,623,596**
Economic Value Retained						
Depreciation & Amortization	76,813,938	35,614,618	112,428,556	70,974,124	23,877,439	94,851,564
Profits after Dividends	384,598,914	131,325,761	515,924,675	336,184,860	112,868,768	449,053,628
	461,412,852	**166,940,379**	**628,353,231**	**407,158,984**	**136,746,207**	**543,905,192**

NOTICE OF MEETING

Dear Shareholders,

The Board of Directors of Abans Electricals PLC has decided to hold its 44th Annual General Meeting (AGM) by way of a Virtual Meeting on **25th September 2026**, at **10.30 a.m.** following the issuance of guidelines by the Colombo Stock Exchange (CSE) and Legal advice received thereon for hosting of Virtual AGMs for the following purposes:

1. To receive and adopt the Report of the Directors, the Audited Statement of Accounts of the Company for the year ended 31st March 2026 and Report of the Auditors thereon.

2. To declare first and final dividend of Rs 26/- per share for the year ended 31st March 2026 as recommended by the Directors.

3. To re-elect Mr. Dinal Mario Rex Phillips, a Director of the Company who retires by rotation in terms of Article 89 of the Articles of Association of the Company. The Directors recommend the re-election of Mr. Dinal Mario Rex Phillips, as a Director of the Company.

4. To re-elect Mrs. Aban Pestonjee, Chairperson of the company who being over seventy years of age retires in accordance with Section 210 of the Companies Act No.07 of 2007. A notice has been received from a shareholder of the intention to move a resolution in compliance with Section 211 of the Companies Act (Refer to Note 1). The Directors recommend the re-election of Mrs. Aban Pestonjee as a Director of the Company.

5. To re-appoint M/S Ernst & Young, auditors and to authorize the Directors to determine their remuneration.

By order of the Board

Varners International (Private) Limited
Company Secretaries
Level 14, West Tower, World Trade Center,
Echelon Square, Colombo 01.
31st August 2026

Notes :

1. A Notice was received from a shareholder of the Company giving notice of the intention to move the following as Ordinary Resolution at the forthcoming Annual General Meeting of the Company with regard to the re-election of Mrs. Aban Pestonjee who retires at the above General Meeting.

   " RESOLVED that Mrs Aban Pestonjee who is over seventy years of age be and is hereby re-elected as a Director of the Company and it is further specifically declared that the age limit of seventy years referred to in the section 210 of the Companies Act No. 07 of 2007 shall not apply to the said Mrs. Aban Pestonjee"

2. A member entitled to attend and vote at the meeting, is entitled to appoint a proxy to attend and vote on behalf of his/her and Form of Proxy is attached (Page No 115) to this Report for this purpose. A Proxy need not to be a member of the Company.

3. The instrument appointing a proxy is required to be deposited at the Registered Office of the Company at No.498, Galle Road, Colombo 03 or at the Office of the Secretaries at Level 14, West Tower, World Trade Centre, Echelon Square, Colombo 01 or No. 05, Bethesda Place, Colombo 04 not less than forty eight (48) hours before the time fixed for the meeting.

Method of Holding the AGM / Electronic Platform

Only the key officials who are essential for the administration of the formalities of the meeting will be physically present in the venue and all others including shareholders will participate via an online meeting platform in line with the guidelines issued by the Colombo Stock Exchange (CSE) for conducting of virtual AGMs.

Registration Procedure

Those Shareholders and Proxy holders, who wish to participate via the Online Meeting Platform, should notify the Company of such intention by completing the attached **Registration of Shareholder Details Form.**

Registration of Shareholder Details Form will also be made available on the website of the Colombo Stock Exchange (https://www.cse.lk/company-profile?symbol=ABAN.N0000). Arrangements will be made for shareholders who wish to participate in the AGM via an online meeting platform, with login information being forwarded to shareholders in advance of the meeting.

In order to enable such facilities, shareholders who wish to participate in the AGM via the online meeting platform are requested to forward us their details, by duly completing the **Annexure 1 – Registration of Shareholder Details Form** by way of emailing it to the Company to the emailing address **aelagm2026@abansgroup.com** or send the duly completed form, by post to reach the Company secretaries, **48 hours prior to the time fixed for the meeting** to the below address;

Varners International (Private) Limited, Level 14, West Tower, World Trade Center, Echelon Square, Colombo 01 or No. 5, Bethesda Place, Colombo 04.

Appointment of Proxy Holders

The shareholders may vote by Proxy through the appointment of a Proxy to present, speak and vote at the meeting on his/her behalf in line with instructions contained herein.

The **Form of Proxy** will also be made available on the corporate website of the Company and the website of the CSE and those shareholders who wish to submit their Form of Proxy should duly complete the same as per the instructions given herein.

The duly completed **Form of Proxy** should be forwarded to the Company by way emailing it to the Company emailing address **aelagm2026@abansgroup.com** or send the duly completed form, by post to reach the Company Secretaries, **Varners International (Private) Limited, Level 14, West Tower, World Trade Center, Echelon Square, Colombo 01, or No. 5, Bethesda Place, Colombo 04, 48 hours prior to the time fixed for the meeting.**

Queries of Shareholders

Shareholders who are unable to participate at the virtual meeting via the designated online meeting platform are invited to forward their suggestions, questions & concerns (if any) relating to items on the agenda, to the following email address **aelagm2026@abansgroup.com** to reach the Company **48 hours prior to the time fixed for the meeting,** the Board will ensure that they are discussed and addressed at the AGM, if relevant.

FORM OF PROXY

I/We * ....

of .... being a shareholder / shareholders of Abans Electricals PLC, hereby

appoint; ....of..

bearing NIC No. / Passport No. .... or failing him/ her*

Mrs. Aban Pestonjee .... of Colombo or failing her

Mrs. Saroshi Dubash .... of Colombo or failing her

Mr. Kumar De Silva ....of Colombo or failing him

Mr. Dinal Mario Rex Phillips .... of Colombo or failing him

Mr. Rajaratnam Selvaskandan .... of Colombo

as my/our proxy to represent me/us on my/our behalf at the forty-fourth Annual General Meeting of the Company to be held on **25th September 2026** at **10.30 a.m.** by means of audio or audio and visual technology, and at any adjournment thereof and at every poll which may be taken in consequence thereof.

	For	Against
1. To receive and adopt the Report of the Directors, the Audited Statement of Accounts of the Company for the year ended 31st March 2026 and Report of the Auditors thereon		
2. To declare first and final dividend of LKR 26/- per share for the year ended 31st March 2026 as recommended by the Directors		
3. To re-elect Mr. Dinal Mario Rex Phillips, a Director of the Company who retires by rotation in terms of Article 89 of the Articles of Association of the Company. The Directors recommend the re-election of Mr. Dinal Mario Rex Phillips, as a Director of the Company.		
4. To re-appoint Mrs. Aban Pestonjee, who is over 70 years of age as a Director of the Company by adopting the ordinary resolution set out in the notice of the meeting		
5. To re-appoint M/S Ernst & Young, Chartered Accountants, as Auditors of the Company and to authorize the Directors to determine their remuneration.		

Signed this .... day of 2026

Signature/s ....

Note:

* Please delete the inappropriate words.

Please refer the instructions to complete the form on the next page.

INSTRUCTIONS ON PROXY

Instructions for Completion of The Proxy Form

1. To be valid, the completed **Form of Proxy** should be deposited at Varners International (Private) Limited, Level 14, West Tower, Echelon Square, Colombo 01 or No. 5, Bethesda Place, Colombo 04 or electronic document with e-signature or scan of the signed document emailed to **aelagm2026@abansgroup.com** with the subject title **Abans Electricals PLC AGM** not less than **48 hours before the time appointed for the holding of the Meeting.**

2. In perfecting the form, please ensure that all details are legible. If you wish to appoint a person other than the Board members as your Proxy, please fill in your full name and address, the name, address and email address of the Proxy holder and sign in the space provided and fill in the date of signature.

3. The instrument appointing a Proxy shall, in the case of an individual, be signed by the appointer or by his Attorney and in the case of a Corporation must be executed under its Common Seal or in such other manner prescribed by its Articles of Association or other constitutional documents.

4. If the Proxy Form is signed by an Attorney, the relevant Power of Attorney or a notarially certified copy thereof, should also accompany the completed **Form of Proxy**, if it has not already been registered with the Company.

5. In the case of joint holders, only one need to be signed. The votes of the senior holder who tenders a vote will alone be counted.

6. In the case of non-resident Shareholders, the stamping will be attended to upon return of the completed **Form of Proxy** to Sri Lanka.

GUIDELINES AND REGISTRATION PROCESS

ABANS ELECTRICALS PLC
Guidelines and Registration Process for the Annual General Meeting (AGM) via Online Meeting Platform

Shareholders/Proxy holders who wish to participate in the Annual General Meeting of ABANS ELECTRICALS PLC to be held via an Online Meeting Platform (Virtual AGM), could do so by using a smart phone or a desktop computer.

If a Shareholder/Proxy holder intends to join the Virtual AGM via a smart device, it is necessary for him/her to download the **"Zoom Mobile App"** onto his /her smart device.

Similarly, if a Shareholder/Proxy holder wishes to attend the Virtual AGM via a Laptop/Desktop computer, the link can be opened by downloading the **"Zoom Desktop App"** to the respective Laptop/Desktop computer (compatible web browser: **Google Chrome**).

01. Shareholders who wish to participate in the Virtual AGM of ABANS ELECTRICALS PLC either by themselves or through their Proxies are requested to forward their details to the Company Secretaries as per the attached **REGISTRATION FORM**.

02. The duly completed and signed **REGISTRATION FORM** should be delivered to the Company Secretaries, Varners International (Private) Limited, Level 14, West Tower, Echelon Square, Colombo 01 or No. 5, Bethesda Place, Colombo 04 / E-mail address **aelagm2026@abansgroup.com** to be received by the Secretaries by 10.30 a.m. on or before **23rd September 2026.** If participation in the meeting through a Proxy, the duly completed and signed **FORM OF PROXY** should accompany the **REGISTRATION FORM**.

    Note:

    If a Proxy is appointed, the information set out in the **REGISTRATION FORM** pertaining to the Proxy holder should tally with the information indicated in the duly completed **FORM OF PROXY** submitted by the Shareholder.

03. The Company will verify all registration requests and identification details received as aforesaid, against the details of Shareholders set out in the Shareholders' Register and accept the registrations for the Virtual AGM if it is satisfied with the request and supporting documents (if any).

    Shareholders whose registration requests are accepted will receive an email confirmation from the Company acknowledging the acceptance of their request.

04. The Shareholders whose registration requests have been accepted will receive a further email from the Company 24 hours prior to the commencement of the AGM. This email will provide a web link for online registration referred to as "**Virtual AGM Registration"**. If the Shareholder has appointed a valid Proxy this email will be forwarded to the relevant Proxy holder.

05. (i) The Shareholders/Proxy holders are requested to use the web link, which will be forwarded by the Company as referred to in 4 above and click on the **"Virtual AGM Registration"** in order to complete online registration for the Virtual AGM.

    (ii) On clicking the link **"Virtual AGM Registration"**, Shareholders/Proxy holders will be redirected to an interface where they will be requested to enter their **first name, last name, email address,** re-enter **email address and NIC No./Passport No. / Co. Reg. No** (In entering these details the participants are required to ensure that correct details as included in the **REGISTRATION FORM** referred to in 2 above are entered in the said online registration process, since any mismatch will be considered as an unsuccessful login)

    (iii) After successful completion of entering of the details as referred to in 5 (ii) above, the participants are requested to click on **"REGISTER"** which will be prompted on their screens enabling them to receive the meeting link.

06. The Shareholders who successfully complete their online registration as set out in 5 above, will receive the login link for participation in the meeting referred to as **"Click here to Join the Virtual Meeting"** and credentials.

07. In order to join the Virtual AGM, participants are required to click on **"Click here to Join the Virtual Meeting"**. In some instances, the system call for the credentials and if that is required, please enter the credentials to gain access to the Virtual AGM.

08. On completion of this process, you will be directed to the Virtual AGM Zoom Platform, where you can participate in the Virtual AGM.

It is recommended that the Shareholders/Proxy holders complete the process outlined in 5, 6, 7 and 8 above and join the AGM at least ten (10) minutes before the start of the AGM. The Online Meeting Platform will be active thirty (30) minutes before the time appointed for the commencement of the meeting.

09. Shareholders/Proxy holders may use the **Q & A** tab or the **Hand Raise** (✋) icon appearing on the screen respectively, to submit their questions or concerns in typed format or verbally. The system will allow a pop-up message to **unmute the microphones and to allow video options**.

10. After completion of the process outlined in 7 above in respect of all eligible Shareholders and Proxy holders, the Company will forward a separate email to the Shareholders/Proxy holders or representatives (as applicable) who are entitled to vote, providing a separate link to vote on all resolutions included in the Notice of Annual General Meeting (AGM) dated **25^{th} September 2026.**

11. Shareholders/Proxy holders who intend participating in the meeting are requested to open the said link and be prepared to cast their vote when each resolution is taken up for voting by the Chairman. Participants are advised to **"REFRESH"** the voting page and cast the vote as per their discretion in the given space and click **"SUBMIT"** enabling the Company to receive the responses.

12. When declaring the voting on a resolution, Chairman will take into account the voting of the Shareholders/ Proxy holders participating virtually.

13. **60 seconds** will be allocated for Shareholders/ Proxy holders to cast their vote in respect of each resolution.

14. The results will be processed and announced by the Chairman **30 seconds** after the end of the time slot allocated for voting.

15. In a situation where a Poll is demanded and Shareholders are required to vote on the Poll, a mechanism similar to that referred to for voting, will be applicable. This will be moderated by the Chairman of the meeting.

It is advised to check the online AGM access at least 3 hours prior and also ensure that your devices have an audible sound system so that you could participate in the AGM comfortably.

Note:

1. Shareholders are requested to provide their email address in the space provided in order to forward the Virtual AGM Zoom link & necessary instruction, if they wish to attend the AGM through the online platform.

2. In case of a Company/Corporation, the Shareholder Details Form must be under its Common Seal which should be affixed and attested in the manner prescribed by its Articles of Association.

3. In case of a Power of Attorney, the Shareholder Details Form signed by the Power of Attorney must be deposited at the Registered Office of the Company for registration.

All documents relating to the AGM must be forwarded to the Company Secretaries by post, **Varners International (Private) Limited, Level 14, West Tower, Echelon Square, Colombo 01 or No. 5, Bethesda Place, Colombo 04** or by way emailing it to the Company emailing address **aelagm2026@abansgroup.com 48 hours prior to the time fixed for the meeting.**

The Notice of meeting, Form of Proxy, and other related documents will also made available on the website of the Colombo Stock Exchange (https://www.cse.lk/home/market). The Company will endeavour to dispatch the aforementioned documents by ordinary post to the shareholders in due course.

Documents Attached

The following documents are attached to this circular to shareholders:

- Notice of Meeting
- Form of Proxy
- Circular to Shareholders giving Guidelines & Registration Process for the Annual General Meeting
- Online Meeting Registration Form

By Order of the Board of ABANS ELECTRICALS PLC

Varners International (Private) Limited

Company Secretaries

Level 14, West Tower, World Trade Center,

Echelon Square, Colombo 01.

31st August 2026

Annexure 01

ONLINE MEETING REGISTRATION FORM

ABANS ELECTRICALS PLC
Annual General Meeting 2026
Registration of Shareholder Details for Online Virtual Meeting

To: (Company Name & Address)

01. Full Name of the Shareholder: ....

....

02. Shareholder's Address: ....

....

03. Shareholder's NIC No. / Passport No. / Co. Reg No.: ....

04. Shareholder's Contact No.: (Residence) .... (Mobile) ....

05. Name of the Proxy Holder: ....

06. Proxy Holder's NIC No. / Passport No. / Co. Reg. No.: ....

07. Proxy Holder's Contact No.: (Residence) .... (Mobile) ....

08. Shareholder's/ Proxy holder's E-mail: ....

09. Participation at the AGM via an online platform: YES /NO

10. Name of Joint Holder/s (If any): (i) ....

(ii) ....

11. National Identity Card Number/s of Joint Holder/s: (i) ....

(ii) ....

....	....	....
Shareholder's signature	1st Joint holder's signature	2nd Joint holder's signature
Date:	Date	Date:

Notes

CORPORATE INFORMATION

Name of the Company
Abans Electricals PLC

Legal Form
Public Quoted Company

Company Incorporation
Incorporated in Sri Lanka under the Companies Ordinance No. 51 of 1938 (Chapter 145 of the Legislative Enactment of Sri Lanka 1956 Revised Edition) as a Private Liability Company on 25th November 1981.

Registration No
PQ 188 (Former Registration No. PVS 7974)
The Company was re-registered in accordance with Companies Act No. 7 of 2007 on 18th August 2008.

Stock Exchange Listing
Ordinary Shares of the Company were listed with Colombo Stock Exchange on 7th March 1983.

Registered Office
No.498, Galle Road, Colombo 03, Sri Lanka.

Website
www.abansgroup.com

Directorate
Mrs. A. Pestonjee (Chairperson)
Mrs. Saroshi Dubash
Mr. Kumar De Silva
Mr. D. M. R. Phillips
Mr. R. Selvaskandan

Lawyers
Varners,
Level 14, West Tower, World Trade Centre, Echelon Square, Colombo 01, Sri Lanka.

Bankers
Hatton National Bank PLC
People's Bank
Bank of Ceylon
Sampath Bank PLC
Hongkong and Shanghai Banking Corporation Limited
Seylan Bank PLC
Union Bank of Colombo PLC
Commercial Bank of Ceylon PLC
DFCC Bank PLC
Nations Trust Bank PLC
National Development Bank PLC
Pan Asia Banking Corporation PLC

Auditors
Ernst & Young, Chartered Accountants,
Rotunda Towers, No.109, Galle Road, P. O. Box 101, Colombo 03, Sri Lanka.

Secretaries
Varners International (Pvt) Ltd,
Level 14, West Tower, World Trade Centre, Echelon Square, Colombo 01, Sri Lanka.

Telephone No
011-201 9244 / 49

This Annual Report is conceptualised, designed and produced by ABS GDH

GARDNER DIXON HALL INTERNATIONAL
ABANS GROUP AFFILIATE

Abans

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